

Tax Bulletin

Utah State Tax Commission • 210 N 1950 W • SLC, UT 84134

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Tax Bulletin 09-20

Effective: January 1, 2021

Re: Prepaid Disposable Cell Phone Tax Rate Increase

The 2020 Utah Legislature passed SB 225, imposing a 1.2 percent tax on sales of prepaid wireless telecom service. Combined with the existing 3.7 percent 911 service charge, the total tax rate on sales of prepaid disposable cell phones will increase to 4.9 percent.

Sellers must separately state the telecom service charge (1.2 percent) and the 911 service charge (3.7 percent) on their customers' receipts.

Filing Requirements

Additionally, sellers of prepaid disposable phones and minutes must report their number of sales when they file their returns.

Report and pay this tax on TC-62W, *Miscellaneous Sales Taxes, Fees and Charges Return*. Start paying the new rates with the following periods:

- January 2021 (monthly filers)
- Jan-Mar 2021 (quarterly filers)
- Jan-Dec 2021 (annual filers)

QUESTIONS...

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