

**ARKANSAS SENATE**  
83rd General Assembly - Regular Session, 2001  
**Amendment Form**

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**Subtitle of Senate Bill No. 309**

"AN ACT TO ALLOW THE DIRECTOR OF THE DEPARTMENT OF FINANCE AND  
ADMINISTRATION TO IMPLEMENT THE MOBILE TELECOMMUNICATIONS  
SOURCING ACT."

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**Amendment No. 1 to Senate Bill No. 309.**

Amend Senate Bill No. 309 as originally introduced:

Amend Senate Bill 309 as originally introduced by:

Page 1, delete lines 10 through 19, and substitute the following: "AN ACT TO ADOPT THE MOBILE TELECOMMUNICATIONS SOURCING ACT; TO PROVIDE THAT LONG DISTANCE MESSAGES WHICH ORIGINATE AND TERMINATE OUTSIDE THIS STATE MADE BY MOBILE TELECOMMUNICATIONS SERVICES ARE SUBJECT TO GROSS RECEIPTS TAX TO THE EXTENT ALLOWED BY THE MOBILE TELECOMMUNICATIONS SOURCING ACT; AND FOR OTHER PURPOSES."

AND

Page 1, delete lines 23 through 26, and substitute the following: "AN ACT TO ADOPT AND IMPLEMENT THE MOBILE TELECOMMUNICATIONS SOURCING ACT."

AND

Page 1, delete lines 31 through 34, and substitute the following: "SECTION 1. In order to assign the place of primary use for mobile telecommunications services pursuant to the Mobile Telecommunications Sourcing Act, Public Law 106-252, the Director of the Department of Finance and Administration may choose whether to furnish vendors"

AND

Page 2, lines 24 and 25, delete "cellular or other wireless phone service which are billed to" and substitute "mobile telecommunications service which are charged to a customer who maintains"

AND

Page 3, beginning on line 11 add the following:

“(vi)(a) The Mobile Telecommunications Sourcing Act, Public Law 106-252, as in effect on January 1, 2001, is adopted in its entirety. All charges for mobile telecommunications services are deemed to be provided by the customer’s home service provider and sourced to the customer’s place of primary use and shall be subject to gross receipts tax based upon the customer’s place of primary use as determined by the Mobile Telecommunications Sourcing Act, Public Law 106-252.

(b)(1) Any customer who alleges that an amount of tax, charge or fee, or that the assignment of the place of primary use or taxing jurisdiction included on a billing is erroneous, the customer shall notify the home service provider in writing. The customer must include the street address for the customer’s place of primary use, the account name and number for which the correction of tax assignment is sought, a description of the alleged error and any other information requested by the home service provider necessary to process the request.

(2) The home service provider shall conduct a review of its records and the electronic database or enhanced zip code used to determine the place of primary use within sixty (60) days of receiving the notice from its customer. If it is determined that the amount of tax, charge or fee, or that the assignment of the place of primary use or taxing jurisdiction is in error, the home service provider shall correct the error and refund or credit the amount of tax, charge or fee erroneously collected from the customer for a period of up to three years. If it is determined that the amount of tax, charge or fee, or assignment of the place of primary use or taxing jurisdiction is correct, the home service provider shall provide a written explanation to the customer.

(3) A customer seeking correction of assignment of place of primary use or taxing jurisdiction, or a refund or credit of taxes, charges or fees erroneously collected by the home service provider must seek to have the error corrected pursuant to these provisions in (3)(a)(vi)(b) of this section before any cause of action arises as a result of such error.

SECTION 3. Effective August 1, 2002, Arkansas Code 12-10-318(b)(1) concerning the 911 emergency telephone service charge is amended to read as follows:

(b)(1)(A) There is hereby levied a commercial mobile radio service emergency telephone service charge in an amount of fifty cents (50¢) per month per commercial mobile radio service connection that has a billing address within the State of Arkansas or with respect to which the mobile identification number for the commercial mobile radio service connection contains an area code assigned to Arkansas by the North American Numbering Plan Administrator.

(B) The fees collected by commercial mobile radio service providers shall be remitted to the CMRS Emergency Telephone Services Board described in subdivision (b)(2) of this section within sixty (60) days after the end of the month in which the fees are collected.

(C) The funds collected pursuant to this subdivision (b)(1) shall not be deemed revenues of the state and shall not be subject to appropriation by the General Assembly.

(D) The fee levied in subdivision (b)(1)(A) of this section and collected by CMRS providers, who provide mobile telecommunications services, as defined by the Mobile Telecommunications Sourcing Act, Public Law

106-252 as in effect on January 1, 2001, shall be collected pursuant to the Mobile Telecommunications Sourcing Act.

SECTION 4. Effective August 1, 2002, Arkansas Code 23-17-404(b), concerning the Arkansas Universal Service Fund charge is amended to read as follows:

(b)(1) The Arkansas Universal Service Fund is to provide a mechanism to restructure the present system of telecommunication service rates in the state as provided herein, and all telecommunications providers, except as prohibited by federal law, shall be charged for the direct and indirect value inherent in the obtaining and preserving of reasonable and comparable access to telecommunications services in the rural or high cost areas. The value and utility of access to and interconnection with the public switched network will be lessened if the rural or high cost areas do not have comparable access and subscribership.

(2)(A) This AUSF charge for all telecommunications providers shall be proportionate to each provider's Arkansas intrastate retail telecommunications service revenues.

(B) Because customers of the telecommunications providers that would pay the AUSF charge receive the benefits of a universal network, the telecommunications providers may surcharge their customers to recover the AUSF charges paid by the telecommunications provider. Therefore, the AUSF charge is not a tax, and is not affected by state laws governing taxation.

(C) For the purpose of assessing mobile telecommunications services, the administrator shall continue to assess only Arkansas intrastate retail telecommunications service revenues and only to the extent such revenues may be considered located in the state of Arkansas in accordance with the Mobile Telecommunications Sourcing Act, Public Law 106-252.

**The Amendment was read the first time, rules suspended and read the second time and \_\_\_\_\_**

**By: Senator Hill**

**LH/MHF**

**MHF777**

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**Secretary**