

**ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017**  
**COMMITTEE STATEMENT**  
**LB157**

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**Hearing Date:** Monday February 13, 2017  
**Committee On:** Transportation and Telecommunications  
**Introducer:** Friesen  
**One Liner:** Change the prepaid wireless surcharge determination and duties of sellers and the Department of Revenue under the Prepaid Wireless Surcharge Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

<b>Aye:</b>	5	Senators Briese, Friesen, Hughes, Murante, Smith
<b>Nay:</b>	3	Senators Bostelman, Geist, Hilgers
<b>Absent:</b>		
<b>Present Not Voting:</b>		

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**Verbal Testimony:**

**Proponents:**

Senator Curt Friesen  
Katie Spohn  
Kathy Siefken

**Representing:**

District 34  
Tracfone  
Nebraska Grocery Industry Association

**Opponents:**

Eric Carstenson

**Representing:**

Nebraska Telecommunications Association

**Neutral:**

Tim Schram

**Representing:**

Nebraska Public Service Commission

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**Summary of purpose and/or changes:**

LB 157 proposes to amend the provisions of the Nebraska Prepaid Wireless Surcharge Act.

The Prepaid Wireless Surcharge Act establishes a mechanism by which two surcharges administered by the Nebraska Public Service Commission (PSC), the Wireless E-911 Surcharge and the Telecommunications Relay System surcharge, are collected and remitted to the PSC.

The prepaid model of collection requires that relevant surcharges are to be assessed by the retailer selling the service at retail and then remitting surcharges collected to the Department of Revenue. The Department of Revenue has established registration and payment procedures that mirror sales tax collection procedure. The Department of Revenue transfers funds due to the PSC to the State Treasurer for credit to the appropriate funds administered by the PSC.

Unlike the Wireless E-911 surcharge and the Wireless Telecommunications Relay Surcharge the Nebraska Universal Service Fund Surcharge is collected by wireless prepaid carriers is collected under a post-pay remittance model. Under that model the carrier directly assesses the retail customer for the NUSF surcharge and the carrier then directly remits the surcharge collected to the PSC.

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LB 157 proposes that the NUSF surcharge due from the sellers of prepaid wireless services shall be collected using the procedure established pursuant to the Nebraska Prepaid Wireless Surcharge Act. The PSC retains NUSF audit authority over prepaid wireless carriers.

The bill also amends the following provisions of the Prepaid Wireless Surcharge Act.

The Department of Revenue is to provide to the PSC prepaid wireless surcharge calculation and collection data when requested.

The remittance obligation of retailers are modified. Currently all retailers are obligated to remit to the Department of Revenue on a monthly basis. LB 157 provides that retailers who in the previous year collected less than \$1000 prepaid surcharge revenue the previous year may elect to remit to the Department of Revenue on an annual basis.

The fee that the Department of Revenue is authorized to retain from the collection of prepaid wireless surcharge remittances is reduced from two percent to one half of one percent.

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Curt Friesen, Chairperson