



# California Public Utilities Commission

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**FOR IMMEDIATE RELEASE**

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**PRESS RELEASE**

Docket #: Res T-17504

## **CPUC REMINDS OF NEW PREPAID MOBILE SURCHARGE COMING JANUARY 2016**

SAN FRANCISCO, December 17, 2015 - The California Public Utilities Commission (CPUC) reminds consumers and businesses that starting January 1, 2016, a new prepaid Mobile Telephony Service (MTS) surcharge must be assessed on prepaid wireless telephone services and must be disclosed at the time of sale.

Assembly Bill 1717 (Chapter 885, Statutes 2014, Perea) created the Prepaid Mobile Telephony Services Surcharge Collection Act. The Act aggregates the surcharges, taxes, and fees assessed on telephone services to create the new prepaid MTS surcharge that is required to only be imposed on prepaid wireless telephone services in lieu of the individual fees.

On November 19, 2015, the CPUC adopted its new prepaid MTS surcharge and fee rates as required by the Act. The CPUC also made clear that prepaid wireless telephone service providers must disclose the prepaid MTS surcharge to customers, notify their customers of the impending MTS surcharge on or before December 1, 2015, and post information regarding the MTS surcharges on their websites.

The new prepaid MTS surcharge rate in effect January 1, 2016, is 9.26 percent plus any applicable local charges. The 9.26 percent surcharge rate is comprised of the CPUC's Public Purpose Program surcharges and user fee (8.51 percent) and the Office of Emergency Services' Prepaid 911 surcharge (0.75 percent). Applicable local charges include Utility User Taxes (UUT). The surcharge rates for each city/county are posted online by the Board of Equalization ([www.boe.ca.gov/sutax/mts.htm](http://www.boe.ca.gov/sutax/mts.htm)).

The Prepaid Mobile Telephony Services Surcharge Collection Act remains in effect until January 1,



2020.

Additional information about the new prepaid MTS surcharge is available at [www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/ab1717.htm](http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/ab1717.htm).

For more information about the CPUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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