

FREQUENTLY ASKED QUESTIONS:
911 SERVICE CHARGE FOR PREPAID WIRELESS TELECOMMUNICATIONS
SERVICE

1. What is the 911 service charge?

The 911 service charge is imposed on each prepaid wireless telecommunications service retail transaction occurring in North Carolina.

2. What is a prepaid wireless telecommunications service?

A prepaid wireless telecommunications service is a wireless telecommunications service that allows a caller to dial 911 to access the 911 system, which service must be paid for in advance and is sold in predetermined units or dollars of which the number declines with use in a known amount. For purposes of the term “prepaid wireless telecommunications service,” **the term “predetermined unit” includes, but is not limited to, units measured by dollars, events, time, or combinations thereof.** Units of time include minutes, hours, days, weeks, or months. One or more units measured by time will be considered to decline with use in a known amount if such unit or units declines according to a predetermined basis.

3. What are examples of prepaid wireless telecommunications service?

- A prepaid wireless phones that includes minutes
- A recharge of a prepaid wireless phone account, card, or phone
- A prepaid wireless phone card with minutes
- A prepaid wireless phone card with unlimited minutes

4. Is a long distance calling card an example of a prepaid wireless telecommunications service?

No. A long distance calling card is not prepaid wireless telecommunications service and is not subject to the 911 service charge on prepaid telecommunications service.

5. What is the amount of the 911 service charge?

The current 911 service charge is fifty-five cents (55¢) on each retail transaction of prepaid wireless telecommunications service occurring in the State.

6. Who sets the amount of the 911 service charge?

The North Carolina 911 Board sets the service charge for prepaid wireless telecommunications service at the same rate as the monthly service charge for non-prepaid service. A change in the rate becomes effective only on July 1. The Board must notify the Department at least 90 days before a change is effective.

7. How will the Department notify sellers of a change in the amount of the 911 service charge?

The Department must provide notice of a change in the service charge for prepaid wireless telecommunications service at least 45 days before the change becomes effective. The Department is required to provide such notice of change on the Department's website.

8. How do I stay informed about changes?

Subscribe to E-Alerts at <https://www.ncdor.gov/contact-us/e-alerts>. Emails through this list will include bulletins, directives, and other important notices about law changes and related tax matters. The email list is a convenient way to receive information.

9. Am I required to collect the 911 service charge?

You are required to collect the 911 service charge if you sell prepaid wireless telecommunications service at retail in North Carolina.

10. How do I register to report and pay the 911 service charge?

You must register with the Department using the **web-fill** Form NC-BR, Business Registration Application for Income Tax Withholding, Sales and Use Tax, and Other Taxes and Service Charge, located on the Department's [Registration Applications](#) web page. You cannot register online at this time.

11. How do I report and pay the 911 service charges collected on retail transactions to the Department of Revenue?

You must file and make payment on Form E-500L, 911 Service Charge Prepaid Wireless Telecommunications Return.

12. When is my E-500L and payment due to the Department?

You must file the return and payment based on your assigned filing frequency.

Monthly – If your filing frequency is monthly, you must file a return and pay every month. Your return is due on the 20th day of the following month. *Example: Your return for July 2023 is due on August 20, 2023.*

Semiannually – If your filing frequency is semiannual, you must file a return and pay by July 20th for the first six months of the calendar year and by January 20th for the second six months of the previous calendar year. *Example: The return for July 1 – December 31, 2023 is due on January 20th, 2024.*

13. Do I have to collect the 911 Service Charge on each retail sale of prepaid wireless telecommunication service?

Yes. You must collect the 911 Service Charge on each retail sale of prepaid wireless telecommunications in North Carolina.

Example 1: A retail sale of three separately-packaged prepaid wireless phone cards by a retailer to one customer is subject to the fifty-five cents (55¢) 911 service charge per card for total 911 service charges of one dollar and sixty-five cents (\$1.65).

Example 2: A retail sale of a single package/item that includes three prepaid wireless phone cards for one total amount by a seller to a customer is subject to one fifty-five cents (55¢) 911 service charge.

14. Is a wholesale sale of a prepaid wireless telecommunications service subject to the 911 service charge?

No. A purchaser of prepaid wireless telecommunications service at wholesale must provide Form E-595E, Streamlined Sales and Use Tax Agreement Certificate of Exemption, or the required data elements electronically, to the seller at the time of the purchase as a seller's authority not to charge the 911 service charge.

15. Is the 911 service charge in addition to sales tax on prepaid wireless calling service?

Yes. The 911 service charge is due in addition to any State, applicable local, and applicable transit rates of sales and use tax on the sale or recharge of a prepaid wireless calling service. The 911 service charge must be separately stated on an invoice, receipt, or other reasonable notification provided to the consumer by the seller at the time of the retail transaction.

16. If a seller collects sales tax on the retail sale or recharge of prepaid telephone calling service, is the seller required to collect the 911 service charge on the same retail sale of a prepaid calling service that is not a prepaid wireless calling service?

No. The retail sale or recharge of a prepaid calling service that **is not** a prepaid wireless telecommunications service is not subject to the 911 service charge for prepaid wireless telecommunications.

17. Where can I find Form E-500L, 911 Service Charge Prepaid Wireless Telecommunications Return?

You can find Form E-500L on the Department's website, ncdor.gov. To request a paper copy of Form E-500L, call the Department at 1-877-252-3052 (toll-free).

18. Will the Department mail Form E-500L to sellers that register to collect and remit the 911 service charge?

The Department will mail paper forms and coupon booklets to each registered seller. You can also find Form E-500L on the Department's website, www.ncdor.gov. To request a paper copy of Form E-500L, call the Department at 1-877-252-3052 (toll-free).

19. Is a seller allowed to deduct an administrative allowance from the 911 service charges collected before remittance to the Department?

Yes. A seller may deduct and keep an administrative allowance of five percent (5.00%) from the 911 service charges it collects from consumers and remits to the Department.

20. Where should I mail Form E-500L and payment?

You should mail the form and payments to the North Carolina Department of Revenue, PO Box 25000, Raleigh, NC 27640-0700.

21. What should I do if I file Form E-500L after the due date?

You will need to add penalty and interest to your return. The following penalties will apply:

- If you file after the due date, add the **failure to file return penalty** of 5% per month of the 911 service charge shown on Line 5 for each month, or fraction thereof, that the return is filed late. The maximum failure to file return penalty is 25% of the 911 service charge due.
- If you pay after the due date, add the **failure to pay when due penalty** of 5% of the 911 service charge amount shown on Line 5.
- If you pay after the due date, add interest. You will owe interest from the due date until paid. The current and past interest rates are found at <https://www.ncdor.gov/taxes-forms/interest-rate>.

Contact the Department at 1-877-252-3052 (toll-free) if you have questions regarding these frequently asked questions.