Illinois Department of Revenue

FY 2025-05
September 2024

informational Bulletin

David Harris, Director

Prepaid Wireless E911 Surcharge Rate Change, Effective November 1, 2024

To: All retailers and service persons filing Form ST-1, Sales and Use Tax and E911 Surcharge Return, and making sales of prepaid wireless telecommunications service in the city of Chicago

This bulletin supersedes in part FY 2025-02 (N-08/24).

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

For information
Visit our website at:
tax.illinois.gov

Call us at:
1 800 732-8866 or
217 782-3336
1 800 544-5304 TTY

Email us at:
REV.TA-Sales@illinois.gov

Effective **November 1, 2024**, the Prepaid Wireless E911 Surcharge rate imposed in the city of Chicago on sales of prepaid wireless telecommunications service will increase from **zero percent** (.00) to **9 percent** (.09). This rate change is a result of an amendment to the Prepaid Wireless 9-1-1 Surcharge Act (50 ILCS 753/15) to reestablish Chicago's authority to impose a nine-percent Prepaid Wireless E911 Surcharge rate for Chicago transactions. See Public Act 103-781.

You must adjust your cash register and any computer program so that, effective November 1, 2024, you will collect and pay the correct surcharge. If you use software to electronically file or create your forms, you need to ensure that the E911 surcharge rates are correct in your software. Please contact your software provider for software-related questions.

Why does the Prepaid Wireless E911 Surcharge rate change for Chicago take effect after the effective date shown in the Prepaid Wireless 9-1-1 Surcharge Act?

As noted above, P.A. 103-781 amended the Prepaid Wireless 9-1-1 Surcharge Act to reestablish Chicago's authority to impose a nine-percent Chicago E911 surcharge rate. 50 ILCS 753/15(a-5). The Act provides, however, that any change in the rate of the Chicago-imposed surcharge shall take effect on the first day of the first calendar month to occur at least 60 days after the enactment of the change. P.A. 103-781 was signed into law on August 5, 2024, so the nine-percent rate takes effect on November 1, 2024.

continued on next page

FY 2025-05 (N-09/24)
Printed by authority of the state of Illinois
Web only, One copy

What is the Prepaid Wireless E911 Surcharge?

The Prepaid Wireless E911 Surcharge is a charge imposed on the consumer, to be collected by the seller, when a retail transaction takes place that includes prepaid wireless telecommunications service.

IMPORTANT: The E911 Surcharge rate is only applied to the receipts from prepaid wireless telecommunications service sales. Other tangible personal property sold in the same transaction, such as batteries or electronic games, are not subject to the surcharge.

If you sell services subject to the E911 Surcharge that are bundled with other tangible personal property, but you do not separate those services from the other items on the receipt or invoice, or if you do not otherwise document the separation in your records, the entire sale is subject to the E911 Surcharge. Retailers must disclose the surcharge by separately stating the figure on the receipt or invoice or through other documentation. Retailers' records must clearly identify the surcharge for retail transactions.

What is prepaid wireless telecommunications service?

Prepaid wireless telecommunications service is service for which the consumer must pay in advance and is sold in predetermined units or dollars. As the predetermined units are used, the amount remaining available for use declines in a known amount. Examples include prepaid calling cards and minutes added to "pay-as-you-go" phones.

How do I report sales subject to different surcharge rates?

If you have receipts from sales of prepaid wireless telecommunications service subject to both the new, November 1st surcharge rate in Chicago and the Chicago surcharge rate in effect prior to November 1st (*e.g.*, quarterly or annual filers of Form ST-1), you must report any sales at the prior rate using Line 3a of Schedule B on Form ST-1. Sales at the surcharge rate in effect November 1st are reported on Line 2a of Schedule B.

Note: *Only* use Line 3a of Schedule B when you need to report sales subject to a surcharge rate that is different than the rate in effect at the time you file your return. We do *not* permit use of Line 3a for any other purpose.

Did the Prepaid Wireless E911 Surcharge rate change outside of Chicago?

No. The E911 Surcharge rate outside the city of Chicago remains at 3 percent (.03).

Is the Prepaid Wireless E911 Surcharge rate change for Chicago permanent?

No. Absent changes in future legislation, the E911 Surcharge rate for the city of Chicago shall remain at 9 percent (.09) only until July 1, 2029.

Where can I verify the Sales and Use Tax and Prepaid Wireless E911 Surcharge rate I should be collecting?

Use the Other Miscellaneous Taxes, Fees, and Surcharges page in our Tax Rate Database on our website at **tax.illinois.gov** to look up location specific tax and surcharge rates. If you file electronically using MyTax Illinois, the rates will be populated for you according to your registration.