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Wireless Communication Bill Wins House OK **HB 355 Conforms State Law with Federal Cell Phone Tax Codes**

(JUNEAU) – The House on Monday passed [House Bill 355](#), a bill that allows the state to tax wireless telecommunications services at the rate in effect at the user’s home or other place of primary use.

Sponsored by the House Labor and Commerce Committee, HB 355 would ensure the state meets the Aug. 1, 2002 deadline for states to comply with the federal Mobile Telecommunications Sourcing Act of 2000, requiring clarification of what jurisdictions are responsible for taxing wireless services such as cell phones or pagers, said Rep. Lisa Murkowski (R-Anchorage) chair of the committee.

“Without clear, national rules for determining which jurisdiction is permitted to tax the call, the possibility exists that the same call could be subject to taxation in multiple jurisdictions, or that a call might escape taxation altogether,” Murkowski said.

The bill states that mobile telecommunications services are subject to taxation in the user’s “place of primary use,” most often, their home. The bill would also prevent multiple taxation of such services, and allow the state to appropriately tax wireless telecommunications services, she said.

“I have a cell phone that was issued to me from a provider in Anchorage, but I’m using it down here in Juneau during the session,” she said. “Which jurisdiction has the authority to tax me? This clarifies that the taxing authority lies where your primary place of use is; which in my case would be my home, Anchorage.”

By passing the law before the Aug. 1 deadline, the state will retain the ability to collect taxes for “roaming” calls, made when a customer uses wireless equipment outside the state where the customer’s primary use occurs.

HB 355 moves next to the Senate for consideration.

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