



132nd MAINE LEGISLATURE

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No. 1056

H.P. 685

House of Representatives, March 14, 2025

**An Act to Clarify the Tax Treatment of Prepaid Wireless
Telecommunications Service in Maine**

Received by the Clerk of the House on March 12, 2025. Referred to the Committee on Energy, Utilities and Technology pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative CROCKETT of Portland.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §1752, sub-§8-B**, as amended by PL 2003, c. 673, Pt. V, §14
3 and affected by §29, is further amended to read:

4 **8-B. Prepaid calling service.** "Prepaid calling service" means the right to access
5 exclusively telecommunications services that must be paid for in advance that enables the
6 origination of calls using an access number or authorization code or both, whether manually
7 or electronically dialed, and that is sold in predetermined units or dollars, the number of
8 which declines with use in a known amount. "Prepaid calling service" includes a prepaid
9 wireless telecommunications service. The sale or recharge of the service is considered a
10 sale within the State if the transfer for consideration takes place at the vendor's place of
11 business in the State. If the sale or recharge of prepaid calling service does not take place
12 at the vendor's place of business, the sale or recharge is deemed to take place at the
13 customer's shipping address, or if there is no item shipped, at the customer's billing address
14 or the location associated with the customer's mobile telephone number. The sale of the
15 service is deemed to occur on the date of the transfer for consideration of the service.

16 **Sec. 2. 36 MRSA §1752, sub-§8-E** is enacted to read:

17 **8-E. Prepaid wireless telecommunications service.** "Prepaid wireless
18 telecommunications service" means a cellular or wireless telecommunications service that
19 must be paid for in advance and is sold in predetermined units or dollars, the number of
20 which declines with use in a known amount.

21 **Sec. 3. 36 MRSA §2551, sub-§9**, as enacted by PL 2003, c. 673, Pt. V, §25 and
22 affected by §29, is amended to read:

23 **9. Prepaid calling service.** ~~"Prepaid calling service" means the right to access~~
24 ~~exclusively telecommunications services that must be paid for in advance and that enables~~
25 ~~the origination of calls using an access number or authorization code or both, whether~~
26 ~~manually or electronically dialed, and that is sold in predetermined units or dollars, the~~
27 ~~number of which declines with use in a known amount~~ has the same meaning as in section
28 1752, subsection 8-B.

29 **Sec. 4. Retroactivity.** This Act applies retroactively to sales occurring on or after
30 July 1, 2022, except that a service provider tax paid on a prepaid wireless
31 telecommunications service, as defined in the Maine Revised Statutes, Title 36, section
32 1752, subsection 8-E, prior to the effective date of this Act is not eligible to be refunded or
33 credited based on the exemption from the service provider tax of prepaid wireless
34 telecommunications services under this Act.

35 **SUMMARY**

36 This bill clarifies that prepaid wireless telecommunications services are subject to
37 Maine's sales tax. It also provides that prepaid wireless telecommunications services are
38 not subject to Maine's service provider tax. The bill applies retroactively to sales occurring
39 on or after July 1, 2022, but provides that a tax paid on a prepaid wireless
40 telecommunications service prior to the effective date of the bill is not eligible to be
41 refunded or credited based on the exemption from the service provider tax of prepaid
42 wireless telecommunications services under the bill.