

CHAPTER 8. 911 EMERGENCY COMMUNICATIONS TAX

The Oregon 911 Emergency Communication Tax is imposed on each paying subscriber who has telecommunication services with access to the 911 emergency reporting system. The tax is applied to each line. For cellular, wireless, or other radio common carrier, the tax is applied per device.

The tax was enacted in 1981 to help local governments pay for establishing, operating, or improving a 911 emergency reporting system. Originally, the tax was 3 percent of the monthly rate charged for basic exchange access services. In 1991, that rate was increased to 5 percent. Since October 1, 1995 the rate has been 75 cents per line per month and applies to all forms of wired and wireless telecommunications services. The tax is paid quarterly by the telecommunication utilities and service providers, who collect the tax from phone subscribers on their monthly billings. Under current law, the tax will sunset at the end of 2013.

Telephone exchange tax revenue is forecast to be \$80.8 million for the 2007–09 biennium and \$89.1 million for the 2009–11 biennium. Net revenue from the tax is distributed to cities and counties on a per capita basis, to be used for their 911 systems.

8.001 STATE AND LOCAL SUBSCRIBERS

Oregon Statutes: 401.794

Sunset Date: None (The emergency communication tax sunsets 12-31-2013.)

Year Enacted: 1981

	Total
2007–09 Revenue Impact:	\$4,900,000
2009–11 Revenue Impact:	\$5,300,000

DESCRIPTION: State and local governments are exempt from the 911 emergency communications tax. This includes regional housing authorities.

In 2007, the 911 emergency communication tax was extended until December 31, 2013. (HB 2369)

PURPOSE: The statute that allows this expenditure does not explicitly state a purpose. Presumably, the purpose is to avoid reciprocal taxation among public entities; to avoid taxing public services that are funded through the tax.

WHO BENEFITS: State and local governments. There are approximately 260,000 employees in state and local government.

EVALUATION: Not evaluated.

8.002 FEDERAL SUBSCRIBERS

Oregon Statutes: 401.794

Sunset Date: None (The emergency communication tax sunsets 12-31-2013.)

Year Enacted: 1981

	Total
2007–09 Revenue Impact:	\$500,000
2009–11 Revenue Impact:	\$600,000

DESCRIPTION: The federal government is exempt from the 911 emergency communication tax. This includes foreign government offices that are exempt from taxation by treaty provisions with the federal government, as well as certain federally chartered corporations specifically exempt from state income taxes by federal law.

In 2007, the 911 emergency communication tax was extended until December 31, 2013. (HB 2369)

PURPOSE: To comply with federal law.

WHO BENEFITS: The federal government as well as foreign government offices and exempt federally chartered corporations. There are about 30,000 federal employees in Oregon.

EVALUATION: *by the Department of Revenue*

This expenditure achieves its purpose of compliance with federal law.

8.003 INDIAN RESERVATION SUBSCRIBERS

Oregon Statutes: 401.794

Sunset Date: None (The emergency communication tax sunsets 12-31-2013.)

Year Enacted: 1981

	Total
2007–09 Revenue Impact:	\$500,000
2009–11 Revenue Impact:	\$500,000

DESCRIPTION: Tribal members on federally recognized reservations in Oregon are exempt from the 911 emergency communication tax. They must be enrolled members of the tribe located on the reservation.

In 2007, the 911 emergency communication tax was extended until December 31, 2013. (HB 2369)

PURPOSE: To comply with federal law.

WHO BENEFITS: Tribal members on nine federally recognized reservations in Oregon using telephones with access to the 911 service.

EVALUATION: *by the Department of Revenue*

This expenditure achieves its purpose of compliance with federal law.