



## MEMORANDUM

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**TO: Chair Thiele and Members of the Assembly Committee on Local Governments**

**DATE: 04/25/2024**

**FROM: Jake Lestock, Director of State Legislative Affairs**

**RE: Opposition to A.9832**

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### **Oppose A 9832 – No Triple 911 Tax on Wireless Consumers!**

Wireless consumers in New York currently pay as many as nine different taxes, fees, and government surcharges on their wireless service. Assembly Bill 9832 would allow municipalities to add **another new tax on wireless consumers**.

As illustrated below, New York wireless consumers currently pay the fourth highest wireless taxes in the country, with a rate of over 20%.<sup>1</sup>

- State sales tax – **4%**
- Local sales tax – up to **4.25%**
- Metro Commuter Transit District Sales tax – **0.375%**
- School district sales tax – up to **3%**
- State Gross Receipts Tax – **2.9%**
- Municipal Gross Receipts tax – up to **2%**
- Metro Commuter Transit District Gross Receipts tax – **0.72%**
- State 911 Tax – **\$1.20 per line per month**
- County 911 Tax – **\$0.30 per line per month** (higher in six counties)<sup>2</sup>

A.9832 would allow municipalities with their own 911 systems to add another \$0.35 per line per month 911 tax on top of the existing state and county taxes. While other states are modernizing their 911 systems with new technologies that allow for the efficient consolidation of local 911 programs, this legislation would discourage efficiency and consolidation and make some wireless users pay three taxes for the same 911 service.

Only eight other states have higher 911 fees than New York, yet the state continues to lag behind the rest of the country in the deployment of Next-Generation 911. This is because, for years, New York has used the money it collects from the \$1.20 per line tax on wireless users for other non-911 purposes.

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<sup>1</sup> Tax Foundation, November 2023. Available at: <https://taxfoundation.org/wp-content/uploads/2023/11/Excise-Taxes-and-Fees-on-Wireless-Services-Drop-Slightly-in-2023.pdf>

<sup>2</sup> Onondaga - \$0.65 per line; Broome - \$1.30; Tompkins - \$0.75; Madison - \$0.65; Tioga - \$1.00; Albany - \$0.95.

According to the Federal Communications Commission's 2023 report on 911 programs, at least \$320 million was collected in 911 taxes in New York. This is more than any other state except Pennsylvania.<sup>3</sup> Rather than adding a third 911 tax on wireless consumers, New York needs to spend the money it currently collects from telephone users to improve the 911 system.

Enough is enough! Protect wireless consumers. Oppose A 9832.

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<sup>3</sup> FCC Report available here: <https://www.fcc.gov/sites/default/files/15th-annual-911-fee-report-2023.pdf>