

# Did you know ...



## **PREPAID CALLING CARDS** for wireless communications subject to the Universal Service Charge must now be reported on the Sales and Use Tax Return for vendors making sales in Vermont.

### **What is the Universal Service Charge?**

The Universal Service Charge (USC) is imposed on consumers as a means to fund improvements to broadband Internet service in Vermont and to keep it affordable for Vermonters.

### **What has changed?**

Under Act 79 of 2019, sellers of prepaid calling cards for wireless communications must collect the USC of 2.4%. This changes the responsibility of collecting the USC from the telecommunications service provider to the retail seller. If the telecommunications provider is the retail seller, then it must collect and remit the USC. Vermont lawmakers made the change to better conform to federal requirements.

### **When is the law effective?**

The law becomes effective on Jan. 1, 2020. The first filing should be for sales made beginning January 1.

### **How do I file and pay the USC?**

Sellers must file and pay the USC online to the Department of Taxes at [myVTax.vermont.gov](https://myVTax.vermont.gov) at the same frequency they file and pay the Vermont Sales and Use Tax.

The first time you file and pay the USC using Form SUT-451, Vermont Sales and Use Tax Return, on myVTax you will be asked whether you collect the USC. Check the "YES" box and follow the prompts to pay the amount of USC you've collected during the filing period. You will not be asked this question again the next time you file. If you no longer sell calling cards and do not collect the USC, you may change your response to "NO."

**For more information and Frequently Asked Questions, visit <https://tax.vermont.gov/business-and-corp/universal-service-charge>.  
Questions? Call the Department at (802) 828-2551 or email us at [tax.business@vermont.gov](mailto:tax.business@vermont.gov)**

Disclaimer: The information provided here is intended to be an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information presented here.

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