



Changes to the Excise Tax Rate for Mobile Telecommunication Services

This memorandum explains recently enacted legislative amendments that change the excise tax and MTA surcharge rates imposed on the sales of mobile telecommunication services on or after May 1, 2015.

Chapter 59 of the Laws of 2015 (Part P) amended the excise tax rate imposed under Tax Law section 186-e on the sale of mobile telecommunication services by a home service provider to 2.9%. This rate applies to a home service provider's gross receipts received on or after May 1, 2015, for mobile telecommunications services provided on or after that date to a customer whose place of primary use is within New York State. Prior to this amendment, gross receipts from mobile telecommunication services were taxed at the same rate as all other telecommunication services.

Sales of telecommunication services other than sales of mobile telecommunication services will continue to be taxed at the rate of 2.5%.

Metropolitan Transportation Business Tax Surcharge (MTA surcharge)

Part P also amended the MTA surcharge rate imposed under Tax Law section 186-c on the sale of mobile telecommunication services relating to the Metropolitan Commuter Transportation District (MCTD) to 0.721%. This rate applies to a home service provider's gross receipts received on or after May 1, 2015, for mobile telecommunication services provided on or after that date where the customer's place of primary use is within the MCTD.

Sales of telecommunication services other than sales of mobile telecommunication services will continue to be subject to the MTA surcharge at the rate of 0.595%.

(Tax Law sections 186-c.1(b), 186-e.2, 1101(b)(24), 1101(b)(25), 1101(b)(26), and 1101(b)(27))

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