



Instructions for Form WCS-2-PRE Prepaid Wireless Communications Surcharge Return

New

Dutchess and Niagara Counties Enact Wireless Communications Surcharge – Effective March 1, 2018, sales of prepaid wireless communications services in Dutchess County and Niagara County are subject to a local wireless communications surcharge of \$0.30. For more information, see Publication 452, *Wireless Communications Surcharge Rates on Prepaid Wireless Communications Services*.

General information

Effective December 1, 2017, changes to the Tax Law impose a state surcharge on the retail sale of prepaid wireless communications services. Counties and New York City have the option to impose a local surcharge. See Publication 452, *Wireless Communications Surcharge Rates on Prepaid Wireless Communications Services*, for a list of localities and their rates.

Businesses that sell prepaid wireless communications services must collect a public safety communications surcharge on retail sales of prepaid wireless communications services that occur in New York State.

Prepaid wireless communications services include: mobile phones or mobile phone cards (including refill or recharge authorization codes) that are preloaded with a set dollar amount or number of minutes; and reloads of mobile phones or mobile phone cards with additional minutes. Any prepaid phone card that can be used on a mobile phone to make or receive calls is a prepaid wireless communications service. For example, long distance or international calling cards that can be used on both landlines and mobile phones are subject to the surcharge.

The surcharge is imposed at a state rate of \$ 0.90 per retail sale of **each** prepaid wireless communications service and a local rate (if applicable) of \$0.30 per retail sale of **each** prepaid wireless communications service.

The surcharge must be added as a separate line item to any sales slip, invoice, receipt, or other statement of the price given by a prepaid wireless communications seller to a purchaser, and be identified as the *public safety communications surcharge*. If space limitations on a statement of the price given to a purchaser do not allow for a seller to identify the surcharge as the *public safety communications surcharge*, then, in those limited circumstances, it is sufficient for the seller to use *PSCS* as an alternative.

All surcharges must be reported and paid on or before the 20th day of the month following each quarterly period ending on the last day of February, May, August, and November, respectively.

You are entitled to retain, as an administrative fee, 1.749% (.01749) of the total state surcharge collected and 3% (.03) of the total local surcharge collected, provided that your return is filed and fully paid on or before its due date.

For more information, see TSB-M-17(2)WCS, *Wireless Communications Surcharge on Prepaid Wireless Communications Services*.

Exemptions

The State of New York and its agencies and instrumentalities may purchase prepaid wireless communications services exempt from the imposition of the surcharge. The United States of America and any of its agencies and instrumentalities, the United Nations, any nonprofit property/casualty insurance

company organized under Insurance Law § 6703, and consumers who receive a Lifeline discount on their prepaid wireless communications service are also exempt from the surcharge when they purchase prepaid wireless communications services.

Other entities that may be exempt from the payment of other taxes and fees (such as state and local sales and use taxes) are subject to the prepaid wireless communications services surcharge. For example, organizations that have established exemption under Internal Revenue Code § 501(c)(3) or Tax Law § 1116(a)(4); veterans' organizations; HMOs; or rural electric cooperatives, are **not exempt** from paying the wireless surcharge.

Surcharge refunded to customers

If your customer returned a prepaid wireless communications service and you issued a refund of the surcharge, report as follows:

Surcharge refunded to a customer in the same filing period when the sale was made – Do not include in column C as a sale subject to the surcharge.

Surcharge refunded to a customer in a different filing period than when the sale was made – File Form AU-100, *Application for Refund of Wireless Communications Service*. Do not report any credit or negative entry on this return.

Mandate to use Web File

As a prepaid wireless communications seller, you must Web File through your Business Online Services account if you are subject to the corporation tax e-file mandate or meet the following three conditions:

- prepare tax documents yourself, without the assistance of a tax professional;
- use a computer to prepare, document, or calculate the required filings; and
- have broadband Internet access.

Create an Online Services account by visiting our website (see *Need help?*).

Specific instructions

Final return – If this is the last return you intend to file because you have ceased all business activity required to be reported on Form WCS-2-PRE, mark an **X** in the box at the top of the return.

Business information – Enter your taxpayer identification number, legal name, doing business as (DBA) name, and complete address.

If you need to update your address or phone information, you can do so online by updating your *Sales tax* information through your Online Services account. Once your information is updated online, you do not need to indicate a change of address on forms submitted to the Tax Department for tax types you selected to be updated.

If you prefer to change this information in writing, use Form DTF-96, *Report of Address Change for Business Tax Accounts*. You must report other changes (such as business name or ID number) on Form DTF-95, *Business Tax Account Update*. On either form, you must select to update your **Sales and use** tax information.

Visit our website and look for the *Change my address* option, or contact us by phone (see *Need help?*).

Part 1 – State prepaid wireless surcharge

Line 1 – State surcharge collections – Enter the number of sales subject to the surcharge for the filing period covered by this return, multiply by the rate in column D, and enter the total surcharge collected in column E.

Line 2 – Administrative fee – If you are filing your return on time and paying the total amount due, you are entitled to retain a state administrative fee. Multiply the amount on line 1, column E by 1.749% (.01749) and enter the result. Otherwise, enter **0** on line 2.

Part 2 – Local prepaid wireless surcharge

Local surcharge collections – For each local jurisdiction, enter the number of sales subject to the surcharge in column C, multiply by the rate in column D, and enter the total surcharge collected in column E.

Do not report any surcharge for a jurisdiction if column E is shaded. See instructions for line 8 to report over-collected surcharge.

Note: If a locality does not impose a local surcharge, you must enter in column C the number of sales made during the quarter that were subject to the state surcharge in Part 1 for that locality.

Line 4 – Total number of sales – Add the number of sales reported in Part 2, *Local prepaid wireless surcharge*, column C. The total amount of sales must equal the number of sales reported in Part 1, *State prepaid wireless surcharge*, column C.

Line 6 – Administrative fee – If you are filing your return on time and paying the total amount due, you are entitled to retain a local administrative fee. Multiply the amount on line 5 by 3% (.03) and enter the result. Otherwise, enter **0** on line 6.

Part 3 – Calculate surcharge due

Line 8 – Over-collected surcharge – If you erroneously collected more surcharge from your customers than was required, and did not refund the additional amount to your customers, enter the amount on line 8. You must pay the additional surcharge collected with your return. You are not entitled to retain an administrative fee on the over-collected amount.

Line 10 – Penalty and interest – If you are filing your return late or not paying the full amount due, or both, you owe penalty and interest, and cannot retain an administrative fee. Penalty and interest are calculated using the amount on line 9, *Total state and local prepaid wireless surcharge due*. **The minimum penalty for late filing is \$50.** For penalty information, see *Penalty computation*. Interest is due on any late payment or underpayment and accrues from the due date of the return to the date the surcharge is paid. Interest rates are compounded daily and adjusted quarterly.

You can estimate your penalty and interest by using our online *Penalty and interest calculator*, or you may call the Wireless Surcharge Information Center to have a Tax Department representative estimate your penalty and interest for you (see *Need help?*). Enter this amount on line 10.

Penalty computation

- For failure to file a return on time with **no surcharge due**, the penalty is \$50.
- For failure to file a return on time **with surcharge due**, the penalty is:

For 1-60 days late, 10% (.1) of the surcharge due for the first month plus 1% (.01) of the surcharge due for each month thereafter, but in no instance less than \$50.

For 61 or more days late, the greater of:

- 10% (.1) of the surcharge due for the first month plus 1% (.01) of the surcharge due for each month thereafter, not to exceed 30% (.3); or
 - the lesser of \$100 or 100% (1.0) of the surcharge due, but not less than \$50.
- For failure to pay surcharge, even though the return is filed on time, the penalty is 10% (.1) of the surcharge due for the first month, plus 1% (.01) of the surcharge due for each additional month, up to a maximum of 30% (.3).

Payment information

Enter your payment amount in **Box A**. This amount should match the amount due on line 11. Make your check or money order for the *Total amount due* payable in U.S. funds to **Commissioner of Taxation and Finance**.

On your check or money order, write your taxpayer identification number, **Form WCS-2-PRE**, and the date of the last day of the quarter for which you are filing.

Fee for payments returned by banks – If your payment is returned by a bank, the Tax Department is allowed by law to charge a \$50 fee for nonpayment. However, if the payment is returned as a result of an error by the bank or the department, the department will not charge the fee. If your payment is returned, we will send a separate bill for \$50 for each return or other tax document associated with the returned payment.

If the total amount due results in an overpayment, you may apply for a refund by filing Form AU-100, *Application for a Refund of Wireless Communications Surcharge*.

Do not attach the refund application (Form AU-100) to your return. You **must** file the application **separately** and mail it to the address shown on that form.

Sign and mail this return

Third-party designee

If you want to authorize a friend, family member, or any other person (third-party designee) you choose to discuss this return with the New York State Tax Department, mark an **X** in the **Yes** box in the *Third-party designee* area of your return. Also enter the designee's name, phone number, email address, and any five-digit number the designee chooses as his or her personal identification number (PIN). If you want to authorize the paid preparer who signed your return to discuss the return with the Tax Department, enter **Preparer** in the space for the designee's name. You do not have to provide the other information requested. If you mark the **Yes** box, you are authorizing the Tax Department to discuss with the designee any questions that may arise during the processing of your return. You are also authorizing the designee to:

- give the Tax Department any information that is missing from your return;
- call the Tax Department for information about the processing of your return or the status of your payment(s); and
- respond to certain Tax Department notices that you shared with the designee about math errors and return preparation. The notices will not be sent to the designee.

You are not authorizing the designee to bind you to anything (including any additional liability), or otherwise represent you before the Tax Department.

If you want the designee to perform those services for you, you must file Form POA-1, *Power of Attorney*, making that designation with the Tax Department. Copies of statutory tax notices or documents (such as a *Notice of Deficiency*) will only be sent to your designee if you file Form POA-1.

The third-party designee authorization cannot be revoked. However, the authorization only includes the filing period covered on this return. You may designate the same representative, or another representative, on future returns.

Signatures required

Web File – Your return will be considered electronically signed once the Web File process has been completed.

Paper return (if you are not required to Web File) – If you are a sole proprietor, you must sign the return and include your title, email address, date, and telephone number. If you are filing this return for a corporation, partnership, or other type of entity, an officer, employee, or partner must sign the return on behalf of the business, and print his or her name, title, email address, date, and telephone number.

If you do not prepare the return yourself, sign, date, and provide the requested taxpayer information. The preparer must also sign the return and print his or her name, preparer identification number, address, and telephone number.

Be sure to keep a copy of your completed return for your records.

Paid preparer's responsibilities – Under the law, all paid preparers must sign and complete the paid preparer section of the return. Paid preparers may be subject to civil and/or criminal sanctions if they fail to complete this section in full.

When completing this section, enter your New York tax preparer registration identification number (NYTPRIN) if you are required to have one. If you are not required to have a NYTPRIN, enter in the *NYTPRIN excl. code* box one of the specified 2-digit codes listed below that indicates why you are exempt from the registration requirement. You **must** enter a NYTPRIN **or** an exclusion code. Also, you must enter your federal preparer tax identification number (PTIN) if you have one; if not, you must enter your social security number.

| Code | Exemption type | Code | Exemption type |
|------|------------------------|------|--|
| 01 | Attorney | 02 | Employee of attorney |
| 03 | CPA | 04 | Employee of CPA |
| 05 | PA (Public Accountant) | 06 | Employee of PA |
| 07 | Enrolled agent | 08 | Employee of enrolled agent |
| 09 | Volunteer tax preparer | 10 | Employee of business preparing that business' return |

When to file

Your return is due the 20th day of the month following the close of the quarterly reporting period. If the due date falls on a Saturday, Sunday, or legal holiday, the return is due on the next business day.

Where to file

NYS TAX DEPARTMENT
RPC – WCS-2-PRE
PO BOX 15199
ALBANY NY 12212-5199

Private delivery services

If not using U.S. Mail, see Publication 55, *Designated Private Delivery Services*.

Need help?



Visit our website at **www.tax.ny.gov**

- get information and manage your taxes online
- check for new online services and features

Telephone assistance

Wireless Surcharge Information Center: 518-591-5283

To order forms and publications: 518-457-5431

Text Telephone (TTY) or TDD Dial 7-1-1 for the
equipment users New York Relay Service

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request for personal information, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.