



Prepaid Wireless Calling Services Now Subject to Sales and Use Tax

This publication addresses the purchase of prepaid wireless calling services for consumers sales and use tax purposes. It is not a substitute for tax laws or regulations.

Effective July 1, 2008, the purchase of prepaid wireless calling services such as wireless airtime cards, prepaid cellular phone cards, prepaid cellular rechargeable minute cards and prepaid wireless ring tone download cards will be subject to the West Virginia Consumers Sales and Use tax.

West Virginia Code section 11-15-2(b)(13) states:

“Prepaid wireless calling service” means a telecommunications service that provides the right to utilize mobile wireless service as well as other non telecommunications services, including the download of digital products delivered electronically, content and ancillary services, which must be paid for in advance that is sold in predetermined units or dollars of which the number decline with use in a known amount.”

These products and/or services will be subject to Sales and Use tax at the regular 6% tax rate.

Note that the statutory change applies only to prepaid wireless calling services. It **does not apply** to:

1. Prepaid land line (i.e., wired) phone cards
2. Prepaid land line rechargeable minute cards
3. Prepaid music download cards, unless they are sold as for use with or by delivery through mobile wireless service
4. Prepaid game download cards, unless they are sold as for use with or by delivery through mobile wireless service
5. Prepaid internet access cards, unless they are sold as for use with or by delivery through mobile wireless service and
6. Gift Cards, unless they are sold as for use with or by delivery through mobile wireless service

Retailers must begin collecting, remitting and reporting the Consumer Sales and Service tax and Use tax on prepaid wireless calling services beginning July 1, 2008.

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