City of Palm Springs

Department of Finance and Treasury

3200 E. Tahquitz Canyon Way • Palm Springs, California 92262
Tel: (760) 323-8229 • Fax: (760) 322-8320 • Web: www.palmspringsca.gov

February 4, 2020

RE: **Written Notice regarding amendment to City of Palm Springs Access Line Tax (ALT) (California Public Utilities Code Sec.799)**

Dear Utility Service Provider:

Please be advised that pursuant to Palm Springs Municipal Code §3.39.050, voters approved an annual adjustment of the Access Line Tax in accordance with the increase of the Consumer Price Index (CPI). The CPI for all Urban Consumers for the Los Angeles-Long Beach-Anaheim Standard Metropolitan Statistical Area for All Items as reported by the United States Bureau of Labor Statistics is 3.0% for the period of January 1, 2019 and December 31, 2019. Based on the CPI, the minimal annual adjustment is as follows: four (4) cents per month per access line, and thirty (30) cents per month per trunk line. The adjusted rates will be as follows:

Access Line $1.38 per month per access line
Trunk Line $10.43 per month per trunk line

By its terms, the voter-approved adjusted Access Line Tax became effective immediately after the resolution by the Palm Springs City Council on January 30, 2020. For implementation purposes, however, state law (*California Public Utilities Code Section 799*) establishes the following rule:

> *If a local jurisdiction repeals the tax, reduces an existing tax rate, changes the tax base, or makes any other changes to the tax that would affect the collection and remittance of the tax, the local jurisdiction shall submit, on and after the effective date of the enactment of the change, a written notification and supply all requisite information to the public utility or service supplier, in accordance with the procedures established by the public utility or service supplier. The public utility or other service supplier shall not be required to implement the changes any earlier than 60 days from the date on which the public utility or other service provider receives the written notification and all other information required by the public utility or other service supplier. If the 60th day is not the first day of a month, then the public utility or other service provider shall implement the changes on the first day of the month following the month in which the 60th day occurs.*

Since this written notice is provided in February 2020, you should begin collecting this adjusted tax **by no later than May 1, 2020.** Please be sure to update your Access Line Tax remittance form with the new tax percentage once you have implemented this change. For your convenience, a remittance form with the revised rates is available in a fillable PDF version on the Finance page of the City's website at https://www.palmspringsca.gov/government/departments/finance-treasury/access-line-tax-alt.

If you have any questions regarding the collection and application of this tax, please do not hesitate to contact me at (760) 323-8229. Thank you for your cooperation.

Sincerely,

Nancy A. Pauley

Nancy A. Pauley
Finance Director / Tax Administrator
City of Palm Springs