

## Understanding the Public Service Tax

In Florida, governments have the authority to levy a tax on the purchase of electricity, gas, water and telecommunication services. A public service tax (PST) of up to 10 percent can be imposed to generate revenue for municipalities. Utility providers are obligated to collect the tax and remit ongoing payments to the governmental body.

Customers who do not pay the PST portion of the utility bill are subject to a late fee or disconnection of service for non-payment.

Typically the PST applies to residential and commercial customers but federal, state and local governmental bodies and churches are exempt from the tax.

LCEC identifies all taxes and governmental fees separately on the electric bill.

LCEC is grateful for the opportunity to provide electric service to the residents and businesses throughout our service territory. It is a responsibility we take seriously and we work diligently to provide competitive electric rates. We ask that customers review their bills and understand the various components and charges that are the direct result of taxing authorities.

### Cape Coral

- The City of Cape Coral levied a tax of 7 percent on all electric bills, including commercial and residential, beginning October 1, 2013.
- The tax is calculated on all charges related to energy consumption on the bill, including the Customer Charge and the Power Cost Adjustment, except for the following exemptions:
  - The franchise fee
  - The gross receipts tax
  - The first 500 kWh on residential bills
- For questions about the public service tax, please contact the **Citizens Action Center at 239-574-0425.**

### Everglades City

- Everglades City levied a public service tax on electric bills beginning in 1983. Currently the tax is 8 percent of the total electric bill, excluding the franchise fee.