

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF STS MEDIA INC. DBA )  
FREEDOMPOP'S FAILURE TO TIMELY PAY )  
THE GROSS RECEIPTS TAX )**

**FINDINGS OF FACT,  
CONCLUSIONS OF LAW AND  
FINAL ORDER; NOTICE OF  
ENTRY OF FINAL ORDER**

**TC20-057**

On December 2, 2020, the South Dakota Public Utilities Commission (Commission) issued an Order for and Notice of Show Cause Hearing against STS Media Inc. dba FreedomPop (Company) for failure to timely pay the gross receipts tax. The hearing was held as scheduled on January 14, 2021, at 3:00 P.M., in the Matthew Training Center, Foss Building, Pierre, South Dakota. The reason for the hearing was to give the Company an opportunity to show cause why the Commission should not revoke its Certificate of Authority, or other specified actions, for failure to timely pay the gross receipts tax as required by SDCL 49-1A-3. No representative of the Company appeared at the hearing.

The Commission, having heard the testimony presented at the hearing, makes the following Findings of Fact and Conclusions of Law:

**FINDINGS OF FACT**

1. The Company is a wireless telecommunications company, not required to have a Certificate of Authority to operate in South Dakota.
2. Cindy Kemnitz, Finance Manager for the Commission, sent invoices to the Company requesting payment of the gross receipts tax as authorized by SDCL 49-1A-3. She testified that the Company never paid the gross receipts tax.
3. A copy of the Order for and Notice of Show Cause Hearing was sent by certified mail to the Company on December 3, 2020.
4. No representative of the Company appeared at the hearing to show cause why the Commission should not take action against the Company for failure to pay gross receipts tax.

**CONCLUSIONS OF LAW**

1. The Commission has jurisdiction over this matter pursuant to SDCL 49-1A-3, 49-1A-4, 49-1A-5, and 49-1A-6.
2. Pursuant to SDCL 49-1A-3 and 49-1A-4, the Commission assesses a tax on the annual intrastate gross receipts received by a telecommunications company from the company's customers within the state of South Dakota. Pursuant to SDCL 49-1A-5, the tax is due on July fifteenth of each year.
3. The Company has failed to pay the gross receipts tax.

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4. The Commission has the authority, under SDCL 49-1A-6 to assess a penalty and pursue collection of the tax and penalties

Based on the foregoing Findings of Fact and Conclusions of Law, it is therefore

ORDERED, that if the Company fails to pay the gross receipts tax and all associated penalties within thirty days of the date of this order, the matter shall be turned over to the State's collection agency.

NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that this Order was duly entered on the 15<sup>th</sup> day of January 2021. Pursuant to SDCL 1-26-32, this Order will take effect 10 days after the date of receipt or failure to accept delivery of the decision by the parties.

Dated at Pierre, South Dakota, this 15<sup>th</sup> day of January 2021.

<b>CERTIFICATE OF SERVICE</b>
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.
By: <u>Adam DeHueck</u>
Date: <u>1/15/21</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Chris Nelson  
CHRIS NELSON, Chairman

Kristie Eiegen  
KRISTIE EIEGEN, Commissioner

Gary Hanson  
GARY HANSON, Commissioner