

Table 5: Taxation of Telecommunications Providers in New York State as of September 1, 1996

Services	Section 183	Corporation & Utilities Tax (Article 9)	
		Section 184	Section 186-a
<b>WIRELINE TELEPHONE SERVICES</b>			
<i>Intrastate</i>	Corporations principally engaged in providing transmission services are subject to tax. Otherwise, the provider is subject to the Article 9-A Corporate Franchise Tax.	Only corporations principally engaged in a local telephone business are subject to tax. Providers not principally engaged in a local telephone business and not subject to Section 183 tax are subject to the Article 9-A Corporate Franchise T	Only providers subject to PSC supervision are tax ed on nontelecommunications income.
<i>Interstate</i>	Corporations principally engaged in providing transmission services are subject to tax. Otherwise, the provider is subject to the Article 9-A Corporate Franchise Tax.	Receipts from interstate or international, as well as interLATA, telecommunications services are excluded from the tax.	Only providers subject to PSC supervision are tax ed on nontelecommunications income.
<b>CELLULAR/WIRELESS TELEPHONE SERVICES</b>			
<i>Intrastate</i>	Corporations principally engaged in providing transmission services are subject to tax. Otherwise, the provider is subject to the Article 9-A Corporate Franchise Tax.	Only corporations principally engaged in a local telephone business are subject to tax. Corporations not principally engaged in a local telephone business and not subject to Section 183 tax are subject to the Article 9-A Corporate Franchis	Only providers subject to PSC supervision are tax ed on nontelecommunications income.
<i>Interstate</i>	Corporations principally engaged in providing transmission services are subject to tax. Otherwise, the provider is subject to the Article 9-A Corporate Franchise Tax.	Receipts from interstate or international, as well as interLATA, telecommunications services are excluded from the tax.	Only providers subject to PSC supervision are tax ed on nontelecommunications income.
<b>PAGING/BEEPERS</b>			
<i>Intrastate</i>	Corporations principally engaged in providing transmission services are subject to tax. Otherwise, the provider is subject to the Article 9-A Corporate Franchise Tax.	Only corporations principally engaged in a local telephone business are subject to tax. Corporations not principally engaged in a local telephone business and not subject to Section 183 tax are subject to the Article 9-A Corporate Franchis	Exempt, not subject to PSC supervision.
<i>Interstate</i>	Corporations principally engaged in providing transmission services are subject to tax. Otherwise, the provider is subject to the Article 9-A Corporate Franchise Tax.	Receipts from interstate or international, as well as interLATA, telecommunications services are excluded from the tax.	Exempt, not subject to PSC supervision.
CABLE TELEVISION	Exempt (3)	Exempt (3)	Exempt (3)
OTHER PAY TELEVISION	Exempt (3)	Exempt (3)	Exempt (3)
<b>TELEPHONE ANSWERING</b>			
<i>Intrastate Messages</i>	Corporations principally engaged in providing transmission services are subject to tax. Otherwise, the provider is subject to the Article 9-A Corporate Franchise Tax.	Only corporations principally engaged in a local telephone business are subject to tax. Corporations not principally engaged in a local telephone business and not subject to Section 183 tax are subject to the Article 9-A Corporate Franchise	To the extent telecommunication services are provided, only providers subject to PSC supervision are tax ed on nontelecommunications income.

**Table 5: Taxation of Telecommunications Providers in New York State as of September 1, 1996 (Con't)**

Corporation & Utilities Tax (Article 9)	Corporate Franchise Tax (Article 9-A) (1)	Sales and Use Tax (Article 28)
Section 186-e		
All providers pay the tax on receipts from telecommunications services.	Corporations not principally engaged in providing transmission service are subject to tax . Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Sales tax applies on all intrastate telecommunications services.
All providers pay the tax on receipts from telecommunications services.	Corporations not principally engaged in providing transmission service are subject to tax . Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Sales tax does not apply on interstate telecommunications services.
All providers pay the tax on receipts from telecommunications services.	Corporations not principally engaged in providing transmission service are subject to tax . Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Sales tax applies on all intrastate telecommunications services.
All providers pay the tax on receipts from telecommunications services.	Corporations not principally engaged in providing transmission service are subject to tax . Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Sales tax does not apply on interstate telecommunications services.
All providers pay the tax on receipts from telecommunications services.	Corporations not principally engaged in providing transmission service are subject to tax . Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Sales tax applies on all intrastate telecommunications services.
All providers pay the tax on receipts from telecommunications services.	Corporations not principally engaged in providing transmission service are subject to tax . Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Sales tax does not apply on interstate telecommunications services.
Exempt (3)	Taxed (3)	Exempt
Exempt (3)	Taxed (3)	Exempt
To the extent telecommunication services are provided, all providers pay the tax on receipts from telecommunications services.	Corporations not principally engaged in providing transmission service are subject to tax . Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Taxed

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Corporation & Utilities Tax (Article 9)			
Services	Section 183	Section 184	Section 186-a
<b>TELEPHONE ANSWERING (Con't)</b>			
<i>Interstate Messages</i>	Corporations principally engaged in providing transmission services are subject to tax . Otherwise, the provider is subject to the Article 9-A Corporate Franchise Tax .	Receipts from interstate or international, as well as interLATA, telecommunications services are excluded from the tax .	To the extent telecommunication services are provided, only providers subject to PSC supervision are taxed on nontelecommunications income.
<b>VOICE MAIL</b>			
<i>Intrastate Messages</i>	Corporations principally engaged in providing transmission services are subject to tax . Otherwise, the provider is subject to the Article 9-A Corporate Franchise Tax .	Only corporations principally engaged in a local telephone business are subject to tax . Providers not principally engaged in a local telephone business and not subject to Section 183 tax are subject to the Article 9-A Corporate Franchise T	To the extent telecommunication services are provided, only providers subject to PSC supervision are taxed on nontelecommunications income.
<i>Interstate Messages</i>	Corporations principally engaged in providing transmission services are subject to tax . Otherwise, the provider is subject to the Article 9-A Corporate Franchise Tax .	Receipts from interstate or international, as well as interLATA, telecommunications services are excluded from the tax .	To the extent telecommunication services are provided, only providers subject to PSC supervision are taxed on nontelecommunications income.
<b>ELECTRONIC MAIL</b>			
<i>Intrastate Messages</i>	Corporations principally engaged in providing transmission services are subject to tax . Otherwise, the provider is subject to the Article 9-A Corporate Franchise Tax .	Only corporations principally engaged in a local telephone business are subject to tax . Providers not principally engaged in a local telephone business and not subject to Section 183 tax are subject to the Article 9-A Corporate Franchise T	To the extent telecommunication services are provided, only providers subject to PSC supervision are taxed on nontelecommunications income.
<i>Interstate Messages</i>	Corporations principally engaged in providing transmission services are subject to tax . Otherwise, the provider is subject to the Article 9-A Corporate Franchise Tax .	Receipts from interstate or international, as well as interLATA, telecommunications services are excluded from the tax .	To the extent telecommunication services are provided, only providers subject to PSC supervision are taxed on nontelecommunications income.
INFORMATION SERVICES PROVIDED BY COMPUTER OR TELEPHONE	Taxed if corporation is principally engaged in telephone business.	Only corporations principally engaged in local data transmission services are subject to tax.	Exempt
ENTERTAINMENT SERVICES PROVIDED BY COMPUTER OR TELEPHONE	Exempt	Exempt	Exempt

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Corporation & Utilities Tax (Article 9)	Corporate Franchise Tax (Article 9-A) (1)	Sales and Use Tax (Article 28)
Section 186-e		
To the extent telecommunication services are provided, all providers pay the tax on receipts from telecommunications services.	Corporations not principally engaged in providing transmission service are subject to tax. Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Taxed (4)
To the extent telecommunication services are provided, all providers pay the tax on receipts from telecommunications services.	Corporations not principally engaged in providing transmission service are subject to tax. Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Taxed
To the extent telecommunication services are provided, all providers pay the tax on receipts from telecommunications services.	Corporations not principally engaged in providing transmission service are subject to tax. Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Exempt
To the extent telecommunication services are provided, all providers pay the tax on receipts from telecommunications services.	Corporations not principally engaged in providing transmission service are subject to tax. Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Taxed
All providers pay the tax on receipts from telecommunications services.	Corporations not principally engaged in providing transmission service are subject to tax. Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Exempt
Only data transmissions are taxed, except for services that alter the substantive (information) content of the message sent.	Corporations not principally engaged in providing transmission service are subject to tax. Otherwise, the provider is subject to the Article 9 Corporation & Utilities Tax.	Taxed (5)
Exempt	Taxed	Taxed (5)

(1) Companies subject to tax under Sections 183 and 184 of Article 9 are exempt from the Article 9-A tax.

(2) Beginning 1/1/96, an exclusion will be allowed for 30 percent of intraLATA receipts.

(3) Cable television companies are taxable under Article 9-A instead of Article 9 for tax years after 1988. Cable television services are also specifically excluded from the Section 186-e excise tax.

(4) Taxed if the service relates to a New York customer.

(5) Taxed if the service is delivered in New York regardless of point of origin.

Table 9: Taxation of Selected Telecommunications Providers by State (Con't)

State	Corporate Income Tax	Gross Receipts Tax		Sales & Excise Tax		Real/Personal Property Tax*
		Intrastate	Interstate & International	Intrastate	Interstate & International	
Alabama						
LEC	✓	---	N/A	✓(1)	N/A	✓
IXC	✓	---	---	✓(1)	Exempt	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Alaska						
LEC	✓	✓(2)	N/A	---	N/A	✓
IXC	✓	Exempt	Exempt	---	---	✓
Cable TV	✓	Exempt	N/A	---	N/A	✓
Arizona						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	Exempt	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Arkansas						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	✓	✓
Cable TV	✓	---	N/A	✓	N/A	✓
California						
LEC	✓	---	N/A	Exempt	N/A	✓
IXC	✓	---	---	Exempt	Exempt	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Colorado						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	Exempt	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Connecticut						
LEC	✓	Exempt	N/A	✓	N/A	✓
IXC	✓	Exempt	Exempt	✓	✓	✓
Cable TV	✓	✓	N/A	Exempt	N/A	Exempt
Delaware						
LEC	✓	✓(3)	N/A	---	N/A	✓
IXC	✓	✓	Exempt	---	---	✓
Cable TV	✓	✓	N/A	---	N/A	✓
Florida						
LEC	✓	✓	N/A	✓	N/A	✓
IXC	✓	✓	✓	✓	✓	✓
Cable TV	✓	Exempt	N/A	✓	N/A	✓
Georgia						
LEC	✓	---	N/A	✓(4)	N/A	✓
IXC	✓	---	---	Exempt	Exempt	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Hawaii						
LEC	✓	✓(5)	N/A	✓	N/A	Exempt
IXC	✓	---	---	✓	✓	Exempt
Cable TV	✓	---	N/A	Exempt	N/A	✓
Idaho						
LEC	✓	---	N/A	Exempt	N/A	✓
IXC	✓	---	---	Exempt	Exempt	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓

Table 9: Taxation of Selected Telecommunications Providers by State (Con't)

State	Corporate Income Tax	Gross Receipts Tax		Sales & Excise Tax		Real/Personal Property Tax*
		Intrastate	Interstate & International	Intrastate	Interstate & International	
Illinois						
LEC	✓	Exempt	N/A	✓	N/A	✓
IXC	✓	Exempt	Exempt	✓	✓	✓
Cable TV	✓	Exempt	N/A	✓	N/A	✓
Indiana						
LEC	✓	✓	N/A	✓	N/A	✓
IXC	✓	✓	Exempt	✓	Exempt	✓
Cable TV	✓	Exempt	N/A	✓	N/A	✓
Iowa						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	Exempt	✓
Cable TV	✓	---	N/A	✓	N/A	✓
Kansas						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	✓	✓
Cable TV	✓	---	N/A	✓	N/A	✓
Kentucky						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	Exempt	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Louisiana						
LEC	✓	✓	N/A	✓	N/A	✓
IXC	✓	✓	Exempt	✓	✓	✓
Cable TV	✓	✓	N/A	✓	N/A	✓
Maine						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	Exempt	✓
Cable TV	✓	---	N/A	✓(6)	N/A	✓
Maryland						
LEC	Exempt	✓(7)	N/A	✓(8)	N/A	✓
IXC	✓	✓	✓	✓(8)	Exempt	✓
Cable TV	✓	Exempt	N/A	Exempt	N/A	✓
Massachusetts						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	✓	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Michigan						
LEC	✓(9)	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	✓	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Minnesota						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	✓(10)	✓
Cable TV	✓	---	N/A	✓	N/A	✓
Mississippi						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	Exempt	✓
Cable TV	✓	---	N/A	✓	N/A	✓

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State	Corporate Income Tax	Gross Receipts Tax		Sales & Excise Tax		Real/Personal Property Tax*
		Intrastate	Interstate & International	Intrastate	Interstate & International	
Missouri						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	Exempt	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Montana						
LEC	✓	✓	N/A	Exempt	N/A	✓
IXC	✓	✓	Exempt	Exempt	Exempt	✓
Cable TV	✓	Exempt	N/A	Exempt	N/A	✓
Nebraska						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	Exempt	✓
Cable TV	✓	---	N/A	✓	N/A	✓
Nevada						
LEC	---	---	N/A	Exempt	N/A	✓
IXC	---	---	---	Exempt	Exempt	✓
Cable TV	---	---	N/A	Exempt	N/A	✓
New Hampshire						
LEC	✓	---	N/A	✓(11)	N/A	✓
IXC	✓	---	---	✓	✓	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
New Jersey						
LEC	Exempt	✓	N/A	✓	N/A	✓
IXC	✓	Exempt	Exempt	✓	✓	✓
Cable TV	✓	Exempt	N/A	Exempt	N/A	✓
New Mexico						
LEC	✓	---	N/A	✓(12)	N/A	✓
IXC	✓	---	---	✓	✓	✓
Cable TV	✓	---	N/A	✓	N/A	✓
New York						
LEC	Exempt	✓	N/A	✓	N/A	✓
IXC	Exempt	✓	✓	✓	Exempt	✓
Cable TV	✓	Exempt	N/A	Exempt	N/A	✓
North Carolina						
LEC	✓	✓(13)	N/A	✓	N/A	✓
IXC	✓	Exempt	Exempt	✓	Exempt	✓
Cable TV	✓	Exempt	N/A	Exempt	N/A	✓
North Dakota						
LEC	✓	---	N/A	✓	N/A	✓(14)
IXC	✓	---	---	✓	Exempt	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Ohio						
LEC	Exempt	✓	N/A	Exempt(15)	N/A	✓
IXC	✓	Exempt	Exempt	✓	✓	✓
Cable TV	✓	Exempt	N/A	Exempt	N/A	✓
Oklahoma						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	✓	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓

Table 9: Taxation of Selected Telecommunications Providers by State (Con't)

State	Gross Receipts Tax			Sales & Excise Tax		Real/Personal Property Tax*
	Corporate Income Tax	Intrastate	Interstate & International	Intrastate	Interstate & International	
Oregon						
LEC	✓	✓(16)	N/A	Exempt	N/A	✓
IXC	✓	---	---	Exempt	Exempt	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Pennsylvania						
LEC	✓	✓	N/A	✓	N/A	✓
IXC	✓	✓	Exempt	✓	✓	✓
Cable TV	✓	Exempt	N/A	✓	N/A	✓
Rhode Island						
LEC	Exempt	✓	N/A	✓	N/A	✓
IXC	Exempt	✓	✓	✓	✓	✓
Cable TV	Exempt	✓	N/A	✓	N/A	✓
South Carolina						
LEC	✓	✓	N/A	✓(17)	N/A	✓
IXC	✓	✓	Exempt	Exempt	Exempt	✓
Cable TV	✓	Exempt	N/A	✓	N/A	✓
South Dakota						
LEC	---	✓	N/A	✓	N/A	✓(18)
IXC	---	Exempt	Exempt	✓	Exempt	✓
Cable TV	---	Exempt	N/A	✓	N/A	✓
Tennessee						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	✓	✓
Cable TV	✓	---	N/A	✓(19)	N/A	✓
Texas						
LEC	---	---	N/A	✓	N/A	✓
IXC	---	---	---	✓	✓	✓
Cable TV	---	---	N/A	✓	N/A	✓
Utah						
LEC	✓	---	N/A	✓	N/A	✓
IXC	✓	---	---	✓	Exempt	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Vermont						
LEC	✓	---	N/A	Exempt	N/A	✓
IXC	✓	---	---	Exempt	Exempt	✓
Cable TV	✓	---	N/A	✓	N/A	✓
Virginia						
LEC	✓(20)	---	N/A	Exempt	N/A	✓
IXC	✓(20)	---	---	Exempt	Exempt	✓
Cable TV	✓	---	N/A	Exempt	N/A	✓
Washington						
LEC	✓	✓	N/A	✓	N/A	✓
IXC	✓	✓	✓	✓	✓	✓
Cable TV	✓	Exempt	N/A	Exempt	N/A	✓
West Virginia						
LEC	✓	✓	N/A	Exempt	N/A	✓
IXC	✓	✓	✓	Exempt	Exempt	✓
Cable TV	✓	Exempt	N/A	Exempt	N/A	✓

**Table 9: Taxation of Selected Telecommunications Providers by State (Con't)**

State	Gross Receipts Tax			Sales & Excise Tax		Real/Personal Property Tax*
	Corporate Income Tax	Intrastate	Interstate & International	Intrastate	Interstate & International	
<b>Wisconsin</b>						
LEC	✓	✓(21)	N/A	✓	N/A	Exempt
IXC	✓	✓	✓	✓	✓	✓
Cable TV	✓	Exempt	N/A	✓	N/A	✓
<b>Wyoming</b>						
LEC	---	---	N/A	✓	N/A	✓
IXC	---	---	---	✓	Exempt	✓
Cable TV	---	---	N/A	✓	N/A	✓
<b>Totals:</b>						
LEC	41	20	N/A	39	N/A	48
IXC	44	13	7	38	21	49
Cable TV	45	4	N/A	21	N/A	49

**Notes:**

\*In a number of states, the poles, wires and cables of telecommunications companies are considered personal, rather than real property.

N/A = Not applicable, provider does not typically offer this form of service.

LEC = Local Exchange Carrier.

IXC = Interexchange (long-distance) Carrier.

--- = No tax of this type is imposed.

(1) Public utility excise tax.

(2) Tax on cooperative telephone companies only. Many of the State's utilities are publicly-owned coops.

(3) Residential service is exempt; mile of wire charge.

(4) Applies to charges for local telephone service only.

(5) Only certain companies are subject to the general public service company tax. Generally, companies pay the excise tax.

(6) Applies to charges for extended (non-basic) cable television service only.

(7) LECs may credit corporate income tax paid against their gross receipts tax liability. As a result, they are effectively exempt from the corporate income tax.

(8) Only charges for cellular service; 900-, 976-, 915-, other 900- like services; custom calling services; telephone answering; and pay-per-view TV are subject to tax.

(9) Alternative GRT method is allowed under the Single Business Tax (SBT), Michigan's corporate income tax.

(10) Charges for international calls are exempt from Minnesota's sales tax.

(11) The first \$12 of charges for residential customer access and exchange service is exempt from the tax.

(12) Rate is higher on intrastate than interstate/international.

(13) Applies to charges for local telephone service only. To compensate, these companies pay a reduced sales tax rate.

(14) Mutual or cooperative telephone companies pay a gross receipts tax in lieu of property tax.

(15) Telephone companies providing local exchange service and subject to the GRT are exempt from the sales tax.

(16) Rural local exchange carriers only can elect to pay a gross receipts tax in lieu of property tax.

(17) Applies to charges for local telephone service only.

(18) Small telephone companies (less than \$25 million in receipts) pay a gross receipts tax in lieu of property tax.

(19) Tax is imposed on charges for non-basic cable television service only.

(20) Virginia does not impose a gross receipts tax on LECs or IXCs. However, these companies are subject to a minimum tax calculated as a percentage of gross receipts.

(21) Local exchange carriers pay a gross receipts tax in lieu of property tax.

Source: OPA compilation from CCH State Tax guides for respective states.

**Table 10: Taxable Telecommunications Services Under Gross Receipts and Sales Taxes: New York & Neighboring States (1996)**

	Neighboring States					
	New York		Connecticut		Massachusetts	
	GRT	Sales/Excise	GRT	Sales/Excise	GRT	Sales/Excise
Rates:						
1. State Rate	4.25%	4.00%	4.50-5.00%*	6.00%	N/A	5.00%
2. Max. Local Rate	N/A	4.50%	N/A	N/A	N/A	N/A
3. Max. Combined Rate	4.25%	8.50%	4.50-5.00%	6.00%	N/A	5.00%
Applies to:						
4. Intrastate Services	✓	✓	✓	✓	N/A	✓
5. Interstate Services	✓	Exempt	Exempt	✓	N/A	✓
6. International Services	✓	Exempt	Exempt	✓	N/A	✓
Taxable Services:						
A. Wireline						
7. Local Telephone	✓	✓	Exempt	✓	N/A	✓
8. Toll Service	✓	✓	Exempt	✓	N/A	✓
9. Additional Services	✓	✓	Exempt	✓	N/A	✓
10. 800/900	✓	✓	Exempt	✓	N/A	✓
11. WATS	✓	✓	Exempt	✓	N/A	✓
12. Coin-Operated	✓	✓	Exempt	✓	N/A	✓
13. Telegraphy	✓	✓	✓	✓	N/A	✓
B. Wireless						
14. Cellular	✓	✓	Exempt	✓	N/A	✓
15. PCS	✓	✓	Exempt	✓	N/A	✓
16. Beeper/Paging	✓	✓	Exempt	✓	N/A	✓
17. Mobile Radio	✓	✓	Exempt	✓	N/A	✓
18. Radio Dispatch	✓	✓	Exempt	✓	N/A	✓
C. Computer-Related						
19. E-Mail	Exempt	✓	Exempt	✓	N/A	✓
20. Internet Access	*	*	Exempt	✓	N/A	✓
21. Computer Exchange (Bulletin Boards)	Exempt	✓	Exempt	✓	N/A	✓
D. TV & Video Programming						
22. Cable TV	Exempt	Exempt	✓	✓	N/A	Exempt
23. DBS	Exempt	Exempt	✓	✓	N/A	Exempt
E. Miscellaneous						
24. FAX	Exempt	✓	Exempt	✓	N/A	✓
25. Packet-Switching	✓	✓	Exempt	✓	N/A	✓
26. Voice-Mail	Exempt	✓	Exempt	✓	N/A	✓
27. Voice Messaging	Exempt	✓	Exempt	✓	N/A	✓

Notes:

- (A) Gross receipts taxes are business taxes on the actual service provider. Receipts from specific services may not be taxable. Sales taxes are generally consumer taxes. Specific services may not be subject to tax.
- (B) As used here, the term "enhanced services" refers to non-basic services such as touch-tone, Call ID, Call Forwarding, etc.
- (C) See the accompanying text for a discussion on the taxation of internet access.
- (1) CT (GRT) - The 4.50% rate is imposed on telegraphy and cable television service and the 5.00% rate is imposed on community antenna television service.
- (1) NJ (GRT) - Rates formulated on a per unit basis. There is no general equivalent percentage rate.
- (2) PA (Sales) - The city of Philadelphia and Allegheny County each impose a 1.00% local sales tax in addition to the state tax.
- (7) MA (Sales) - There is a flat \$30 exempt for local residential service in Massachusetts.
- (10) NJ (Sales) - Tax imposed on transmission component of charges only.
- (19) PA (GRT) - The Department of Revenue is currently reviewing the issue of taxation of this service.  
PA (Sales) - These services are subject to sales tax either a telecommunications or a computer service. The Department of Revenue is currently reviewing the issue of taxation of this service.
- (20) NY - The Department is currently reviewing the issue of taxation of this service. Treatment may vary by the type of service offered.

Table 10: Taxable Telecommunications Services Under Gross Receipts and Sales Taxes: New York & Neighboring States (1996) (Con't)

New Jersey		Neighboring States		Vermont	
GRT	Sales/Excise	GRT	Sales/Excise	GRT	Sales/Excise
*	6.00%	5.00%	6.00%	N/A	5.00%
N/A	N/A	N/A	1.00%*	N/A	N/A
*	6.00%	5.00%	7.00%	N/A	5.00%
✓	✓	✓	✓	N/A	✓
Exempt	✓	Exempt	✓	N/A	Exempt
Exempt	✓	Exempt	✓	N/A	Exempt
✓	✓	✓	✓	N/A	Exempt
✓	✓	✓	✓	N/A	Exempt
✓	✓	✓	✓	N/A	Exempt
✓	✓	✓	✓	N/A	Exempt
✓	Exempt	✓	Exempt	N/A	Exempt
✓	✓	✓	✓	N/A	Exempt
Exempt	✓	Exempt	✓	N/A	Exempt
Exempt	✓	Exempt	✓	N/A	Exempt
Exempt	✓	Exempt	✓	N/A	Exempt
Exempt	✓	Exempt	✓	N/A	Exempt
Exempt	✓	Exempt	✓	N/A	Exempt
Exempt	Exempt	*	✓*	N/A	Exempt
Exempt	Exempt	*	✓*	N/A	Exempt
Exempt	Exempt	*	✓*	N/A	Exempt
Exempt	Exempt	Exempt	✓*	N/A	✓
Exempt	Exempt	Exempt	✓*	N/A	✓
Exempt	✓	*	✓*	N/A	Exempt
Exempt	✓	*	✓*	N/A	Exempt
Exempt	✓	*	✓*	N/A	Exempt
Exempt	✓	*	✓*	N/A	Exempt

- (20) PA (GRT) - Same as (19) above.  
PA (Sales) - Same as (19) above.
- (21) PA (GRT) - Same as (19) above.  
PA (Sales) - Same as (19) above.
- (22) PA (Sales) - This service is classified as taxable premium cable service, not a telecommunications service.
- (23) PA (Sales) - Same as (22) above.
- (24) PA (GRT) - Same as (19) above.
- (25) PA (GRT) - Same as (19) above.  
PA (Sales) - Same as (19) above.
- (26) PA (GRT) - Same as (19) above.  
PA (Sales) - Same as (19) above.
- (27) PA (GRT) - Same as (19) above.  
PA (Sales) - Same as (19) above.

**Table 11: Taxable Telecommunications Services Under Gross Receipts and Sales Taxes: Other Major States (1996)**

		California		Florida		Illinois	
		GRT	Sales/Excise	GRT	Sales/Excise	GRT	Sales/Excise
Rates:							
1.	State Rate	N/A	6.00%	2.50%	7.00%	N/A	5.00%
2.	Max. Local Rate	N/A	2.50%	*	1.00%	N/A	N/A
3.	Max. Combined Rate	N/A	8.50%	2.50%	8.00%	N/A	5.00%
Applies to:							
4.	Intrastate Services	N/A	Exempt	✓	✓	N/A	✓
5.	Interstate Services	N/A	Exempt	✓	✓	N/A	✓
6.	International Services	N/A	Exempt	✓	✓	N/A	✓
Taxable Services:							
A. Wireline							
7.	Local Telephone	N/A	Exempt	✓	✓	N/A	✓
8.	Toll Service	N/A	Exempt	✓	✓	N/A	✓
9.	Additional Services	N/A	Exempt	✓	✓	N/A	✓
10.	800/900	N/A	Exempt	✓	✓	N/A	✓
11.	WATS	N/A	Exempt	✓	✓	N/A	✓
12.	Coin-Operated	N/A	Exempt	✓	Exempt	N/A	Exempt
13.	Telegraphy	N/A	Exempt	✓	✓	N/A	✓
B. Wireless							
14.	Cellular	N/A	Exempt	✓	✓	N/A	✓
15.	PCS	N/A	Exempt	✓	✓	N/A	✓
16.	Beeper/Paging	N/A	Exempt	✓	✓	N/A	✓
17.	Mobile Radio	N/A	Exempt	✓	✓	N/A	✓
18.	Radio Dispatch	N/A	Exempt	✓	✓	N/A	✓
C. Computer-Related							
19.	E-Mail	N/A	Exempt	✓	✓	N/A	Exempt
20.	Internet Access	N/A	Exempt	✓	✓	N/A	Exempt
21.	Computer Exchange (Bulletin Boards)	N/A	Exempt	✓	✓	N/A	✓
D. TV & Video Programming							
22.	Cable TV	N/A	Exempt	Exempt	✓	N/A	Exempt
23.	DBS	N/A	Exempt	Exempt	✓	N/A	Exempt
E. Miscellaneous							
24.	FAX	N/A	Exempt	✓	✓	N/A	✓
25.	Packet-Switching	N/A	Exempt	✓	✓	N/A	Exempt
26.	Voice-Mail	N/A	Exempt	✓	✓	N/A	✓
27.	Voice Messaging	N/A	Exempt	✓	✓	N/A	✓

Notes:

- (A) Gross receipts taxes are business taxes on the actual service provider. Receipts from specific services may not be taxable. Sales taxes are generally consumer taxes. Specific services may not be subject to tax.
- (B) As used here, "additional services" refers to non-basic services such as touch-tone, Call ID, Call Forwarding, etc.
- (C) See the accompanying text for a discussion on the taxation of internet access.
- (1) TX (Sales) - Since 9/1/95, Texas has imposed a 1.00% "Telecommunications Infrastructure Fund Assessment." The assessment is imposed on the sales tax base, but is levied on the provider (instead of the consumer). The rate is 1.00%.
- (2) FL (GRT) - Municipalities may impose a tax on sales of local telecommunications service within the municipality at a rate not exceeding: a) 10.00% of monthly recurring customer service charges excluding certain public telephone charges, access charges, and access line charges paid to a local telephone company, or b) 7.00% of total charges for telecommunications charges provided within the municipality minus certain charges for public telephones, foreign exchange and private line services supplementary to existing local exchange service, and access line charges paid to a local telephone company.
- (4) OH (GRT) - Telephone companies not primarily engaged in providing local exchange service are exempt from the tax.
- (7) FL (Sales) - Tax not imposed on charges for residential local telephone service or long distance calls.
- (7) OH (Sales) - Telephone companies providing local exchange service and subject to the GRT are exempt from the sales tax.
- (8) FL (Sales) - Same as (7) above.
- (8) OH (Sales) - Toll service provided by local exchange carriers (LECs) is not taxable.
- (9) OH (Sales) - Services provided by LECs are not taxable. They are taxable when provided by other providers. These services are generally provided by LECs.
- (10) OH (Sales) - Only 900 service is subject to tax.

**Table 11: Taxable Telecommunications Services Under Gross Receipts and Sales Taxes: Other Major States (1996) (Con't)**

Michigan		Ohio		Texas	
GRT	Sales/Excise	GRT	Sales/Excise	GRT	Sales/Excise
N/A	6.00%	4.75%	5.00%	N/A	6.25%*
N/A	N/A	N/A	2.00%	N/A	2.00%
N/A	6.00%	4.75%	7.00%	N/A	8.25%
N/A	✓	✓*	✓	N/A	✓
N/A	✓	Exempt	✓	N/A	✓
N/A	Exempt	Exempt	✓	N/A	✓
N/A	✓	✓	Exempt*	N/A	✓
N/A	✓	✓	✓*	N/A	✓
N/A	✓	✓	Exempt*	N/A	✓
N/A	Exempt	Exempt	Exempt/✓*	N/A	✓
N/A	Exempt	Exempt	Exempt	N/A	✓
N/A	Exempt	✓	Exempt*	N/A	✓
N/A	✓	✓	Exempt	N/A	✓
N/A	✓	✓	✓	N/A	✓
N/A	✓	✓	✓	N/A	✓
N/A	Exempt	✓	Exempt*	N/A	✓
N/A	✓	✓	✓	N/A	✓
N/A	✓	✓	✓	N/A	✓
N/A	Exempt	✓	✓*	N/A	✓
N/A	Exempt	✓	✓*	N/A	✓
N/A	Exempt	✓	✓*	N/A	✓
N/A	Exempt	✓	Exempt	N/A	✓
N/A	Exempt	✓	Exempt	N/A	✓
N/A	Exempt	✓	Exempt*	N/A	✓
N/A	Exempt	✓	Exempt*	N/A	✓
N/A	Exempt	✓	Exempt*	N/A	✓
N/A	Exempt	✓	Exempt*	N/A	✓

(12) OH (Sales) - Services provided by LECs are not taxable. They are taxable when provided by other providers. These services are generally provided by LECs.

(14) OH (GRT) - Providers of cellular radio service are exempt from the tax.

(16) OH (Sales) - Charges for one-way beeper service are exempt. Rental charges are taxable.

(19) FL (GRT/Sales) - This service is technically taxable under both the GRT and Sales taxes. However, there is a temporary moratorium on collections pending a review of the current taxation of these services.

IL (Sales) - Service is taxable only if billed separately from other service charges.

OH (Sales) - This service is taxable as an electronic information service, but only if used for business purposes.

(20) FL (GRT/Sales) - Same as (19) above.

IL (Sales) - Same as (19) above.

OH (Sales) - Same as (19) above.

(21) FL (GRT/Sales) - Same as (19) above.

OH (Sales) - Same as (19) above.

(24) OH (Sales) - Same as (19) above.

(25) OH (Sales) - Same as (19) above.

(26) OH (Sales) - Same as (19) above.

(27) OH (Sales) - Same as (19) above.