SALES TAX JUMPSTART

Compliance, Administration, and Automation Post-Wayfair

Telecommunications Industry Overview
Telecommunications

• Introduction
  • May be subject to sales or excise, gross receipts, and property taxes
  • Interstate vs. intrastate telecommunications
  • Local Taxes
  • May be considered public utility
  • Difficulties in taxing
Telecommunications

• Taxation of Interstate Telecommunications
  • “2 out of 3” rule in Goldberg v Sweet (1989)
• Resellers
Telecommunication Services – Other Types

• Cellular and Paging Services
• Federal Mobile Telecommunications Sourcing Act
• Prepaid Calling Cards
• Voice over Internet Protocol (VoIP)
Other Telecommunication Issues

- Equipment may be exempt
  - Exemptions in NC, NY and MN
- Federal and state taxes included in tax base
- Local taxes
- Sourcing long distance and cellular telecommunications
- Discounted sales of cellular phones
- Private Line Services (i.e. internal to a company)