OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
TONY MASTIN, DIRECTOR

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November 16, 2000

Re: Our file Number LR-00-233; Sales taxability of various charges that may appear on telephone bills.

Dea

This is in response to your inquiry as to the sales taxability of various charges your client, a local service telephone service provider, may list on bills sent to their customers, what other taxes may apply to their operations and how to determine the point of sale for local taxes.

Below I have set out the title of the charge as listed in your letter, followed by the determination of the charge's taxability.

Public Utility Annual Assessment Fee	Subject to sales tax
Emergency Telephone service Surcharge	Not subject to sales tax
E911 Emergency Service Fund	Subject to sales tax
Oklahoma Technology Telecommunications Training Fund	Subject to Sales Tax
Telephone Access Line Surcharge	Not subject to sales tax
Federal Excise Tax on Communications	Not subject to sales tax

Concerning your second question, any taxes levied by the state or its political subdivisions may be imposed on your client if it engages in an activity on which the tax is levied. For example, if it will own vehicles in Oklahoma, motor vehicle excise tax may be due on the first use or registration of the vehicle. Similarly, if it has employees, it may be required to withhold and remit income tax from the employee's pay. The scope of the taxes that it may be required to remit, either for its self or for others, will be

dependent on its scope of operations. Further, I can only address state taxes. Except for sales tax which is collected for the local jurisdictions by the Oklahoma Tax Commission, taxes levied by local jurisdictions are administered by the local jurisdiction.

Finally, the point of sale for the imposition of sales tax on the sale of telecommunications services is the service address, which is defined by Oklahoma Tax Commission rule 710:65-19-330 as the "location of telecommunications equipment from which telecommunications are originated or at which telecommunications are received by a consumer".

This response applies only to the circumstances set out in your request of November 3, 2000. Pursuant to Commission Rule 710:1-3-73(e), this Letter Ruling may be generally relied upon **only** by the entity to whom it is issued, assuming that all pertinent facts have been accurately and completely stated, and that there has been no change in applicable law.

If I can be of further assistance, please feel free to contact me.

Sincerely,
OKLAHOMA TAX COMMISSION

Michael G. Pillow
Tax Policy Analyst