

Taxes imposed on consumers for community 911 service, lifeline service or other services required by regulatory authorities or government are not includable in gross charges. See 86 Ill. Adm. Code 495.100(l). (This is a GIL.)

January 3, 2008

Dear Xxxxx:

This letter is in response to your letter dated June 28, 2007, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

This letter serves as a formal request for letter ruling regarding the calculation of certain aspects of the Communications Services Tax ('CST') for the State of Illinois.

Specifically, we would like confirmation on whether the Universal Service Fund ('USF') Fees as well as the Telecommunication Relay Service ('TRS') Charges should be included in the base calculations of the Illinois State CST. As we understand it, the current stance of your office is that both the USF and TRS should be included in CST calculations on the basis that neither the USF, nor the TRS are specifically exempted from the applicable ordinance.

We will calendar this matter for further review on August 13, 2007, at which time we will have expected to hear from you regarding this request. Thank you for your time, attention, and professional courtesy in this matter. Please contact me with any questions. I look forward to hearing from you.

DEPARTMENT'S RESPONSE:

The Telecommunications Excise Tax Act (35 ILCS 630/1 et seq.) ("Act") imposes a tax upon the act or privilege of originating or receiving interstate or intrastate telecommunications by a person in Illinois at the rate of 7% of the gross charges for telecommunications purchased at retail from a

retailer. This tax must be collected from persons by “retailers maintaining a place of business in Illinois.” 35 ILCS 630/5.

Taxes imposed on consumers for community 911 service, lifeline service or other services required by regulatory authorities or government are not includable in gross charges. 86 Ill. Adm. Code 495.100(l). It appears that USF and TRS charges constitute types of taxes imposed on consumers for services imposed by regulatory authorities or government and are not includable in gross charges for purposes of the Telecommunications Excise Tax.

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department’s Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Richard S. Wolters
Associate Counsel

RSW:msk