Illinois Department of Revenue

INFORMATIONAL BULLETIN

FY91-3
July 1990

RESELLERS OF TELECOMMUNICATIONS MUST NOW PAY TELECOMMUNICATIONS TAX

TO: HOTELS AND UNIVERSITIES

If you resell telecommunications, effective July 1, 1990, you are considered a retailer of telecommunications, and you are required to collect and pay telecommunications tax based upon the gross charges for the telecommunications. Resellers of telecommunications include hotels that charge guests for telephone calls and universities that sell services to students living in dorms. You are not required to pay tax to the telecommunications carrier from which you purchased this service. However, you are required to pay telecommunications tax to your carrier for the telecommunications you purchase for your own use.

WHAT MUST I DO?

Retailers of this type must register and begin filing returns and paying telecommunications tax for any gross charges they bill to customers on or after July 1, 1990.

WHAT IS MEANT BY "GROSS CHARGES"?

"Gross charges" is the amount you charge a customer for sending or receiving a telecommunications message in this state. Such services include:

- telephone service
- facsimile transmission service
- operator assistance

If they are separately stated on the customer's bill, items such as the following are not included in gross charges for telecommunications tax:

- customer equipment or terminal equipment
- directory advertising
- automated information retrieval or data processing charges

HOW DO I REGISTER TO PAY THIS TAX?

If you are not already registered and paying this tax, you must complete the enclosed Form RT-3, Telecommunications Tax Application. If you have questions about how to complete the application, call the Application and Bond Processing Unit at 217 785-5863.

QUESTIONS?

If you have questions or need information, you may call or write us. Our address and telephone number are listed at the bottom of this bulletin.

FOR INFORMATION... CALL: 1 217 524-5404
WRITE: Illinois Department of Revenue
101 W. Jefferson St., P.O. Box 19019
Springfield, IL 62794-9019