

TAXES, FEES & SURCHARGES

United States Taxes, Fees & Surcharges

IP2Call is required by law to ensure that it administers customer billing in agreement with regulations set out by tax authorities and other governing bodies. This includes all levels of government: federal, state, and local.

Jurisdictions and governments assess all taxes, fees, and surcharges for any telephone-related activities, services, or products. These include programs such as E911. Companies like IP2Call are required by law to collect these taxes, fees, and surcharges from customers and remit to these official bodies upon request.

Below, find all relevant information as it pertains to the nature of these federal, state, and local charges imposed on IP2Call by governments and tax authorities. These costs must be covered by IP2Call.

Regulatory fees vary depending on the nature of the service provided. These fees are constantly changing and updating to reflect an evolving marketplace. IP2Call may, in the future be required to add additional taxes, fees, or surcharges upon applicable billing.

You can find more information at the [Federal Communications Commission website](#).

Federal Taxes / Surcharges

This section contains all information as it pertains to Federal fees, surcharges, and taxes.

Federal Excise Tax

This tax is currently no longer application to VoIP (Voice Over IP) services. However, it might still apply to certain aspects of the service that we offer.

Federal Universal Service Fund (USF) Fee

This fee is imposed by the Telecommunications Act of 1996. It was subsequently amended to include all VoIP service providers in 2006. The FCC requires that service providers make contributions, but does not prohibit the use of surcharges passed to the customer to cover these expenses. However, IP2Call may only charge the minimum amount necessary to cover this surcharge and may only assess these charges to breakeven. If you would like more information about this surcharge, then you can follow the links below to the FCC Universal Service website and USF Contribution Factor page. These will provide PDFs that detail all the contribution rates dating back to 200.

FCC Universal Service Reference: <https://www.fcc.gov/general/universal-service>

USF Contribution Factor: <http://www.fcc.gov/encyclopedia/contribution-factor-quarterly-filings-universal-service-fund-usf-management-support>

Regulatory Recovery Fee

This is a monthly fee based on a per-profile rate. It will offset compliance costs that are not covered by the other line charges broken down here. These expenses include but are not limited to:

- Upkeep of the E911 system
- Legal, administrative, and regulatory requirements incurred by the state
- Reporting and filing requirements
- Costs incurred by handling payments to third party telecommunications providers

Federal Cost Recovery Charge

This charge is assessed in order to recover all fees incurred by IP2Call in support of the Telecommunications Relay Service (TRS). TRS is used to pay relay services that will help those with speech or hearing disabilities by transmitting and translating calls.

State and Local Taxes, Fees, And Surcharges

IP2Call will collect and remit a number of state and local fees, taxes, and surcharges that are typically levied on VoIP and telecommunications providers. These are applied where companies sell information technology goods and services. They vary based on jurisdiction, and may include the fees described here:

License Tax

A tax paid for the privilege of soliciting and conducting business in a given jurisdiction. This will normally take the form of a flat annual fee. However, it may in some cases be based on gross receipts.

E911 Taxes and Fees

This charge goes by a number of other titles including Emergency Telephone Users Surcharge. It is imposed at local, county, and state levels, with purpose of funding the E911 Emergency Services.

Lifeline

This is a charge that is assessed only on a state level, and only in select states. The funding that comes from these charges is intended to support the services provided to the lowest income customers, as well as those with communications disabilities. It also funds services provided to customers living in areas that are underserved by small, local telecom providers. The costs of providing these services is high. The rate varies from state to state. This is also known as the State Universal or State Universal Lifeline Surcharges, and it works in a manner similar to the E911 Taxation.

Telecommunications Relay Service (TRS) Surcharge

This charge goes by a number of other names. It is often also referred to as Relay Services & Comm. Devices Fund. The charge is used to provide telecommunications relay services and is billed to telecommunications providers that are able to pass the fee on to customers.

Public Utility Commission (PUC) Tax/Reimbursement Fee

This fee is imposed on those that use regulated services. It is intended to finance the operational costs of the State regulatory body.

Communications Tax

A tax imposed on telecom companies in particular States within the US. These include FL and VA.

Municipal Franchise Fee

This fee is what is known as a “right-of-way” fee and is charged monthly by local jurisdictions, paid by customers. The fee is intended to recover the costs that are associated with providing telephone services. This includes the installation of underground conduits, telephone wires, telephone poles and more. The fee is local and therefore varies depending on location. It is based on an agreement between the local jurisdiction and the company (IP2Call) in accordance with the local or state law as it applies in that context.

Business and Occupation Taxes

This is a tax that is imposed on companies that have been granted the privilege of doing business in that taxing jurisdiction. The Business and Occupation taxes are commonly imposed on the telecoms provider. In some states, it is permitted for the company to pass the fees on to the customer so long as they identify them as taxes or surcharges. This is not permitted in all states however.

High Cost Fund Surcharge

This is a surcharge that is paid by telecommunications providers in high cost service areas. Companies are permitted to pass this charge on to customers.

Utility Users Tax

This tax is imposed on consumers that use utility services. The tax is assessed as a percentage of the total amount that is billed to individual customers for the service.

Statutory Gross Receipts Tax

This tax is paid for the privilege of doing tax in the given state. It is measured by the gross receipts that are received from the business that is conducting business in that region. This tax will usually be imposed on the telecoms provider. However, in some states it is permissible for that provider to pass the tax on to the customer. This is true in select locations such as NY and PA.

It is common for localities to impose additional local Gross Receipts Tax, which is the case in New York City and numerous cities in Utah. This cost will vary from region to region.

Service Tax

A tax that is imposed for making sales of any services.

Sales Taxes and District Tax

These taxes are charged for the privilege of making sales within a given state of special district. Special district used in this context may refer to a rapid transit authority, school district, or other.

Deaf Tax Surcharge

This surcharge is imposed on telecom companies and may be passed to customers. Its purposes is to provide telecoms solutions to the hearing and speech impaired.

Poison Control Surcharge

A surcharge billed to telecommunications companies that may be passed to customers. It provides funding for Poison Control centers.

State and Local Excise Tax

This is a tax that is imposed on telecoms companies, based on payments received for sending and receiving messages.

Additional state taxes and surcharges can be viewed by visiting the following government sites:

Arkansas – www.dfa.arkansas.gov
Arizona – www.azdor.gov
California – <http://www.boe.ca.gov/sutax/sutprograms.htm>
California – <http://www.cpuc.ca.gov/surcharges/>
Colorado – <https://www.colorado.gov/revenue>
Connecticut – <http://www.ct.gov/drs/site/default.asp>
Washington DC – <http://otr.cfo.dc.gov/>
Florida – <http://dor.myflorida.com/dor/>
Illinois – www.revenue.state.il.us
Indiana – <http://www.in.gov/dor/index.htm>
Kansas – www.ksrevenue.org
Massachusetts – www.dor.state.ma.us
Maryland – <http://business.marylandtaxes.com/taxinfo/utillsurcharge.asp>
Michigan – www.michigan.gov/treasury
Minnesota – www.taxes.state.mn.us
Missouri – www.dor.mo.gov
North Carolina – www.dor.state.nc.us
New Hampshire – www.nh.gov/revenue
New Jersey – www.state.nj.us/treasury/taxation
New York – <https://www.tax.ny.gov/>
New York City – <http://www1.nyc.gov/site/finance/index.page>
Ohio – <http://tax.ohio.gov>
Pennsylvania
– http://www.revenue.state.pa.us/portal/server.pt/community/revenue_home/10648
Rhode Island – <http://www.tax.state.ri.us/>
South Carolina – <http://www.sctax.org/default.htm>
Tennessee – <http://www.state.tn.us/revenue/>
Texas – <http://www.window.state.tx.us/taxes/>
Utah – <http://tax.utah.gov/business>
Virginia – <http://www.tax.virginia.gov>
Washington – <http://dor.wa.gov/Content/Home/Default.aspx>
Wisconsin – <https://www.revenue.wi.gov/>