

State of Rhode Island - Division of Taxation

Sales and Use Tax

Regulation SU 00-129

Telecommunications Service

"Telecommunications service" means the transmission of any interactive electromagnetic communications including but not limited to voice, image, data and other information, by means of but not limited to wire, cable, including fiber optical cable, microwave, radio wave or any combinations of these media. "Telecommunications service" includes local exchange service, intrastate toll service, interstate and international toll service, including cellular mobile telephone or telecommunications service, specialized mobile radio and pagers and paging service including any form of mobile two-way communication. Telecommunication service does not include service rendered using a prepaid telephone calling arrangement. "Prepaid telephone calling arrangement" means and includes a prepaid telephone calling card and/or the right to exclusively purchase telecommunications services, that must be paid for in advance, that enables the origination of calls using an access number and/or authorization code, whether manually or electronically dialed.

The furnishing for a consideration of telecommunications services and the furnishing, rental or leasing of all equipment and all services pertaining or incidental thereto are subject to the Rhode Island sales or use tax provided the service:

1. is rendered in its entirety within this state, or
2. originates in this state and terminates in another state or a foreign country and with respect to which such service is charged to a telephone number, customer or account located in this state or to the account of any transmission instrument in this state, or
3. originates in another state or a foreign country and terminates in this state and is charged to a telephone number, customer or account located in this state at which such service is terminated, or to the account of any transmission instrument in this state at which such service is terminated.

The Rhode Island tax liability of interstate and international toll service originating or terminating in this state is determined by the location of the telephone number, account or customer to which the telecommunications service is charged regardless of the location of the billing and/or payment.

For purposes of this regulation, the phrase "charged to a telephone number, customer or account located in this state" shall mean the location of the transmission instrument at which such telecommunication service either originates or terminates.

Rhode Island law allows a credit or refund of sales taxes upon presentation of proof of payment of the sales tax to another state to which the tax was properly due for the identical

telecommunication service.

R. GARY CLARK

TAX ADMINISTRATOR

EFFECTIVE: January 1, 2000

THIS REGULATION AMENDS AND SUPERCEDES REGULATION SU 89-129
PROMULGATED DECEMBER 31, 1989.