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## Tax Compliance Guide

### Telecommunications Topic 317

(03/2020)

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Westminster sales/use tax is imposed upon the purchase price paid for telecommunications services except carrier access services and interstate private communications services. Charges for all international, interstate and intrastate telecommunications services originating from or received on telecommunications equipment in the City are taxable when the charge for the service is billed to an apparatus, telephone or account in the City, to a customer location in the City, or to a person residing in the City without regard to where the bill for such services is actually received. These charges are taxable whether billed on a flat or measured basis.

If a telecommunications service provider elects to “bundle” taxable and non-taxable services or items, the entire purchase price becomes subject to Westminster sales/use tax. In order to avoid taxation of non-taxable services or items, the charges for such items must be separately stated from the charges for taxable items.

Telecommunications service shall mean the service of which the object is the transmission of any two-way interactive electronic or electromagnetic communications, including, but not limited to, voice, image, data and any other information, by the use of any means, but not limited to wire, cable, fiber optical cable, microwave, radio wave, Voice over Internet Protocol (VoIP), or any combination of such media, including any form of mobile two-way communication. Telecommunications service includes but is not limited to basic local exchange telephone service, toll telephone service and teletypewriter service, including but not limited to residential and business service, directory assistance, cellular mobile telephone or telecommunication service, specialized mobile radio and two-way pagers and paging service, including any form of mobile two-way communication.

Telecommunications service does not include separately stated non-transmission services that constitute computer processing applications used to act on the information to be transmitted.

Specific Telecommunications services which are subject to Westminster sales/use tax include but are not limited to charges for the following:

- ❖ Intrastate, interstate and international telecommunications service;
- ❖ T1, T3, DSL, frame relay and similar services;
- ❖ Voice over Internet Protocol (VoIP) based telecommunications;
- ❖ Phone cards;
- ❖ Fax request, broadcast fax, fax mail, and never busy fax;
- ❖ Call completion, call forwarding, call waiting, and conference calling;
- ❖ Voice messaging or voice mail;
- ❖ Caller ID & related services;
- ❖ Pay-per-use services such as continuous redial, last call return, and directory assistance;
- ❖ Two-way radio communications; and
- ❖ Mobile telecommunications provided the customer’s place of primary use is in Westminster.

The determination of whether the City sales tax is applicable is based on the apparatus or equipment location, not on the billing address.

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### Indirect Taxes and Fees

Fees and indirect taxes, such as business and occupation taxes, which are passed on to the purchaser by the telecommunications service provider are part of the taxable purchase price. City sales tax is also imposed on the sale, lease or rental of telecommunications equipment such as pagers, mobile phones, fax machines, telephones, modems, and routers.

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### Mobile Telecommunications

Pursuant to the Mobile Telecommunications Sourcing Act (4 U.S.C. §§ 116 to 126, as amended), charges for mobile telecommunication service, as defined in the act, are taxed according to the customer’s place of primary use. This will usually be the customer’s residence or business location. For taxpayers with multiple locations, it is important to notify home service

providers of what location each unit will be used at to avoid being assessed tax improperly based upon the billing address.

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## Related Topics

Electronic Location Databases

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## Citations

*Westminster Municipal Code*

§ 4-2-2. Definitions

§ 4-2-3. Rate; Imposition and Collection; Distribution

§ 4-2-5. Transactions & Items Subject to Tax

THIS GUIDANCE IS A SUMMARY IN LAYMEN'S TERMS OF THE RELEVANT WESTMINSTER TAX LAW FOR THIS TOPIC, INDUSTRY, OR BUSINESS SEGMENT. IT IS PROVIDED FOR THE CONVENIENCE OF TAXPAYERS AND IS NOT BINDING UPON THE CITY. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE WESTMINSTER MUNICIPAL CODE AND APPLICABLE RULES AND REGULATIONS. THIS GUIDE DOES NOT CONSTITUTE A CITY TAX POLICY.

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## Contact Us

For additional assistance, please contact us:

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Westminster, CO 80031

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Administrative offices are open Monday through Thursday from 7:00a.m. to 6:00p.m. (closed Friday).

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From the Business menu, choose Westminster Taxes