

# Telecommunications Sales Tax Rates and Taxability

## Welcome to the Telecommunications Database

This bulletin provides important information about the April 2024 release of Telecommunications Rates and Taxability. Please review this bulletin carefully. If you have any questions or require more information, please call 1-800-739-9998. You can also submit a ticket at <http://support.cch.com/ticket> or use <http://support.cch.com/chat/salestax>.

## Updates to Current Telecommunications Database – New Group & Item Code Added to the Database Effective April 2024

### Addition of New Group & Item Code 5050/003 = Sale of Broadband Equipment

As an enhancement to our database, we are hereby adding a new Item 003 (Sale of Broadband Equipment) to Group 5050 (Sale of Telephone Equipment) effective with this month's release as a means of capturing the subtle taxability differences between this new Item 5050/003 versus existing Item 5050/002 (Sale of Phone Equipment – Non-Basic).

The introduction of this new Group & Item Code therefore offers our database subscribers a much more granular set of options for mapping charges relating to the sale of different types of communications equipment used in conjunction with either telephone service or broadband Internet access.

Below is our revised Mapping Guide instructions for Group 5050 (Sale of Telephone Equipment).

<i>Group # and Group Description</i>
<b>5050 – SALE OF TELEPHONE EQUIPMENT</b>
<p>This Group covers transactions involving the sale and leasing of telephone equipment to either a corporate or individual consumer end-user.</p> <p>Please note that this Group is specifically designed to address the unique taxability rules associated with the Pennsylvania Gross Receipts Tax.</p> <p>For General Sales and Use Tax rates and rules that disregard the application of the Pennsylvania Gross Receipts Tax, please map transactions involving equipment sales to Group 0000 / Item 000.</p> <p><b>MAPPING INSTRUCTIONS:</b></p> <ul style="list-style-type: none"> <li>• Map charges for selling basic telephone equipment to Item 001 (See examples below).</li> <li>• Map charges for selling non-basic telephone equipment to Item 002 (See examples below).</li> <li>• Map charges for selling Internet-related broadband computer equipment to Item 003.</li> </ul>

Item #	Item Name	Explanation
001	<b>SALE OF PHONE EQUIPMENT - BASIC</b>	Charges for <u>basic</u> phone equipment such as telephones, handsets, modems and related accessories such as chargers, hands-free devices and screen protectors.
002	<b>SALE OF PHONE EQUIPMENT – NON-BASIC</b>	Charges for <u>non-basic</u> phone equipment such as amplifiers, routers, switches and similar forms of computer hardware.
003	<b>SALE OF BROADBAND EQUIPMENT</b>	Charges for equipment that is used in connection with the provision of broadband Internet access (as opposed to pure telephony service) such as computer tablets.

## [Updates to Current Telecommunications Database - System Changes Effective April 2024](#)

### **Texas Local Sales & Use Tax: One Additional Local Jurisdiction Now Taxes Telecommunications Service**

Effective April 1, 2024, the following additional local jurisdiction in Texas will now impose their local option sales & use tax on telecommunication services<sup>1</sup>:

- Galveston County Emergency Services District Number 2 - captured by Tax Type, Tax Cat 05/80 & U5/80

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<sup>1</sup> See <https://comptroller.texas.gov/taxes/publications/96-339.php>.

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