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Cloud Basics for Administrators

Voice taxes (United States)

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This page lists the various taxes that regulatory authorities mandate for commercial enterprises (US customers only).

The following information is a high-level overview of the various taxes that regulatory authorities mandate for commercial enterprises (US customers only). Because the taxes vary based on the type of service and the tax jurisdiction, this information cannot cover every scenario that an enterprise might encounter.

Voice services have many different taxes based on the tax jurisdiction where the service is being consumed. Because taxation and regulation vary from state to state, the taxes are significant not only at the federal level, but also at the state and local level.

The taxes that can be assessed include the following:

- State and Local Sales and Use Tax
- Excise Tax
- Gross receipts tax
- Utility Users tax
- E911
- Local telecommunications taxes

Other regulatory fees that can be assessed include the following:

- Federal USF
- Regulatory Recovery Fee (including Federal TRS (Telecommunications Relay Service) Fund)
- North American Numbering Plan Administration
- Local Number Portability shared costs
- FCC Regulatory Fees

Note: The following scenarios are illustrative in nature and do not constitute the exact percentages and taxes charged by each jurisdiction. The actual invoice contains all the applicable taxes charged by the specific jurisdiction where the customer's business is located.

Scenario 1: Activation of a toll-free number

Customer purchases a toll-free number. What taxes can the customer expect on an invoice for purchasing and activating this number? The following examples list various taxes for three different locations. The revenue amount is \$1.

Location: Dallas, TX

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
Federal	Federal Cost Recovery Charge	1.00	1.862	0	64.9	0.01
State	State Sales Tax	1.00	6.25	0	100	0.06
State	State Cost Recovery Fee	1.00	0	0	100	0
City	City Sales Tax	1.00	1.00	0	100	0.01
District	Dallas MTA	1.00	1.00	0	100	0.01
Total tax						0.09

Location: New York, NY

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
Federal	Federal Cost Recovery Charge	1.00	1.862	0	64.9	0.01
State	State Sales Tax	1.00	4.00	0	100	0.04
State	NY State Excise Tax	1.00	2.5	0	100	0.03
City	County Sales Tax	1.00	4.5	0	100	0.05
District	Metro Commuter Trans. District	1.00	0.375	0	100	0.00
District	NY MTA Surcharge on Excise Tax	1.00	0.595	0	100	0.01
Total tax						0.14

Location: San Francisco, CA

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
Federal	Federal Cost Recovery Charge	1.00	1.862	0	64.9	0.01
State	CA Telecom Relay Systems	1.00	.50	0	100	0.01

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
	Surcharge					
State	CA Teleconnect Fund	1.00	1.08	0	100	0.01
State	CA High Cost Fund(A) Surcharge	1.00	0.35	0	100	0.00
State	CA Universal Lifeline Surcharge	1.00	4.75	0	100	0.05
Total tax						0.08

Scenario 2: Monthly recurring charges for a toll-free number

Customer purchases a toll-free number. What taxes can the customer expect on an invoice for monthly recurring charges for this number? The following examples list various taxes for three different locations. The revenue amount is \$1.

Location: Dallas, TX

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
Federal	FCC Fee Toll Free Number	1.00	0	0.01	100	0.01
Federal	Federal Cost Recovery Charge	1.00	1.862	0	64.9	0.01
State	State Sales Tax	1.00	6.25	0	100	0.06
State	State Cost Recovery Fee	1.00	0	0	100	0
City	City Sales Tax	1.00	1.00	0	100	0.01
District	Dallas MTA	1.00	1.00	0	100	0.01
Total tax						0.10

Location: New York, NY

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
Federal	FCC Fee Toll Free Number	1.00	0	0.01	100	0.01
Federal	Federal Cost	1.00	1.862	0	64.9	0.01

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
	Recovery Charge					
State	State Sales Tax	1.00	4.00	0	100	0.04
State	NY State Excise Tax	1.00	2.5	0	100	0.03
City	County Sales Tax	1.00	4.5	0	100	0.05
District	Metro Commuter Trans. District	1.00	0.375	0	100	0.00
District	NY MTA Surcharge on Excise Tax	1.00	0.595	0	100	0.01
Total tax						0.15

Location: San Francisco, CA

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
Federal	FCC Fee Toll Free Number	1.00	0	0.01	100	0.01
Federal	Federal Cost Recovery Charge	1.00	1.862	0	64.9	0.01
State	CA Emer Tel. Users Surcharge	1.00	0.75	0	100	0.01
State	CA Telecom Relay Systems Surcharge	1.00	0.50	0	100	0.01
State	CA Teleconnect Fund	1.00	1.08	0	100	0.01
State	CA High Cost Fund(A) Surcharge	1.00	0.35	0	100	0.00
State	CA Universal Lifeline Surcharge	1.00	4.75	0	100	0.05
Total tax						0.10

Scenario 3: Activation of a DID number

Customer purchases a DID number. What taxes can the customer expect on an invoice for purchasing and activating this number? The following examples list various taxes for three different locations. The revenue amount is \$1.

Location: Dallas, TX

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
Federal	Federal Universal Service Fee	1.00	17.4	0	64.9	0.11
Federal	Federal Cost Recovery Charge	1.00	1.862	0	64.9	0.01
State	State Sales Tax	1.00	6.25	0	100	0.07
State	State Cost Recovery Fee	1.00	0	0	100	0
City	City Sales Tax	1.00	1.00	0	100	0.01
District	Dallas MTA	1.00	1.00	0	100	0.01
Total tax						0.21

Location: New York, NY

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
Federal	FCC Universal Service Fund	1.00	17.4	0.01	64.9	0.11
Federal	Federal Cost Recovery Charge	1.00	1.862	0	64.9	0.01
State	State Sales Tax	1.00	4.00	0	100	0.05
State	NY State Excise Tax	1.00	2.5	0	100	0.03
City	County Sales Tax	1.00	4.5	0	100	0.06
City	Local Gross Receipts Tax	1.00	2.35	0	100	0.02
District	Metro Commuter Trans.	1.00	0.375	0	100	0.00

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
	District					
District	NY MTA Surcharge on Excise Tax	1.00	0.595	0	100	0.01
Total tax						0.29

Location: San Francisco, CA

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
Federal	Federal Universal Service Fund	1.00	17.4	0	64.9	0.11
Federal	Federal Cost Recovery Charge	1.00	1.862	0	64.9	0.01
State	CA Telecom Relay Systems Surcharge	1.00	0.50	0	35.1	0
State	CA Teleconnect Fund	1.00	1.08	0	35.1	0
State	CA High Cost Fund(A) Surcharge	1.00	0.35	0	35.1	0
State	CA Universal Lifeline Surcharge	1.00	4.75	0	35.1	0.02
Total tax						0.14

Scenario 4: Monthly recurring charges for a DID number

Customer purchases a DID number. What taxes can the customer expect on an invoice for monthly recurring charges for this number? The following examples list various taxes for three different locations. The revenue amount is \$1.

Location: Dallas, TX

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
Federal	FCC Universal	1.00	17.4	0	64.9	0.11

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
	Service Fee					
Federal	Federal Cost Recovery Charge	1.00	1.862	0	64.9	0.01
State	State Sales Tax	1.00	6.25	0	100	0.17
State	9-1-1 Equalization Fee	1.00	0	0.06	100	0.06
State	State Cost Recovery Fee	1.00	0	0	100	0
City	City Sales Tax	1.00	1.00	0	100	0.03
City	Municipal Right of Way Fee	1.00	0	1.64	100	1.64
City	Dallas 9-1-1 Fee	1.00	0	0.62	100	0.62
District	Dallas MTA	1.00	1.00	0	100	0.03
Total tax						2.67

Note: The total tax amount is comparatively high for commercial enterprises in Texas due to the fees.

Location: New York, NY

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
Federal	Federal Universal Service Fund	1.00	17.4	0.01	64.9	0.11
Federal	Federal Cost Recovery Charge	1.00	1.862	0	64.9	0.01
State	State Sales Tax	1.00	4.00	0	100	0.05
State	NY State Excise Tax	1.00	2.5	0	100	0.03
City	County Sales Tax	1.00	4.5	0	100	0.06
City	Local Gross Receipts Tax	1.00	2.35	0	100	0.02
City	NYC E-911 Surcharge	1.00	0	1.00	100	1.00

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
District	Metro Commuter Trans. District	1.00	0.375	0	100	0
District	NY MTA Surcharge on Excise Tax	1.00	0.595	0	100	0.01
Total tax						1.29

Location: San Francisco, CA

Tax authority	Tax description	Revenue (\$)	Tax rate (%)	Fee rate (\$)	Percent taxable (%)	Tax amount (\$)
Federal	FCC Universal Service Fund	1.00	17.4	0	64.9	0.11
Federal	Federal Cost Recovery Charge	1.00	1.862	0	64.9	0.01
State	CA Emer Tel. Users Surcharge	1.00	0.75	0	35.1	0
State	CA Telecom Relay Systems Surcharge	1.00	0.50	0	35.1	0
State	CA Teleconnect Fund	1.00	1.08	0	35.1	0
State	CA High Cost Fund(A) Surcharge	1.00	0.35	0	35.1	0
State	CA Universal Lifeline Surcharge	1.00	4.75	0	35.1	0.02
County	San Francisco Access Line Tax	1.00	0	3.27	100	3.27
Total tax						3.41