

March 1, 2001

**S 268. SIMPLIFY TAXES ON TELECOMMUNICATIONS.** *TO SIMPLIFY THE COLLECTION OF TELECOMMUNICATIONS TAXES.* Bill recommended by the Revenue Laws Study Committee.

Applies one tax at one rate to all telecommunications services. Combines multiple tax rates into one uniform rate of 4.5%. Broadens the tax base by eliminating exemptions for interstate calls and telephone membership corporations. Taxes prepaid telephone calling cards at the point of sale. Establishes a local sourcing rule for wireless communications. Eliminates complicated distribution formulas for local revenue sharing while preserving the local revenue stream. Requires Dep't of Revenue to report to the Revenue Laws Study Committee by Oct. 1, 2003, on the effects of certain changes made. Effective January 1, 2002, and applies to taxable services reflected on bills dated on or after that date. Reporting requirement expires July 1, 2004.

**Intro. by Hoyle, Dalton, Kerr.**

Ref. to Finance	GS 105, 153A, 160A
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