

## Definitions

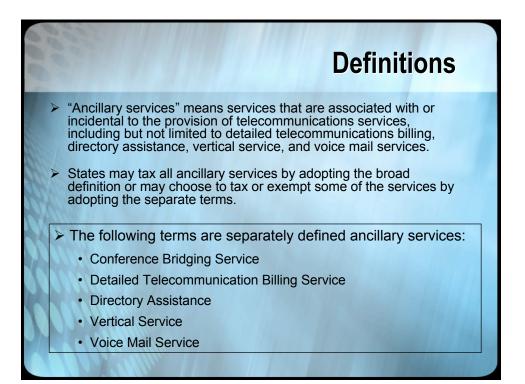
- "Telecommunications services" means the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points.
- The term "telecommunications service" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such service is referred to as voice over Internet protocol services or is classified by the Federal Communications Commission as enhanced or value added.



### Definitions

The broad definition of "telecommunications services" includes the following defined terms. These terms are separately defined so that a state that does not tax all "telecommunications services" may choose to levy a tax only on one or more of these services or may choose to exempt these services from their tax.

- 800 service
- 900 service
- Fixed wireless service
- Mobile wireless service
- Paging service
- Prepaid calling service
- Prepaid wireless calling service
- Private communication service
- Value-added nonvoice data service:
  - a service, which otherwise meets the definition of telecommunications service, in which computer processing applications are used to act on the form, content, code, or protocol of the information or data primarily for a purpose other than transmission, conveyance or routing

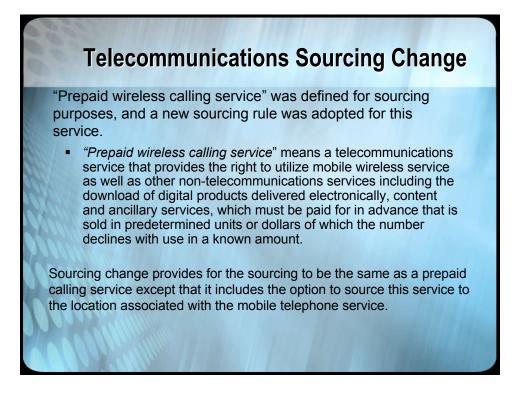


### **Definition Modifiers**

The following defined terms can be used to further delineate the type of telecommunications services to be taxed or exempted:

- Coin-operated Telephone Service
- International
- Interstate
- Intrastate
- Pay Telephone Service
- Residential Telecommunications Service

Also adopted definition of "telecommunications nonrecurring charges" which a state could choose to exclude from its definition of "sales price" so that these charges would not be a part of the price upon which tax is levied.



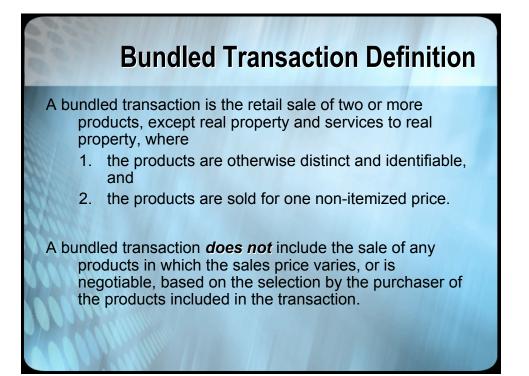
### **Bundled Transaction**

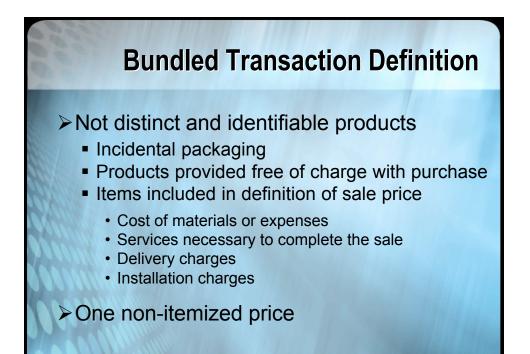
#### **History:**

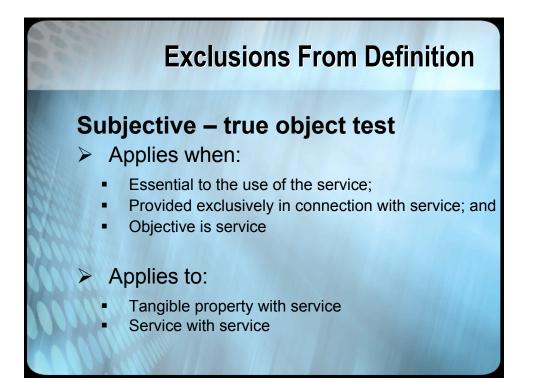
- Lack of uniformity among states
- Market trend toward bundling products
- Retailers sought guidance

#### **Bundling Subgroup:**

- SSTP subgroup formed August 2001
- Broad v. Narrow definition?







### **Exclusions From Definition**

# Objective – 10% de minimis test

#### >Applies when:

- Taxable and non-taxable products sold together
- Taxable portion is 10% or less of the total "price"
- "Price" use purchase price or sales price but not both

#### >Applies to:

 All types of products regardless of the characterization of a product as tangible personal property, digital good, service or intangible property



