State: Maine

Prepared by (name and company): Deborah Bierbaum, AT&T

Reviewed by (name and company): Chris Hillery, Frontier

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax Imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 5.50% | Y | Y | C | intra-state | | | 1 | 12 | 12 | | | | N | |
| 911 tax | $0.32/line | Y | N | C | | | | 1 | 12 | 12 | | | | | |
| State USF | | | | | | | | | | 0 | | | | | |
| PUC Fee | 0.35% | Y | N | B | intra-state | Silent re: | | 1 | | 0 | | | | | regulated co. only |
| Franchise/ROW Fees | (1) | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

1) Statute allows for Cost-based permit fees.

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate* | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Tang. Pers. Prop. | 2.70% | Locally | FMV based | 1.70% | L | FMV based | telco prop. of non-telco bus. at local rate** |
| Real Property | 2.5-3.0% | Locally | FMV based | 2.5-3.0% | L | FMV based | rates vary by locality |
| | | | | | | | |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

*Rate is average local rate. Actual rates vary by jurisdiction. Source for Average locally assessed rate comes from the Final Report of the Task Force to Study Telecommunications Taxation, January 1999

** businesses other than telco qualify for a Business Equipment Tax Reimbursement program

On April 15, 1996 the state enacted an assessment to fund telecommunications equipment for people with disabilities (Title26 sec. 1419-A). The PUC establishes the level of the assessment each year. For fiscal year 1998-99 the assessment must be set at a level that generates $85000.

State: Maryland

Prepared by (name and company): William Hickey(Bell Atlantic Mobile)

Reviewed by (name and company): Deborah Bierbaum (AT&T)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 5.00% | Yes | Yes | Customer | N/A | N/A | | 1 | 12 | 12 | None | N/A | N/A | Yes | Only applies to #900 for landline, but applies to all wireless services. |
| 911 tax | .10/line for state/.30-.50 line for local | Yes | No | Customer | Per Subscriber | N/A | N | 25 | 12 | 300 | Yes | No | No | Yes - 1.5% Applied against State portion of 911 fee | Applies to Landline & wireless. |
| State USF | N/A | | | | | | | | | | | | | | |
| PUC Fee | 0.164% | Yes | No | Business | Intra-state | Silent | None | 1 | 1 | 1 | None | N/A | N/A | No | Does not apply to wireless. Optional to file annual or qtrly returns for landline |
| License Fee/tax | N/A | | | | | | | | | | | | | | |
| Franchise/ROW fees | | | | | | | | | | | | | | | |
| Gross Receipts | 2.00% | Yes | No | Business | both | Perm'd | None | 1 | 4 | 4 | None | N/A | N/A | No | Does not apply to wireless. Filed annually unless >$1000 in tax must file qtrly |
| Utility Users(Local): | | | | | | | | | | | | | | | |
| Montgomery Cnty | $.925 per line | Yes | No | Business | N/A | Perm'd | Yes | 1 | 12 | 12 | N/A | N/A | N/A | No | Effective 7/99, Montgomery Telephone tax is $0.00 for each wireless line. |
| Anne Arundel | 8.00% | Yes | No | Business | Intra-state | Perm'd | Yes | 1 | 12 | 12 | | | | | Applies to landline, does not apply to wireless. |
| Balt. City | 12.00% | Yes | No | Business | Intra-state | Perm'd | Yes | 1 | 12 | 12 | | | | | Applies to landline, does not apply to wireless. |
| Balt. County | 8.00% | Yes | No | Business | Intra-state | Perm'd | Yes | 1 | 12 | 12 | | | | | Applies to landline, does not apply to wireless. |
| Montgomery County | 9.50% | Yes | No | Business | Intra-state | Perm'd | Yes | 1 | 12 | 12 | | | | | Applies to landline, does not apply to wireless. |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Contr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Contr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 2.98% | Centrally | (C),(I),(M) | 1.79% | Locally | Market | (1) |
| Tang. Pers. Prop. | 1.98% | Centrally | (C),(I),(M) | 1.59% | Centrally | Cost | (2) |
| Intang. Pers. Prop. | | | | | | | (3) |
| | | | | | | | |
| | | | | | | | |

Please list any general comments below that should be noted re: this state.

(1) Wireless real property assessed locally
(2) Landline files as utility with higher assessed valuations partial credit allowed against income tax . Wireless files as ordinary busines assessed only on cost
(3) Intangibles are non-taxable directly, the valuation methodology for telecommunications brings in intangible values.

State: Michigan

Prepared by (name and company): Gary Kueltzo, Ameritech

Reviewed by (name and company): Dave Shanks & John Cmelak, AirTouch

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business (Y or N) | Tax apply to Main Street Business (Y or N) | Tax Imp'd on Bus. Or Cust (B or C) | Tax apply to Inter-, Intra-state or both | If Bus tax, Proh'd. Req'd. Perm'd or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. That apply (if state tax input 1) | # of returns per year per jurs. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y or N) | If local tax, do tax basis vary? (Y or N) | If local tax do tax exemptions vary (Y or N) | Vendor's Comp? (Y or N) | Comments/footnotes: |
| State Sales Tax | 6% | Y | Y | C | N/A | N/A | N/A | 1 | Note a. | 1 | N/A | N/A | N/A | Y | Tax applies to sales of TPP |
| PUC Fee | N/A | Y | N See Note d. | B | Intra | Proh'd | N/A | 1 | 4 | 4 | N/A | N/A | N/A | N | Cost of PUC allocated |
| Franchise /ROW Fees | (e) | | | | | | | | | | | | | | Munci attempting to impose on revenue @ 1% |
| State Use Tax | 6% | Y | N (Y) See Note b. | C | Both | N/A | N/A | 1 | 12 (36) See Note a. | 12 (1) | N/A | N/A | N/A | Y | Telecom Services and rentals of TPP Subject to Use Tax |

Please List any general comments below that should be noted re: this state.

Wireless Notes:
a: Michigan requires 2 deposits per month plus a reconciliation payment to the actual liability, if needed, in the subsequent month
b. Michigan Use Tax applies to main street business to the extent they rent tangible personal property.
c. 911 fees are not yet imposed on wireless customers.
d. Wireless carriers are considered main street business for PUC purposes.
e. Local municipalities are allowed to recover their fixed and variable cost in granting permits and maintaining the public right-of-way.

| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L or C) | Telco FMV based on Cost (C) Cap'd Inc (I) or Mkt (M) | Main Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L or C) | Main St. FMV based on Cost (C) Cap'd Inc (I) or Mkt (M) | Comments/footnotes: |
|---|---|---|---|---|---|---|---|
| Real Property | (2) 2.518% | C | (1) | (2) 2.518% | L | (1) | Wireless companies are considered main |
| Tang. Pers. Prop. | (2) 2.518% | C | (1) | (2) 2.518% | L | C(1) (3) | street business for real and personal property tax purposes |
| Intang. Pers. Prop. | (2) 2.518% | C | (1) | | N/A | N/A | TELCOs are assessed on intangibles, while main streets are not |

1) In theory property appraisal practices require the consideration of all method's of valuation to determine FMV.
2) These rates are the state aver. $50.36/1000 @ 50% assessment ratio's local rates would apply to main street, wireless companies are assessed locally.
3) Where cost method is used FMV of property prevails and any acceptable methodology may be used.

## Minnesota

Prepared By: John Cmelak, Vodafone AirTouch Plc
Reviewed By: Paul Fortney, USWest

| | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax Apply to Telephone Business? (Y or N) | Tax Apply to Main Street Business? (Y or N) | Tax imposed on Business or Customer? (B or C) | Tax apply to Inter-, Intra-state or both? (Inter, intra or both) | If biz tax, does law prohibit, require, allow or is it a silent pass thru? (P, R, A or S) | If local tax, is it filed locally? (Y or N) | Total # of juriadictions that apply tax (Enter 1 if state tax) | Total # of returns per year per jurisdiction | Total # of annual returns (formula) | If local tax, does tax rates vary? (Y or N) | If local tax, do tax bases vary? (Y or N) | If local tax, do tax exemptions vary? (Y or N) | Are vendor's compensated for collecting tax/fee? (Y or N) | Commnets |
| Sales/Use | 6.50% | Y | Y | B | Both [1] | R | N/A | 1 | 12 | 12 | N/A | N/A | N/A | N | Fairly recent law change allows absorption of tax by business. |
| State 911 | $.27 per line | Y | N | C | Intra-State | Req'd | N/A | 1 | 12 | 12 | N/A | N/A | N/A | N | |
| TACIP (TRS) | $.12 per line | Y | N | C | Intra-State | Req'd | N/A | 1 | 12 | 12 | N/A | N/A | N/A | N | |
| Local Sales/Use | .5% - 1.0% | Y | Y | B | Both | R | Depends [2] | 8 | 12 | 96 | N/A | N/A | N/A | N | |
| PUC Direct | PUC Exp Inc | Y | N | B | Intra-State | P | N/A | 1 | 4 | 4 | N/A | N/A | N/A | N | Amount is based upon costs incurred by agency. |
| PUC Indirect | 2 Formula | Y | N | B | Intra-State | P | N/A | 1 | 4 | 4 | N/A | N/A | N/A | N | Calculation is formula driven. Rate is unknown. |
| Franchise/Row Fee | (3) | | | | | | | | | | | | | | |

1 = Minnesota imposes sales tax on interstate toll service when the call originates from and is billed to a Minnesota telephone.

2 = State of Minnesota receives a separate filing for several cities including Minneapolis (these are included on the State Sales and Use tax Return filing), but Duluth (for example, a Home Rule City) receives their filing locally/directly.

3 = Statute enumerates various costs that are recoverable from utilities that utilize the right-of-way.

| | Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|---|
| Property Taxes | Teleco effective rate | Teleco locally vs. centrally assessed? (L or C) | Teleco FMV based on Cost (C), Capitalized Income (I) or Market (M)? | Main street business effective rate | Main street locally vs centrally assessed? (L or C) | Main street FMV based on Cost (C), Capitalized Income (I) or Market (M)? | Comments | |
| Real Property | 4.75% | | | 4.75% | | | | |

State: MISSOURI

Prepared by (name and company): Michelle A. Thomas, SBC Communications Inc. (210) 351-3920

Reviewed by (name and company): Gary Kueltzo, Ameritech

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 4.225% | Y | Y | C | intra-state | n/a | n/a | 1 | 12(7) | 12(7) | n/a | n/a | n/a | Y | |
| County sales tax | .25% - .5% | Y | Y | C | intra-state | n/a | N | 1 | n/a | n/a | Y | N | Y | N | {1}{7} |
| City sales tax | .5% - 1% | Y | Y | C | intra-state | n/a | N | 1 | n/a | n/a | Y | N | Y | N | {2}{7} |
| District sales tax | .25% - 1% | Y | Y | C | intra-state | n/a | Y | 12 | 1(7) | 12(7) | Y | Y | Y | N | {3}{7} |
| Emergency Telephone Services Tax - 911 | Up to $0.75/ line {4}{5}{7} | Y | N | C | per access line | n/a | Y | 66 | 4 | 264 | N | N | N | N | {4} {5} |
| County Emergency Services Sales Tax {6} | up to 1% {5} | Y | N | C | intra-state | n/a | Y | 57 | 4 | 228 | Y | N | N | N | {5} {6} |
| State USF | | | | | | | | | | 0 | | | | | |
| PUC Fee | | | | | | | | | | 0 | | | | | |
| License Fee/tax | up to 11%(7) | Y | N | B | per access line | permitted | Y | 247 | 1 | 247 | Y | Y | Y | N/A | |
| Franchise/ROW fees | n/a | | | | | | | | | 0 | | | | | |
| Deaf Relay Service Fee | $0.13 per access line(7) | Y | N | C | per access line | n/a | | | | 0 | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 0.80600% | L & C | C,I,M | 0.80600% | L | M. | |
| Tang. Pers. Prop. | 0.80600% | L & C | C,I,M | 0.80600% | L | C | Telco value based on business value, locally assess value based upon asset value. |
| Intang. Pers. Prop. | | N/A | - | | | | |
| | | | | | | | |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

Footnotes:

{1} There are a total of 12 different sales taxes imposed by various counties in Missouri. Filed with the State sales tax return.
{2} There are a total of 7 different sales taxes imposed by various cities in Missouri. Filed with the State sales tax return.
{3} Sales taxes are imposed by certain Transporation Development District, Fire District and Museum Discricts.
{4} 911 Fees not to exceed 15% of the tariff local service rate of $0.75 per access line per month, whichever is greater.
{5} The tax cannot be imposed upon more than 100 exchange access facilities or their equivalent per person per location.
{6} The county 911 surcharge can be used as an alternative funding method.
{7}MO 911 fees do not apply to wireless.
MO District sales taxes for wireless are reported on the state sales tax return. No local returns are filed in MO for wireless.
MO City sales taxes and district sales taxes # of returns for wireless would be zero. All wireless sales taxes are reported on the state sales tax return.
MO Vendors are compensated for county, city and district taxes because all of these are reported on the state sales tax return and the discount on this return is applied to total sales taxes.
MO License Fee/tax does not apply to wireless.
MO Deaf Relay Service Fee does not apply to wireless.
Telco value based on business value, locally assess value based upon asset value.

State: Mississippi

Prepared by (name and company): ALLTEL Communications, Inc.

Reviewed by (name and company): Elliott Thompson, BellSouth

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to Inter-, Intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 7.00 | Y | Y | C | Intra-state | Perm'd | | 1 | 12 | 12 | | | | N | |
| County sales tax | | | | | | | | | | | | | | | |
| City sales tax Tupelo Only | 0.25 | Y | Y | C | Intra-state | Perm'd | N | 1 | 12 | 12 | N | N | N | N | |
| 911 tax(wireline) | 0.01 | Y | N | C | Intra-state | Silent | Y | 82 | 12 | 984 | Y | N | N* | Y | 5; per Commtax |
| State USF | n/a | | | | | | | | | | | | | | |
| PUC Fee | varies | Y | N | B | Intra-state | Silent | | 1 | 1 | 1 | | | | N | 6; Wireline & Long Distance |
| License Fee/tax - Privilege Tax | varies | N | Y | B | | Silent | Y | 356 | 1 | 356 | Y | N | N | N | 3 |
| Business Licenses | varies | Y | Y | B | | | | 356 | 1 | 1 | | | | | 1 |
| Franchise/City Utility Tax | 0.02 | Y | N | C | | | | 356 | 1 | 1 | | | | | |
| Gross Receipts | | | | | | | | | | | | | | | |
| Privilege License | 0.04 | Y | N | B | see Note 2 | see Note 2 | | 1 | 1 | 1 | | | | | 2 |
| | | | | | | | | | | | | | | | |
| Hearing Impaired Surcharge | $0.07 | Y | N | C | N/A, Note 5 | Silent | Y | 1 | 12 | 12 | N | N | N* | N | |
| Secretary of State | $25.00 | Y | | B | | Silent | | 1 | 1 | 1 | | | | N | Rate per legal entity |
| | | | | | | | | | | | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | ments/footnotes: |
| Real Property | 4.33% | L<7, C>6 | L-C; C-C,I,M | 2.17% | L | C | |
| Tang. Pers. Prop. | 4.33% | L<7, C>6 | L-C; C-C,I,M | 2.17% | L | C | |
| Intang. Pers. Prop. | 4.33% | L<7, C>7 | L-C; C-C,I,M | | | | |
| | | | | | | | |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

***Revenue Tax Comments***

1. Business licenses would vary depending on location and local ordinance
2. Annual Privilege license rate is $.04 per telephone in service at the end of the year, or $25.00 whichever is greater.
3. For retail stores, tax is based on value of inventory and varies from $20 to $1,840 annually. -- 356 is based on number of cities and counties in MS
4. Hearing Impaired Surcharge is applied on a per line basis, thus column F is irrelevant
5. 911 wireline tax varies as follows: State Tax Commission - $0.05; Simpson County - $1.60 business line, $0.80 res. Line; Rankin and Jefferson County - $2.00 business line, $1.00 res. Line.
6. Expenses of commission allocated to utilities based on intrastate gross receipts.

* If the tax is based on a percentage of intrastate toll, the exempted customers will be exempted from differing amounts; however if the rate is flat, the exempted customers will be exempt from the same amounts.

***Property Tax Comments***

1. Wireline - Regulated companies operating in 6 or fewer counties are assessed on a local level at a 15% assessment ratio, while companies operating in more than 6 counties are centrally assessed on a unitary basis at an assessment ration of 30%.
2. Wireless - All assessments for wireless are done locally based on original cost with scheduled depreciation (not book), assessed at 15%.

State: Montana

Prepared by (name and company): Patricia Klemz - Citizens Telecom

Reviewed by (name and company): Stacey Sprinkle, CommNet Cellular Inc.

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to Inter-, Intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | | | | | | | | | | 0 | | | | | |
| 911 tax | $0.50/line | y | n | c | both | | | 1 | 4 | 4 | | | | y | .75% of fees remitted |
| State USF | 0.06% | y | n | c | intra-state | | | | | 0 | | | | | repealed 7/1/99 |
| PUC Fee | 0.25% | y * | n | b | both | Proh'd, | | 1 | 4 | 4 | | | | | rate changes 10/1/99 |
| License Fee/tax | 1.80% | y | n | b | intra-state | Silent | | 1 | 4 | 4 | | | | | repealed 1/1/2000 |
| Franchise/ROW fees | | | | | | | | | | 0 | | | | | |
| Gross Receipts | | | | | | | | | | 0 | | | | | |
| Excise Tax | 3.75% | y | n | c | both | Req'd, | | 1 | 4 | 4 | | | | | effective 1/1/2000 |
| Consumer Counsel | 0.10% | y * | n | b | both | Proh'd, | | 1 | 4 | 4 | | | | | rate changes 10/1/99 |
| TDD | $0.10/line | y | n | b | intra-state | Req'd, | | 1 | 4 | 4 | | | | y | .75% of fees remitted |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |

* Fee does not apply to wireless services

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 4.50% | c | cost+inc | 2.25% | Locally | market | Rate for telecon changes |
| Tang. Pers. Prop. | 4.50% | c | cost+inc | 2.25% | Locally | cost | to 2.25% on 1/1/2000 |
| Intang. Pers. Prop. | 4.50% | c | cost+inc | N/A | | | |
| | | | | | | | |
| 3 year phase in to exempt intangible value from telecom assessments | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

State: North Carolina

Prepared by (name and company): ALLTEL Communications, Inc.

Reviewed by (name and company): Elliott Thompson, BellSouth

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax Imp'd on Bus. or Cust? (B OR C) | Tax apply to Inter-, Intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, Is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 4.00 | Y | Y | C | | Req'd, | | 1 | 12 | 12 | | | | N | |
| County sales tax | 2.00 | Y | Y | C | | Req'd, | N | *Filed with state sales tax return* | | | N | N | N | N | For telco, only applies to sale of tangible personal property. 100 juris. filed |
| Mecklenburg Public Transportation | 0.50 | Y | Y | C | | Req'd, | N | 1 | 12 | 12 | N | N | N | N | |
| City sales tax | | | | | | | | | | 0 | | | | | |
| 911 tax(wireline) | $0.25-$2.50 | Y | N | C | Intra-state | Silent | Y | 89 | 12 | 1,068 | Y | N | N | Y | per Commtax |
| 911 tax(wireless) | $0.80 | Y | N | C | Intra-state | Silent | Y | 89 | 12 | 1,068 | N | N | N | Y | per Commtax |
| State USF | n/a | | | | | | | | | 0 | | | | | |
| PUC Fee | varies | Y | N | B | Intra-state | Silent | | 1 | 4 | 4 | | | | N | Wireline & Long Distance |
| License Fee/tax | | | | | | | | | | 0 | | | | | |
| Business Licenses | varies | N | Y | B | | | Y | 1,217 | 1 | 1,217 | Y | Y | N | N | 2 |
| Franchise/ROW fees | 3.22% | Y | N | B | local | Silent | | 1 | 4 | 4 | | | | N | 1 |
| Gross Receipts | | | | | | | | | | 0 | | | | | |
| Utilities and Municipalities | 3%/6.5% | Business | N | C | local/intra-state | Perm'd | | 1 | 12 | 12 | | | | N | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | 0 | | | | | |
| Hearing Impaired Surcharge(wireline) | $0.07 | Y | N | C | N/A, note 3 | Silent | Y | 2 | 12 | 24 | N | N | N | Y\ | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | ments/footnotes: |
| Real Property | 0.0086 | C | C,I | 0.0086 | L | C,I,M | |
| Tang. Pers. Prop. | 0.0086 | C | C,I | 0.0086 | L | C,I,M | |
| Intang. Pers. Prop. | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

***Revenue Tax Comments***

1. Franchise Tax may or may not be passed thru to customer .
2. Business licenses, sometimes called Privilege licenses, vary on base depending on gross receipts or flat fee. 1,217 is based upon number of cities and counties in NC
3. Hearing Impaired Surcharge is applied on a per line basis, thus column F is irrelevant
4. 3% rate applies to local services. 6.5% rate applies to intra-state toll.

***Property Tax Comments***

1. Wireline - Central assessments derived from Cost and Income approaches.
   Local assessments derived primarily from Cost, however, Income and Market approaches can be used.
2. Wireless - All assessments for wireless are done locally based on original cost with scheduled depreciation (not book).

**State:** North Dakota

**Prepared by (name and company):** U S WEST, Paul Fortney

**Reviewed by (name and company):** AirTouch, John Cmelak

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| Sales & Use Tax - STATE | 5.00% | Y | Y | C | Intra-state | Req'd | N/A | 1 | 12 | 12 | N/A | N/A | N/A | Y | Vendor Comp % is 1.5%. Max is $85. |
| Sales & Use Tax - County | 2% (3) | Y | Y | C | Intra-state | Req'd | N | 1 | 12 | 12 | Y | N | N | Y | Rate is 1% to 2%.ACTUALLY NO TAX AT COUNTY LEVEL |
| Sales & UseTax - City | 2.00% | Y | Y | C | Intra-state | Req'd | N (2) | 75 | 12 | 900 (2) | Y | Y | Y | Y | Rate is 1% to 2%. 28 Cities allow a 3% to 5% vendor's compensation with some limits. |
| Gross Receipts -STATE | 2.50% | Y | N | B | Both | Silent | N/A | 1 | 1 | 1 | N/A | N/A | N/A | N/A | In lieu of property tax. |
| Occupation (1) | 3.00% | Y | N | B | Intra-state | Perm'd | Y | 1 | 12 | 12 | N | N | N | Y | Tax also applies to lodging industry. |
| 911 Excise Tax (1) | 1.00 per line | Y | N | C | Intra-State | Req'd | Y | 44 | 12 | 528 | Y | N | N | Y | USWC files in 23, 3% compensation |
| Telephone Relay Svc | .04 per line | Y | N | C | Intra-State | Req'd | N | 1 | 12 | 12 | N | N | N | Y | 5% vendor compensation |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

(1) NOT APPLICABLE TO WIRELESS

(2) LOCAL JURISDICTIONS REPORTED ON STATE RETURN, NOT SEPARATE FILINGS.

(3) ONLY ONE COUNTY HAS OPTED TO IMPOSE A TAX. TAX IS COLLECTED BY THE STATE.

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | ments/footnotes: |
| Property Tax | NA | | | | | | On telecom property no |
| Real Property | NA | | | 2.25% | L | C, I, M | property tax is paid in |
| Tang. Pers. Prop. | NA | | | N/A | N/A | N/A | ND, gross receipts tax |
| Intang. Pers. Prop. | NA | | | N/A | N/A | N/A | paid in lieu of property |
| | | | | | | | tax. |

Y

State: Nebraska

Prepared by (name and company): US WEST, Paul Fortney

Reviewed by (name and company): Sprint, Kendall Coyne

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 5.00% | Y | Y | C | Intra-state | Req'd | N/A | 1 | 12 | 12 | N/A | N/A | N/A | Y | Vendors comp 2.5% of 1st $3000 and .5% of remaining |
| Local sales tax | 0-1.5% | Y | Y | C | Intra-state | Req'd | N | 97 | 12 | 1,164 | Y | N | N | Y | |
| | | | | | | | | | | | | | | | Note: The two taxes above are filed on |
| | | | | | | | | | | | | | | | one return. |
| PUC Fee | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | |
| License Fee/tax | $25.00 | Y | Y | B | N/A | N/A | N/A | 1 | 1 | 1 | N/A | N/A | N/A | N | Waste Red. & Recycle |
| Gross Receipts | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N | |
| Occupation | Varies | Y | N | B | Intra-state | Perm'd | Y | 49 | Varies | 588 | Y | Y | Y | N | Flat Fee or 3.00 - 5.75% |
| | | | | | | | | | | | | | | | |
| 911 Excise Tax | .50-1.00 per line | Y | N | C | Intra-state | Req'd | Y | 384 | 4 | 1,536 | Y | N | N | N | |
| Dual Party Relay | .05 per line | Y | N | C | Intra-state | Req'd | N | 1 | 12 | 12 | N/A | N/A | N/A | N | |
| State USF | 6.95% | Y | N | C | Intra-state | Req'd | N/A | 1 | 4 | 4 | N/A | N/A | N/A | N | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 2.11% | C | C,I,M | 2.11% | L | C,I,M | Centrally assessed property |
| Tang. Pers. Prop. | 2.11% | C | C,I,M | 2.11% | L | C,I,M | value is based on business |
| Intang. Pers. Prop. | 2.11% | C | C,I,M | | | | value and locally assessed |
| | | | | | | | is based on real/pp asset value. |

Y

Please list any general comments below that should be noted re: this state.

State: New Hampshire

Prepared by (name and company): Nextel Communications, Debra Panitch

Reviewed by (name and company): Bill Hickey, Bell Atlantic Mobile

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Allow'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| 911 tax | $0.42 | Y (4) | N | C | n/a | A | n/a | 1 | 12 | 12 | n/a | n/a | n/a | N | |
| PUC Fee | assessed | Y | N | B | n/a | P | n/a | 1 | 1 | 1 | n/a | n/a | n/a | N | |
| Franchise fees | max $2,000 | Y | Y | B | n/a | S | n/a | 1 | 1 | 1 | n/a | n/a | n/a | N | |
| Communications Tax | 5.50% | Y | N (1) (3) | B | both | A | n/a | 1 | 12 | 12 | n/a | n/a | n/a | N | |
| (1) | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property (2) | 2.80% | L | M | 2.80% | L | C | |
| Tang. Pers. Prop. | n/a | n/a | n/a | n/a | n/a | n/a | |
| Intang. Pers. Prop. | n/a | n/a | n/a | n/a | n/a | n/a | |
| | | | | | | | |
| | | | | | | | |

Please list any general comments below that should be noted re: this state.

(1) No sales tax on retail sales in N.H. (phones or other personal property)
(2) Structures, poles, towers, and conduits used in the transmission of telecommunication are subject to real property tax.
(3) The first $12 of the monthly gross charge for residential customers is exempt.
(4) The 911 surcharge may not be imposed on more than 25 lines per customer billing account.

State: New Jersey

Prepared by (name and company): Deborah Bierbaum, AT&T

Reviewed by (name and company): Debra Panitch, Nextel

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 6.00% | Y | Y | C | both | | | 1 | 12 | 12 | | | | N | |
| PUC Fee | 0.25% | Y | N | B | both | Silent re: | | 1 | 12 | 12 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate* | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Tang. Pers. Prop. | 2.80% | Locally | m | 0.00% | | | only on 51% market local teleco co. |
| Real Property | 2-4% | locally | m | 2-4% | L | | |
| | | | | | | | |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

State: New Mexico

Prepared by (name and company): Erwin L. Wilson, GTE

Reviewed by (name and company): John Cmelak, AirTouch

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to Inter-, Intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, Is it filed locally? (Y or N) | # of juris. that apply (If state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | See Gross Receipts Tax |
| 911 tax | 0.51** | Y | N | C | Intra-state | Req'd, | n/a | 1 | 12 | 12 | n/a | n/a | n/a | Y | (1) |
| PUC Fee | 0.50% | Y | N | B | Intra-state | silent | n/a | 1 | 12 | 12 | n/a | n/a | n/a | N | (2) |
| Franchise/ROW fees | varies** | Y | N | B | Intra-state | Req'd, | Y | 17 | 4 | 68 | Y | Y | Y | N | |
| State Gross Receipts(3) | 5.00% | Y | Y | B | Intra-state | Permitted | n/a | 1 | 12 | 12 | n/a | n/a | n/a | n/a | |
| County Gross Rec. Tax | up to .75%(7) | Y | Y | B | Intra-state | Permitted | N | 33 | | | Y | N | N | N | County gross receipts tax are filed on the state return. |
| City Gross Rec. Tax | up to 1.25% | Y | Y | B | Intra-state | Permitted | N | 123 | | | Y | N | N | N | City gross receipts tax are filed on the state return. |
| Interstate Telecomm. | 4.25% | Y | N | B | Interstate | Permitted | n/a | 1 | 12 | 12 | n/a | n/a | n/a | N | |
| Telecomm Relay Sur | 0.33% | Y | N | C | Intra-state | Req'd, | n/a | 1 | 12 | 12 | n/a | n/a | n/a | N | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |

** Not applicable to wireless

(1) The tax is per local exchange access line; $.25 for 911 emergency surcharge and $.26 for network and database surcharge
(2) Formally known as Public Utility Inspection Fee; fee is .50% of the utility gross receipts
(3) Gross receipts tax is the equivalent of sales tax in New Mexico. There is not a separate sales tax.
(4) FCC contributions for USF are assessed against telecommunication providers, which in turn either recover these contributions via rates or explicit surcharge fees.
(5) Depend on how service providers recovers contributions
(6) Telecommunications are subject to central assessment, however the company can make a one-time election for either a cost or an income valuation methodology. Wireless seem to prefer cost, Wireline income.
(7) County gross receipts tax rate includes the emergency gross receipts tax rate.

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax (6) | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 0.95% | C | C | 0.95% | L | C | |
| Tang. Pers. Prop. | 0.95% | C | C | 0.95% | L | C | |
| Intang. Pers. Prop. | N/A | N/A | N/A | N/A | N/A | N/A | |
| | | | | | | | |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

State: Nevada

Prepared by (name and company): Michelle A. Thomas, SBC Communications Inc (210) 351-3920

Reviewed by (name and company): Gary Kueltzo, Ameritech

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | Varies (1) | Y | Y | B | n/a | Perm'd | N | 1 | 12 | 12 | Y | N | N | | {1} |
| Local 911 tax | $0.25 / line | Y | N | C | intra-state | n/a | Y | 1 | 1 | 1 | N | N | N | | {5} |
| State TDD fee | $0.08 per line | Y | N | B | intra-state | Silent | N | 1 | 4 | 4 | n/a | n/a | n/a | | {2} |
| PUC Fee (Mill Tax) | 0.425% | Y | N | B | intra-state | Silent | N | 1 | 4 | 4 | n/a | n/a | n/a | | {2}, {7} |
| State License Fee | per employee | Y | Y | B | n/a | Silent | N | 1 | 4 | 4 | N | N | n/a | | {2} |
| Franchise/ROW fees | Varies | Y | N | B | n/a | n/a | n/a | 1 | 4 | 4 | n/a | n/a | n/a | | {3} |
| Gross Receipts Tax | Avg. 5% {6} | Y | N | B | intra-state | Req'd | Y | 10 | 4 | 40 | Y | N | N | | {4}, {6} |
| Flat Rate Business License | Varies | Y | Y | B | n/a | Silent | Y | 9 | 2 | 18 | Y | Y | Y | | |
| | | | | | | | | | | 0 | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | | | RECON- | | | ASSESSED | Jur multiple Cities = C |
| Tang. Pers. Prop. | | | CILIATION | | | ON | Jur single City = L |
| Intang. Pers. Prop. | | | BETWEEN | | | COST | L = regardless of # |
| | | | COST & | | | VALUE | of counties |
| Real/Personal Prop. | 1.100% | C & L | INCOME (8) | 1.100% | Locally | ONLY (9) | |

Y

Please list any general comments below that should be noted re: this state.

Footnotes:

{1} Services are not taxable in NV. For wireless service providers, sales tax on phones sold combined with services is at the higher of phone cost or phone sales price.
{2} Not separately stated; included in rate base.
{3} Applicable to private property & USBLM; not state & local govt. Applies to wireline companies only.
{4} May be in lieu of flat rate business license tax.
{5} Tax is only imposed on local exchange and wireless companies to collect the tax as a flat fee and not on long distance companies.
{6} Tax is imposed on the first $15 of intrastate revenue for wireless services. $15 limit does not apply for wireline services.
{7} The mill tax may not apply for wireless carriers.
{8} Effective July 1, 1999, the state of NV is prohibited from utilizing a Market Approach to value state assessed properties. Reconciliation between cost & capitalized income can only occur if the capitalized income value is less than cost. The net result is a value that can not exceed the cost approach.
{9} Effective July 1, 1999, with the passage of SB 411 & SB 383, there now exists parity in valuation for both wire-line and wireless assets with main street businesses, in the state of NV.

State: New York

Prepared by (name and company): Bill Hickey (Bell Atlantic Mobile)

Reviewed by (name and company): Michelle Thomas, SBC Communications Inc.

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State and Local Sales Tax | 4%-8.5% | Y | Yes | Customer | Intra-state | | N | 85 | 12 | 12 | Y | N | N | Y | (1) |
| 911 Tax | .35 per line | Y | N | Customer | | | Y | 62 | 12 | 744 | N | N | N | Y | (2) |
| State USF | 0.70% | Y | N | Business | Intra-state | P | | | 12 | 12 | | | | | (3) |
| PUC Fee | | Y | N | Business | | | | | 1 | 1 | | | | | (4) |
| Franchise/ROW Fees | N/A | | | | | | | | | 0 | | | | | |
| Gross Receipts - Sec 184 | 0.75% | Y | N | Business | Gross Rev. | S | | | 1 | 1 | | | | | .375% eff. 7/1/00 (5) |
| Gross Receipts - Sec 186e | 3.25% | Y | N | Business | Both | S | | | 1 | 1 | | | | | 2.5% eff. 1/1/00 |
| Gross Receipts - Sec 183 | See Note (4) | Y | N | Business | | S | | | 1 | 1 | | | | | (6) |
| MCTD Surcharge | See Note (5) | Y | Y | Business | | S | | | 1 | 1 | | | | | (7) |
| Local Utility Taxes | 1% - 3% | Y | N | Business | Intra-city | S | Y | 200 | 12 | 2,400 | Y | N | | | (8) |
| School District Tax | 2 1/2% - 3% | Y | N | Customer | Intra-state | | N | 30 | 12 | 12 | Y | N | | | |

NOTES:

(1) Vendor's Comp is equal to 1 1/2% of the state tax liability, NOT TO EXCEED $100. Effective 9/1/98 the existing exemptions for machinery, equipment, tools, supplies, and other tangible personal property used directly and predominantly in connection with telecommunications central office equipment are specifically available to such items used in receiving, amplifying, processing, transmitting and retransmitting telephone or telegraph signals.
(2) The fee for landline customers is not to exceed 75 lines and the fee is remitted to each county. For wireless customers the charge is .70 per line, filed with the State Police on a quarterly basis.
There is a 2% collection fee allowed to both landline and wireless companies.
(3) The Targeted Accessibility Fund (TAF) has been established to fund Lifeline, emergency services (E911), and Telecommunication Relay Service (TRS) for the hearing impaired. Wireless is not subject to the USF.
(4) The fee is determined based on the PUC budget and allocated based upon intrastate revenue. The wireless industry is exempt.
(5) There is an exclusion for 30% of intra-state revenues and 100% of inter-state and international revenues .
(6) The tax under Sec. 183 is 1.5 mills per $1 of net value of capital stock apportioned to state; or 3/8 mill for each 1% of dividends on which 6% or more was paid; or $75, whichever is greater.
(7) MCTD Surcharge is equal to 17% of the tax rates for Sec. 184, 186e & 183. The MCTD Surcharge that is imposed on the 186e liability shall be calculated as if the tax imposed under 186e is at the rate of 3.5% not 3.25%.
(8) The rate for NYC=2.35%. The rate for Buffalo, Rochester and Yonkers = 3%. The rate for all other cities and villages is 1%. All cities except the city of Sherrill impose the tax.

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 3.60% | Locally | M | 3.60% | Locally | M | (9) |
| Tang. Pers. Prop. | N/A | | | | | | |
| Intang. Pers. Prop. | N/A | | | | | | |
| | | | | | | | |
| | | | | | | | |

(9) Rates are based on the class of property. The industry is currently faced with a statutory issue in which all lines, wires, poles, supports and inclosures for electrical conductors used in connection with the transmission or switching of electromagnetic voice, video and data are being assessed as real property.(Real Property Tax Law Section 102)

Please list any general comments below that should be noted re: this state.

State: Ohio

Prepared by (name and company): Gary Kueltzo, Ameritech

Reviewed by (name and company): Dave Shanks & John Cmelak, AirTouch

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business (Y or N) | Tax apply to Main Street Business (Y or N) | Tax Imp'd on Bus. Or Cust (B or C) | Tax apply to Inter-, Intra-state or both | If Bus tax, Proh'd. Req'd. Perm'd or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. That apply (if state tax input 1) | # of returns per year per jurs. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y or N) | If local tax, do tax basis vary? (Y or N) | If local tax do tax exemptions vary (Y or N) | Vendor's Comp? (Y or N) | Comments/footnotes: |
| State Sales Tax | 5% | Y | Y | C | Inter | N/A | N | 1 | 12 | 12 | Y | N | N | Y | Applies to IXC surcharge only |
| State Sales Tax - wireless | 7% | Y | Y | C | Both | N/A | N | 88 - See note a. | 12 | 12 | Y | N | N | Y | |
| PUC Fee | N/A | Y | N | B | Intra | Proh'd | N/A | 1 | 1 | 1 | N/A | N/A | N/A | N | Cost of PUC allocated - also applies to wireless |
| Gross Receipts | 4.75% | Y | N | B | Intra | Proh'd | N/A | 1 | 1 | 1 | N/A | N/A | N/A | N | N/A for wireless |

Please List any general comments below that should be noted re: this state.

Wireless Notes:
a. Ohio sales tax can vary on a county level, but all county information is reported on a single monthly return filed centrally with the state.

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L or C) | Telco FMV based on Cost (C) Cap'd Inc (I) or Mkt (M) | Main Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L or C) | Main St. FMV based on Cost (C) Cap'd Inc (I) or Mkt (M) | Comments/footnotes: |
| Real Property | 1.86% | L | (M) | 0.93% | L | (M) | Eff. Rate based upon % of Gross Book Cost |
| | | | | | | | |
| Tang. Pers. Prop. | 2.60% | C | C/(1) (4) | 1.30% | L | C/(1) (4) | Wireless Eff. Rate based upon % of Gross Book Cost |
| Intang. Pers. Prop. | | N/A | N/A | | N/A | N/A | |
| | | | | | | | |

1) In theory property appraisal practices require the consideration of all method's to determine FMV.
2) Real Property assessments are at 35% assessment ratio at local rates (appox. 7.15%.) TELCOs and main street are the same.
3) LECs are assessed at 88% of FMV for imbedded plant and 25% for new plant. Wireless, IXCs and main street are assessed at 25% at local rates (appox. 8.15%)
4) While the cost approach is used, FMV prevails and any acceptable method to achieve that can be used.
5) Effective rates given for Telco & Main Street are based upon Wireless gross book cost. This computed rate will be different for LEC's and will change for wireless and main street based upon the age of assets.

State: Oklahoma

Prepared by (name and company): Michelle A. Thomas, SBC Communications Inc (210) 351-3920

Reviewed by (name and company): Gary Kueltzo, Ameritech

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax Imp'd on Bus. or Cust? (B OR C) | Tax apply to Inter-, Intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (If state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 4.50% | Y | Y | C | both | n/a | N | 1(9) | 12 | 12 | | | | y | |
| County Sales Tax | Various | Y | Y | C | intra-state | n/a | N | 1(9) | n/a | n/a | y | n | n | y | |
| City Sales Tax | Various | Y | Y | C | intra-state | n/a | N | 1 | n/a | n/a | y | n | n | y | |
| E911 Fund | .50/line/year | Y | N | B | per line | Proh'd | | 1 | 2 | 2 | | | | N | (2) |
| 911 tax imposed by Cities or local governments | Varies 3-5% of local revenue(9) | Y | N | C | intra-state | n/a | Y | | 12 | | Y | N | N | N | (3) |
| State USF | .4566% of retail revenue surcharged at .17/line | Y | N | B | Intra state | Perm'd | | 1 | 12 | 12 | | | | N | |
| PUC Fee | PUD Budget allocated annually to Telephone providers. Currently surcharged to customer at .07 per line(9) | Y | N | B | Revenue used to allocate set amount but assessment is not a set % of revenue | Perm'd | N | 1 | 4 | 4 | n/a | | | N | |
| License Fee/tax | n/a | | | | | | | | | 0 | | | | | |
| Franchise/ROW fees | n/a | | | | | | | | | 0 | | | | | |
| Gross Receipts (1) | 2.00% | n/a | na | na | na | na | na | 221 cities | na | na | na | na | na | na | (1) (4) |
| Okla. Telecommunication Technology Training Fund | .75/line/year(9) | Y | N | B | per line | Proh'd | | 1 | 4 | 4 | | | | N | (5) |
| Hearing Impaired | .05/per line/month(9) | Y | N | C | Flat rate | Req'd | | 1 | 12 | 12 | | | | | (6) |
| Hearing Impaired Relay Surcharge | Adjusted annually to recover cost of contract for relay svs current surcharge is .06/line(9) | Y | N | C | Flat rate | Req'd | | 1 | 12 | 12 | | | | | (7) |
| | | | | | | | | | | 0 | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax (8) | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 1.065% | C | C,I,M | 0.63% | L | C | |
| Tang. Pers. Prop. | 1.065% | C | C,I,M | 0.63% | L | C | |
| Intang. Pers. Prop. | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

Footnotes:

(1) Gross receipts in Oklahoma are voluntary payments and are not passed on to the customers.
(2) Biannual payments to State Fund. Established by HB1815 and paid by Companies to help fund E911 equip for entities that can't afford otherwise. No pass through or recovery allowed.
(3) Cities or local governments are allowed by state law to pass ordinances to charge percent of local revenue to cover cost of providing E911 service. Pass through like sales tax
(4) 221 cities receive payments
(5) Quarterly payments to State Fund. Established by HB1815 and paid by Companies to help fund Teacher Technology Training E No pass through or recovery allowed.
(6) Paid to Okla Tax Commission to cover cost of equipment for hearing impaired
(7) Paid to Okla. Telephone Association who is administrator of contractor with Relay service provider
(8) Assessment Ratio for Public Service is 22.85%, while Cable TV and Retail Merchants assessment ratio is 11-15%.
(9) OK 911 fees do not apply to wireless.
OK City sales taxes and county sales taxes # of returns for wireless would be zero. All wireless sales taxes are reported on the state sales tax return.
OK PUC Fee does not apply to wireless.
Okla. Telecommunication Technology Training Fund does not apply to wireless.
OK Hearing Impaired does not apply to wireless.
OK Hearing Impaired Relay Surcharge does not apply to wireless.
Telco property values based upon business value, local assessments based upon asset value.

**State:** Oregon

**Prepared by (name and company):** Kendall Coyne - Sprint

**Reviewed by (name and company):** Paul Fortney - USWest

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, Is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| 911 Tax (1) | $.75 per line per month | Y | N | C | Intra-state | NA | NA | 1 | 12 | 12 | NA | NA | NA | N | |
| Deaf Tax (2) | $.10 per line per month | Y | N | C | Intra-state | NA | NA | 1 | 12 | 12 | NA | NA | NA | N | |
| PUC Tax | 0.25% | Y | N | B | Intra-state | Proh'd, | NA | 1 | 1 | 1 | NA | NA | NA | N | |
| Franchise | 3.00% - 7.00% | Y | N | B | Intra-state | Perm'd | Y | 83 | 12 | 996 | Y | Y | Y | N | Imposed in excess of |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 1.30% | C | CIM | 1.30% | Locally | CIM | Local assessors cap rental income |
| Tang. Pers. Prop. | 1.30% | C | CIM | 1.30% | Locally | C | |
| Intang. Pers. Prop. | 1.30% | C | CIM | 1.30% | Locally | C | |
| In effect, main street is not taxed on intangibles at the local level. | | | | | | | |
| | | | | | | | |

Y

**Please list any general comments below that should be noted re: this state.**

**(1) $0.75 per month per access line for intrastate dial tone line and wireless network access.**
**(2) $0.10 per month per access line (including wireless network access) is used to fund telecommunication access to low income customers and deaf, hearing, and/or speech impaired customers on intrastate dial tone line.**

State: Pennsylvania

Prepared by (name and company): Bill Hickey - Bell Atlantic Mobile

Reviewed by (name and company): Kendall Coyne - Sprint

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 6.00% | Y | Y | C | Both | | | 1 | 12 | 12 | | | | 0.01 | 1% tax for Philly & Allegeny |
| Local sales tax | 1.00% | Y | Y | C | Both | | N | 2 | | | N | N | N | | County. Residential Exemption for wireline customers |
| | | | | | | | | | | | | | | | |
| 911 tax | .14 to 1.50 | Y | N | C | N/A | | Y | 67 | 12 | 804 | Y | N | | N | Currently not applicable to wireless |
| State USF | | | | | | | | | | 0 | | | | | |
| PUC Fee | varies | Y | N | B | | Silent | | 1 | 1 | 1 | n/a | n/a | n/a | N | Administrative fees allocated |
| License Fee/tax | .15% to .5% | Y | Y | B | Both | Silent | Y | approx. 100 | 12 | 120 | Y | Y | N | N | Wireline subject to GRT is exempt from BPOL Tax |
| Franchise/ROW fees | (1) | | | | | | | | | 0 | | | | | |
| Gross Receipts | 5.00% | Y | N | B | Intra | Perm'd | N/A | 1 | 1 | 1 | n/a | n/a | n/a | N | Both Residential and Business subject to GRT. |
| TRS | .12/.06 | Y | N | C | N/A | | | 1 | 1 | 1 | N | N | | N | .12 Business .06 Residential Not applicable to Wireless |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 3.00% | C | M | 3.10% | Locally | M | Wireless Companies assessed locally |
| Tang. Pers. Prop. | N/A | | | N/A | | | |
| Intang. Pers. Prop. | N/A | | | N/A | | | |
| | | | | | | | |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

(1) Statute allows for the recovery of costs.

State: Rhode Island

Prepared by (name and company): Nextel Communications, Debra Panitch

Reviewed by (name and company): Bill Hickey, Bell Atlantic Mobile

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Allow'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 7.00% | Y | Y | C | both | | n/a | 1 | 12 | 12 | n/a | n/a | n/a | N | |
| 911 tax | $0.47 | Y | N | C | n/a | R | n/a | 1 | 4 | 4 | n/a | n/a | n/a | N | |
| PUC Fee | assesed (2) | Y | N | B | intra | P | n/a | 1 | 1 | 1 | n/a | n/a | n/a | N | |
| Gross Receipts | 5.00% | Y | N | B | both | P (1) | n/a | 1 | 1 | 1 | n/a | n/a | n/a | N | |
| TRS (Deaf) surcharge | $0.09 | Y | N | C | n/a | | n/a | 1 | 12 | 12 | n/a | n/a | n/a | N | |
| Franchise Tax | (3) | Y | Y | B | n/a | S | n/a | 1 | 1 | 1 | n/a | n/a | n/a | N | |
| Franchise/ROW Fee | Up to 3% | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 3.00% | L | | 3.00% | L | C | |
| Tang. Pers. Prop. | 3.00% | C | C | 3.00% | L | C | |
| Intang. Pers. Prop. | n/a | n/a | n/a | n/a | n/a | n/a | |
| | | | | | | | |
| | | | | | | | |

Please list any general comments below that should be noted re: this state.

(1) The interstate portion can be passed on to customers as a rate surcharge. If passed on, is subject to sales tax.
(2) The administrator determines the expenses of the utility division each year and apportions and assesses these expenses among the state's regulated utilities.
(3) $2.50 for each $10,000 of capital stock- minimum of $250.

State: South Carolina

Prepared by (name and company): Elliott Thompson - BellSouth

Reviewed by (name and company): Jim Hidey

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 5.00% | Y | Y | B | LOCAL | A | N/A | 1 | 12 | 12 | N/A | N/A | N/A | Y | See local sales tax also. |
| 911 tax | $1.50 Max | Y | N | C | N/A | S | Y | 39 | 12 | 468 | Y | N | N | Y | Total number of jurisdictions obtained from Vertex. |
| | | | | | | | | | | | | | | | |
| PUC Fee | 0.12% | Y | N | B | INTRA | S | N/A | 1 | 1 | 1 | N/A | N/A | N/A | N | Expenses of commission allocated to utilities based on intrastate gross receipts |
| License Fee/tax | 0.30% | Y | N | B | B | A | Y | 268 | 1 | 268 | N | N | N | N | Figures based on potential impact of recently enacted license fee provisions. |
| Franchise/ROW fees | 1.5% | Y | N | B | LOCAL | | | | | | | | | | Franchise fees will be phased out with implementation of recently enacted license fee provisions. |
| Additional License Fee | 0.3% (1) | Y | N | B | INTRA | S | N | 1 | 1 | 1 | N/A | N/A | N/A | N | Section 12-19-110 |
| Local Sales Tax | 0%-2% | Y | Y | B | LOCAL | A | N | 0 | 0 | 0 | Y | N | N | Y | See state sales tax. |
| Telephone Relay Service Surcharge | $0.10 | Y | N | C | LOCAL | S | N | 1 | 12 | 12 | N | N | N | N | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

(1) Beginning in 2003, the license tax will go up to .75%.

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 2.95% | C | C,I,M | 2.95% | L | C,I,M | See Footnote 1 |
| Tang. Pers. Prop. | 2.95% | C | C,I,M | 2.95% | L | C | See Footnote 1 and 2 |
| Intang. Pers. Prop. | N/A | N/A | N/A | N/A | N/A | N/A | |
| | | | | | | | |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

1. Wireless - Wireless companies are centrally assessed using an assessment ratio of 10.5%.
2. Intangibles are included in the valuation of Tangible Personal Property.

State: South Dakota

Prepared by (name and company): U S WEST, Paul Fortney

Reviewed by (name and company): Stacey Sprinkle, CommNet Cellular Inc.

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| Sales & Use Tax | 4.00% | Y | Y | B | Intra-state | Perm'd | N/A | 1 | 12 | 12 | N/A | N/A | N/A | N | City & State S&U Tax are filed |
| Sales & Use Tax - City | 0 to 2% | Y | Y | B | Intra-state | Perm'd | N | 311 | 0 | 0 | Y | N | N | N | together. Only 190 cities |
| | | | | | | | | | | | | | | | impose a sales&use tax |
| PUC Fee | 0.15% | Y | N | B | Intra-state | Silent | N/A | 1 | 1 | 1 | N/A | N/A | N/A | N | |
| | | | | | | | | | | | | | | | |
| 911 Excise Tax | .75 per line | Y | N | C | N/A | Req'd | Y | 66 | 4 | 264 | N | N | N | Y | 1% vendor compensation |
| Telephone Relay Svc | .15 per line | Y | N | C | N/A | Req'd | N | 1 | 6 | 6 | N/A | N/A | N/A | Y | 1% or $100.00 compensation |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | ments/footnotes: |
| Property Tax | | | | | | | Centrally assessed property |
| Real Property | 2.32% | C | C, I, M | 2.32% | L | C, I, M | value is based on business |
| Tang. Pers. Prop. | 2.32% | C | C, I, M | NA | NA | | value and locally assessed |
| Intang. Pers. Prop. | 2.32% | C | C, I, M | NA | NA | | is based on real estate value. |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

State: Tennessee

Prepared by (name and company): Elliott Thompson - BellSouth

Reviewed by (name and company): Pat Klemz, Citizens Utilities

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 6.00% | Y | Y | C | B | A | N | 0 | 0 | 0 | N/A | N/A | N/A | Y | State level sales tax included on all returns. See local sales tax for total # of returns. |
| 911 tax | $2 Max | Y | N | C | N/A | S | Y | 93 | 12 | 1,116 | Y | N | N | Y | Total number of jurisdictions obtained from Vertex. |
| | | | | | | | | | | | | | | | |
| PUC Fee | 0.15% | Y | N | B | INTRA | S | N/A | 1 | 1 | 1 | N/A | N/A | N/A | N | |
| | | | | | | | | | | | | | | | |
| Memphis Franchise | 5.00% | Y | N | B | INTRA | A | Y | 1 | 4 | 4 | N | N | N | N | |
| Maryville Franchise | 0.50% | Y | N | B | LOCAL | A | Y | 1 | 1 | 1 | N | N | N | N | |
| Local Sales Tax | 0%-2.75% | Y | Y | C | B | A | Y | 313 | 12 | 3,756 | Y | N | N | Y | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 3.58% | C | C,I,M | 1.95% | L | C,I,M | See Footnote 1. |
| Tang. Pers. Prop. | 3.58% | C | C,I,M | 1.95% | L | C | See Footnote 1. |
| Intang. Pers. Prop. | 3.58% | C | C,I,M | N/A | N/A | N/A | |
| | | | | | | | |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

1. Wireless - Wireless companies are centrally assessed at an blended assessment ratio of 32%.

State: TEXAS

Prepared by (name and company): Michelle Thomas (210) 351-3920, SBC Communications, Inc.

Reviewed by (name and company): Gary Kuelizo, Ameritech

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 6.25% | Y | Y | C | both (1) | n/a | n/a | 1 | 12 | 12 | n/a | n/a | n/a | Y | (1) |
| City sales tax | 0.25% - 2% | Y | Y | C | intra-state | n/a | N | 384 | n/a | | Y | N | Y | Y | (2) |
| County sales tax | 0.5% - 1% | Y | Y | C | intra-state | n/a | N | 21 | n/a | | Y | N | Y | Y | (2) |
| MTA sales tax | 0.25% - 1% | Y | Y | C | intra-state | n/a | N | 6 | n/a | | Y | N | Y | Y | (2) |
| CTD sales tax | 0.25% - 1% | Y | Y | C | intra-state | n/a | N | 2 | n/a | | Y | N | Y | Y | (2) |
| SPD sales tax | 0.125% - 1% | Y | Y | C | intra-state | n/a | N | 8 | n/a | | Y | N | Y | Y | (2) |
| 911 tax - County | 0.20% | Y | N | C | both | n/a | | | | 0 | N | N | N | | |
| 911 tax - City | $0.00 - $0.50 | Y | N | C | Per Access line | n/a | | | | | Y | N | N | | |
| Poison Control | 0.30% | Y | N | C | intra-state | n/a | | | | | | | | | |
| State USF | 0.79% - 4.25% | Y | N | B | both | A | | 1 | 12 | 12 | | | | N | |
| PUC Gross Recipt | 0.1667%(7) | Y | N | B | intra-state | A | | 1 | 1 | 1 | | | | N | (3) |
| PUC Access Line | varies-apx .05(7) | Y | N | B | Per Access line | P | | 1 | 1 | 1 | | | | N | |
| Right of Way Fees | 0-12%(7) | Y | N | B | Local only | A | Y | 550 | 4 | 2,200 | Y | Y | N | N | |
| Gross Receipts Municipal | (4) | | | | | | | | | 0 | | | | | (4) |
| TIF Telecommunications Infrastructure Fund | 1.25% | Y | N | B | both | A (5) | n/a | 1 | 4 | 4 | | N | | N | (5) |
| | | | | | | | | | | 0 | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 1.053% | L | C & I | 1.053% | L | "VARIOUS | |
| Tang. Pers. Prop. | 1.053% | L | C & I | 1.053% | L | AS PER | |
| Intang. Pers. Prop. | | N/A | N/A | | N/A | SITUS" | |
| | | | | | | | |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

Footnotes:

(1) Sales tax applies to interstate calls which are both "originated and billed" within Texas.
(2) State law limits the collection of local sales and use tax to *no more than 2 percent* for a total sales tax rate of 8 1/4 percent. Filed on state sales tax return.
(3) Intrastate rates governed by PUC only
(4) Same as ROW fees
(5)Law permits pass-thru, however, Telcos prohibited from pass-thru because of rate restrictions.
(6) Telco property values are based upon business value, local assessments based on asset value.
(7) TX 911 Wireless service fee is $ .50 per subscriber. This is a monthly filing per entity.
TX 911 Equalization surcharge (.3%) / Poison Control Surcharge (.3%) is imposed on intrastate LD for wireless. This is a quarterly filing per entity.
TX PUC Gross Recipt do not apply to wireless.
TX PUC Access Line do not apply to wireless.
TX Right of Way Fees do not apply to wireless.

State: Utah

Prepared by (name and company): Kendall Coyne - Sprint

Reviewed by (name and company): Paul Fortney, USWest

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to Inter-, Intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (If state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State Sales Tax | 4.75% | Y | Y | C | Intra-state | Req'd | NA | 1 | 12 | 12 | NA | NA | NA | Y | Vendor comp of 1.5% |
| Local Sales Tax | 0.250-3% | Y | Y | C | Intra-state | Req'd | N | 290 | 12 (5) | 12 | Y | N | N | Y | Vendor comp of 1% |
| USF Surcharge | 1.00% | Y | N | B | Intra-state | Y | NA | 1 | 12 | 12 | NA | NA | NA | N | |
| DEAF Surcharge (TDD) | $.18 per line per month | Y | N | C | Intra-state | Y | NA | 1 | 12 | 12 | NA | NA | NA | N | |
| PUC Tax | 0.30% | Y | N | B | Intra-state | NA | NA | 1 | 1 | 1 | NA | NA | NA | N | |
| 911/Poison Control Surcharge (2) | $0.07 per line per month | Y | N | B | Intra-state | Y | NA | 1 | 12 | 12 | NA | NA | NA | N | |
| 911 Tax (3) City/County | $.50-$.53 per line | Y | N | C | Intra-state | Y | Y | 33 | 12 | 396 | Y | N | N | N | |
| Franchise/License/Agreement/ Utility | Capped @ 6%. | Y | N | B | Intra-state | Perm'd | Y | 114 | 12 | 1,368 | Y | Y | Y | N | 23 cities impose flat fee instead of % of revenue. |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 1.1-1.2% | C | CIM | 1.1-1.2% | Locally | CIM | |
| Tang. Pers. Prop. | 1.1-1.2% | C | CIM | 1.1-1.2% | Locally | C | |
| Intang. Pers. Prop. (4) | 1.1-1.2% | C | CIM | | | NA | |

Y

Please list any general comments below that should be noted re: this state.

(1) A fund is established to provide telecommunication services to deaf, hearing, or speech impaired individuals. This fund is supported by a surcharge, not to exceed $0.25.
(2) An emergency service telephone charge of $0.07 per month is imposed on each radio communications access line (Intrastate and Wireless) in order to pay the costs for the University of Utah Poison Control Center.
(3) 911 Tax may be wireless or wireline.
(4) Intangibles are exempt by the Utah State Constitution. However, in practice intangibles are taxed at the state level.
(5) A separate resort community sales tax return is required to be filed monthly with the state.

State: Virginia

Prepared by (name and company): Bill Hickey-Bell Atlantic Mobile

Reviewed by (name and company): Bonnie Boone - GTE Service Corp.

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State/ Local sales tax | 3.5%St / 1% loc | N | Y | C | N/A | N/A | N | 1 | 12 | 12 | N | N | N | Y | Applies to equipment sales, but not telecommunication services. Exemption available for tangible personal property (ISP and OSP) used directly in the rendition of public utility service. |
| 911 tax | LEC Files locally $.26-$3.00. Wireless file centrally $.75 per line. | Y | N | C | N/A | N/A | Y | 137 | 12 | 1,644 | Y | N | N | Y | LECs file locally. Rates vary from $0.26 to $3.00. Wireless files centrally @ $.75 per line. Companies can retain 3% of tax billed. |
| PUC Fee | 0.11% | Y | N | B | Intra-state | S | N/A | 1 | 1 | 1 | N/A | N/A | N/A | N | Applies to landline and wireless. |
| License Fee/tax | <=.5% | Y | N | B | Intra-state | S | Y | 220 | 1 | 220 | Y | N | N | N | Main St. Business subject to ordinary Bus. License @ lower rate. Telephone subject to a special Business License tax. Several jurisdictions have higher grandfathered (since 1972) rates. |
| Franchise/ROW fees | $.50 per switched access line (1) | Y | N | C | Per Line | R | Counties (95) filed with state on single quarterly return; cities and towns filed locally. | 95 | 4 | 4 | N | N | N | N | County fees are paid to the state and then distributed by the state to the counties. Cities and Town fees are paid directly to them. The fee is mandatory for all VA counties and the cities and towns are optional. The rate is set by the state on an annual basis from milage studies produced annually by the VA telcos. |
| TRS Surcharge | $.16/mo. | Y | N | C | Per Line | N/A | N | 1 | 12 | 12 | N/A | N/A | N/A | Y | VA Relay Center charge; applies to LECs only and not wireless. Lecs can retain 2% of surcharge billed. |
| Consumer Utility | Local Telecomm<=20 %, 1st $15. Wireless<=10%, 1st $30. | Y | N | C | Local Service | R | Y | 204 | 12 | 2,448 | Y | N | Y | Varies | For local telecomm., <=20%, 1st $15 for residential. Several jurisdictions have higher grandfathered (since 1972) rates. There is no statutory maximum for Commercial rates. These are generally higher than residential and can vary for each locality. For wireless, <=10%, 1st $30. Some jurisdictions allow Company to retain portion of tax billed to defray administrative costs. |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/Footnotes |
| Real Property | Varies from .88% to .94% | C | Cost | Same | L | Market | All Real & personal property of public services co's assessed @ real estate rate. |
| Tang. Pers. Prop. | Varies from .88% to .94% | C | Cost | See comments | L | Cost | All Real & personal property of public services co's assessed @ real estate rate. Main Street Business assessed @ higher rate for tangible property rate. It should be noted that depreciation schedules are less favorable for Telcos vs Main Street businesses. Real and Personal except vehicles are billed real property rate. |
| Intang. Pers. Prop. | Exempt | N/A | | Exempt | N/A | | |

Please list any general comments below that should be noted re: this state.
1) local jurisdictions that had a franchise in place as of 7/1/98 can continue charging the respective franchise fee which was generally a fee based on a percentage of receipts. i.e. Norfolk = 3%

State: Vermont

Prepared by (name and company): Patricia Klemz - Citizens Telecom

Reviewed by (name and company): Bill Hickey - Bell Atlantic Mobile

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to Inter-, Intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax (Telecom) | 4.36% | y | N | c | both | | | 1 | 12 | 12 | n/a | n/a | n/a | N | Max tax of $10,000 on Telecom |
| State sales tax (Equipment) | 5% - 6% | Y | Y | C | n/a | | Y | 2 | 12 | 24 | N | N | N | N | (1) |
| 911 tax | n/a | | | | | | | | | 0 | | | | | |
| State USF | 0.95% | y | n | c | Both | | | 1 | 12 | 12 | n/a | n/a | n/a | | |
| PUC Fee | .5% or $500 | y | n | b | Gross Operating Revenue | Proh'd, | | 1 | 1 | 1 | | | | | PUC Fee-is the greater of the rate or $500 |
| License Fee/tax | | | | | | | | | | 0 | | | | | |
| Franchise/ROW fees | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 2.37% | Locally | cost | 1.00% | Locally | cost | rates vary by juris. Same |
| Tang. Pers. Prop. | 2.37% | Central (2) | cost | 1.00% | Locally | cost | for telecom or main |
| Intang. Pers. Prop. | | | | | | | street. |
| | | | | | | | |
| | | | | | | | |

(1) Currently the local 1% tax is only imposed by the town of Manchester.

(2) Companies owning or operating a telephone line or business must pay a tax equal to 2.37% of the NBV of their personal property. However, if their gross operating revenues within the state from the preceeding taxable year are less than $50 million, then they are subject to an alternative tax under Title 32 Section 8522. Main street businesses file locally and some towns in Vermont no longer impose a tax on tangible personal property at the local level, or are currently phasing it out.

State: Washington

Prepared by (name and company): U S WEST, Paul Fortney

Reviewed by (name and company): AirTouch, John Cmelak

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (If state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| Sales Tax - STATE | 6.50% | Y | Y | C | Both | N/A | N/A | 1 | 12 | 12 | N/A | N/A | N/A | N | Residential wireline is exempt from sales tax. |
| Sales Tax - RTA | 0.04% | Y | Y | C | Both | N/A | N/A | 1 | 12 | 12 | N/A | N/A | N/A | N | Regional Transit Authority. There are multiple RTA jurisdictions but all are filed on the Combined Excise Tax Return. |
| Sales Tax - Local | 2.10% | Y | Y | C | Both | N/A | N | 325 | 12 | 12 | Y | N | N | N | See attached rate schedule |
| B&O State | 0.471% | Y | Y | B | Both | Perm'd | N/A | 1 | 12 | 12 | N/A | N/A | N/A | N | .471% retail rate, .1829% service rate, .506 wholesale rate. |
| | | | | | | | | | | | | | | | |
| PUC Fee | 0.20% | Y | N | B | Both | Proh'd, | N/A | 1 | 1 | 1 | N/A | N/A | N/A | N | Not applied to wireless |
| License Fee/tax | Varies | Y | Y | B | N/A | Varies, most Perm'd | Y | 69 | 1 | 69 | Y | Y | N/A | N/A | Can be flat fee, employee, loction, gross revenue, based. Majority are flat fees. This does not represent the one time fees, only the renewals. |
| Gross Receipts | 5.00% | Y | Y | B | Both | Perm'd | Y | 1 | 4 | 4 | N/A | N/A | N/A | N/A | Lummi Indian Reservation, Pass thru tax subject to tax. |
| B&O Local | 0.215% | Y | Y | B | Both | Silent re: | Y | 117 | Varies | 468 | Y | Y | Y | N | Most of our B&O taxes, other than telecomm occupation, are quarterly up to 282 jurisdictions possible, not all impose |
| B&O Local (telecomm) | 6.383% | Y | N | B | intra- | Perm'd(1) | Y | 282 possible(2) | Varies, mostly 12 | | Y | Y | N | N | Due to compounding, the effective rate of the statutory rate of 6% is 6.383%. |
| 911 Excise Tax | .07 per line | Y | N | B | intra-state(?) | N/A | Y | 1 | 12 | 12 | N/A | N/A | N/A | N | |
| 911 Excise Tax-Cnty | .50/wireline;.25/ wireless | Y | N | B | | Req'd, | Y | 40 | 12 | 480 | Y | N | N | N | King County rate is less, at .35 per line. Cellular customer cap at .25 per line. |
| Telephone Relay Svc | .15 per line | Y | N | B | intra-state | N/A | Y | 1 | 12 | 12 | N/A | N/A | N/A | N | Not applied to wireless |
| Telephone Assist. Plan | .13 per line | Y | N | B | intra-state | N/A | Y | 1 | 12 | 12 | N/A | N/A | N/A | N | Not applied to wireless |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Property Tax | | | | | | | |
| Real Property | 1.36% | C | C, I, M | 1.36% | L | C,I,M | Centrally assessed property |
| Tang. Pers. Prop. | 1.36% | C | C, I, M | 1.36% | L | C,I,M | value is based on business |
| Intang. Pers. Prop. | | | N/A | | | N/A | value and locally assessed |
| | | | | | | | is based on real/pp asset value. |

Y

Please list any general comments below that should be noted re: this state.
See WAC 458-20-245 for definitions of "competitive telephone servce" and "network telephone service". These create different results from most states.
For example, no retail sales tax is imposed on residential "network telephone service". Residential, however, is not clearly defined. Application to wireless uncertain.

(1) Language usually addresses if tax applies to itself if passed through. Many larger cities do apply it to itself so eff. rate is 6.383%
(2) As of 1/1/99 there were 282 incoporated cities which could impose B&O or the telecomm occupation tax.

State: Washington, DC

Prepared by (name and company): Kendall Coyne - Sprint

Reviewed by (name and company): Chris Hillery - Frontier

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 5.75% | Y(1) | Y | C | intra-state | n/a | n/a | 1 | 12 | 12 | n/a | n/a | n/a | y | |
| 911 tax | $.18 per line | Y | N | C | intra-state | n/a | n/a | 1 | 12 | 12 | n/a | n/a | n/a | n/a | |
| Gross Receipts | 10.00% | Y | N | B | both | Silent | n/a | 1 | 12 | 12 | n/a | n/a | n/a | N | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 2.15% | L | C | 2.15% | L | C | |
| Tang. Pers. Prop. | 3.40% | L | C | 3.40% | L | C | |
| Intang. Pers. Prop. | 0% | n/a | n/a | n/a | n/a | n/a | |

Please list any general comments below that should be noted re: this state.

Footnotes:
(1) Applies only to nonresidential customers

State: Wisconsin

Prepared by (name and company): AmeriTech, Gary Kueltzo

Reviewed by (name and company): Nextel Communications, Debra Panitch

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business (Y or N) | Tax apply to Main Street Business (Y or N) | Tax Imp'd on Bus. Or Cust (B or C) | Tax apply to Inter-, Intra-state or both | If Bus tax, Proh'd. Req'd. Perm'd or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. That apply (if state tax input 1) | # of returns per year per jurs. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y or N) | If local tax, do tax basis vary? (Y or N) | If local tax do tax exemptions vary (Y or N) | Vendor's Comp? (Y or N) | Comments/footnotes: |
| State Sales Tax | 5% | Y | Y | B | Both | A | N/A | 1 | 12 | 12 | Y | N | N | Y | |
| County sales tax (phone) | 0-.6% | Y | Y | B | n/a | A | N/A | 72 | 12 | 12 | Y | N | N | Y | filed with state tax- on retail sales of phones only |
| 911 Tax (wired per month) | $.07-$.83 | Y | N | B | n/a | A | n/a | 54 | 4 | 216 | Y | N | N | | Fees based on access lines |
| USF/PUC Fee | assessed | Y | N | B | Intra | P | N/A | 1 | 1 | 1 | N/A | N/A | N/A | N | Cost of PUC allocated |
| License Fee/GRT | 5.77% | Y | N | B | Intra | A | N/A | 1 | 1 | 1 | N/A | N/A | N/A | N | Phased out in 2000; property tax base after 2000 |
| Income/Franchise Tax | 7.90% | Y | Y | B | both | P | n/a | 1 | 1 | 1 | n/a | n/a | n/a | N | |
| Franchise/ROW Fee | (1) | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

1) Statute allows for the recovery of reasonable administrative costs.

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L or C) | Telco FMV based on Cost (C) Cap'd Inc (I) or Mkt (M) | Main Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L or C) | Main St. FMV based on Cost (C) Cap'd Inc (I) or Mkt (M) | Comments/footnotes: |
| Real Property | 2.2216% (2) | C | (1) | 2.2216% (2) | L | (1) | TELCOs & main street are essentially taxed the same |
| Tang. Pers. Prop. | 2.2216% (2) | C | C (3) | 2.2216% (2) | L | C (3) | TELCOs & main street are essentially taxed the same |
| Intang. Pers. Prop. | | N/A | N/A | | N/A | N/A | |
| | | | | | | | |

1) In theory property appraisal practices require the consideration of all three method's of valuation to determine FMV.
2) These rates are the state @ 100% assessment ratio TELCOs & main street use the same local rates.
3) while the cost method is used, FMV of property is the determining factor and any acceptable method may be used.

State: West Virginia

Prepared by (name and company): Patricia Klemz - Citizens Telecom

Reviewed by (name and company): William Hickey (Bell Atlantic Mobile)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax apply to Telephone Business? (Y or N) | Tax apply to Main Street Business? (Y or N) | Tax imp'd on Bus. or Cust? (B OR C) | Tax apply to inter-, intra-state or both? | If Bus tax, Proh'd, Req'd, Perm'd, or Silent re: Pass Thru? | If local tax, is it filed locally? (Y or N) | # of juris. that apply (if state tax input 1) | # of returns per year per juris. | Total # of annual returns (automatic) | If local tax, do tax rates vary? (Y/N) | If local tax, do tax bases vary? (Y/N) | If local tax, do tax exemptions vary? (Y/N) | Vendor's Comp? (Y/N) | Comments/footnotes |
| State sales tax | 6.00% | y | y | C | Both | | | 1 | 12 | 12 | | | | n | competive services |
| 911 tax | LEC Rate .55 to 2.65/line; Wireless Rate = .94/line | y | n | c | Per Line | | | *48* | 12 | 12 | *Yes* | *No* | *No* | *y* | *For LECs, local 911 applied at various rates per locality.* |
| State USF | | | | | | | | | | 0 | | | | | |
| PUC Fee | 0.32% | y | n | b | Intra-state | Silent | | 1 | 1 | 1 | | | | | |
| License Fee/tax | | | | | | | | | | 0 | | | | | *Does not apply to wireless services* |
| Franchise/ROW fees | *N/A* | | | | | | | | | 0 | | | | | *Does not apply to wireless services* |
| Gross Receipts | 4.00% | y | n | c | both | Silent | | 1 | 1 | 1 | | | | | *Only applies to Non-Competitive services* |
| Local Excise | <or = 2% | y | n | c | Intra-state | | y | | | 0 | y | n | n | n | noncomp. services |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |
| | | | | | | | | | | 0 | | | | | |

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| Property Tax | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Real Property | 1.40% | c | cost+inc & *Mkt* | 1-1.5% | Locally | market | |
| Tang. Pers. Prop. | 1.40% | c | cost+inc & *Mkt* | 1-1.5% | Locally | cost | |
| Intang. Pers. Prop. | 1.70% | c | cost & *Mkt* | 0.00% | | | |
| | | | | | | | |
| | | | | | | | |

Y

Please list any general comments below that should be noted re: this state.

## Wyoming

Prepare By: John Cmelak, Vodafone AirTouch Plc
Review By: Pat Klemz, Citizens Utilities

| | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fee/Tax Based on Revenue | Rate | Tax Apply to Telephone Business? (Y or N) | Tax Apply to Main Street Business? (Y or N) | Tax imposed on Business or Customer? (B or C) | Tax apply to Inter-, Intra-state or both? (Inter, Intra or both) | If biz tax, does law prohibit, require, allow or is it a silent pass thru? (P, R, A or S) | If local tax, is it filed locally? (Y or N) | Total # of jurisdictions that apply tax (Enter 1 if state tax) | Total # of returns per year per jurisdiction | Total # of annual returns (formula) | If local tax, do tax rates vary? (Y or N) | If local tax, do tax bases vary? (Y or N) | If local tax, do tax exemptions vary? (Y or N) | Are vendor's compensated for collecting tax/fee? (Y or N) | Comments |
| Sales/Use | 4.00% | Y | Y | C | Intra | R | N/A | | | 0 | N/A | N/A | N/A | | |
| State TRS | $.07 per line [1] | Y | N | | | | N/A | | | 0 | N/A | N/A | N/A | Y [2] | |
| Local Sales/Use | 0.0% - 2.0% | Y | Y | C | Intra | R | N | 24 | Note 3 | Note 3 | Y | N | N | N | |
| Universal Service Fund | 2.00% | Y | N | B | Intra | A | N/A | 1 | | 0 | | | | | |
| PUC Gross Receipts | .002373% | Y | N | B | Intra | P | N/A | 1 | | 0 | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

1 = Currently $.07 per line (state authorizes TRS up to $.15 per line).

2 = 1.0% vendor's compensation (not capped).

3= Frequency of filing depends on volume of taxes collected.

| Q | R | S | T | U | V | W | X |
|---|---|---|---|---|---|---|---|
| | Telco Effective Rate | Telco Locally Vs. Centr. Admin'd (L OR C) | Telco FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Main St. Business Effective Rate | Main St. Locally Vs. Centr. Admin'd (L OR C) | Main St. FMV based on Cost (C) Cap'd Inc(I) or Mkt (M) | Comments/footnotes: |
| Property Tax | | | | | | | |
| Real Property | 0.72% | C | C, M, I | 0.59% | L | C, M, I | Centrally assessed property |
| Tang. Pers. Prop. | 0.72% | C | C, M, I | 0.59% | L | C, M, I | value is based on business |
| Intang. Pers. Prop. | 0.72% | C | C, M, I | N/A | | | value and locally assessed |
| | | | | | | | is based on real/pp asset value. |