

1 AN ACT concerning taxes.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Telecommunications Excise Tax Act is
5 amended by changing Section 2 as follows:

6 (35 ILCS 630/2) (from Ch. 120, par. 2002)

7 (Text of Section before amendment by P.A. 92-878)

8 Sec. 2. As used in this Article, unless the context
9 clearly requires otherwise:

10 (a) "Gross charge" means the amount paid for the act or
11 privilege of originating or receiving telecommunications in
12 this State and for all services and equipment provided in
13 connection therewith by a retailer, valued in money whether
14 paid in money or otherwise, including cash, credits, services
15 and property of every kind or nature, and shall be determined
16 without any deduction on account of the cost of such
17 telecommunications, the cost of materials used, labor or
18 service costs or any other expense whatsoever. In case
19 credit is extended, the amount thereof shall be included only
20 as and when paid. "Gross charges" for private line service
21 shall include charges imposed at each channel point within
22 this State, charges for the channel mileage between each
23 channel point within this State, and charges for that portion
24 of the interstate inter-office channel provided within
25 Illinois. However, "gross charges" shall not include:

26 (1) any amounts added to a purchaser's bill because
27 of a charge made pursuant to (i) the tax imposed by this
28 Article; (ii) charges added to customers' bills pursuant
29 to the provisions of Sections 9-221 or 9-222 of the
30 Public Utilities Act, as amended, or any similar charges
31 added to customers' bills by retailers who are not

1 subject to rate regulation by the Illinois Commerce
2 Commission for the purpose of recovering any of the tax
3 liabilities or other amounts specified in such provisions
4 of such Act; (iii) the tax imposed by Section 4251 of the
5 Internal Revenue Code; (iv) 911 surcharges; or (v) the
6 tax imposed by the Simplified Municipal
7 Telecommunications Tax Act;

8 (2) charges for a sent collect telecommunication
9 received outside of the State;

10 (3) charges for leased time on equipment or charges
11 for the storage of data or information for subsequent
12 retrieval or the processing of data or information
13 intended to change its form or content. Such equipment
14 includes, but is not limited to, the use of calculators,
15 computers, data processing equipment, tabulating
16 equipment or accounting equipment and also includes the
17 usage of computers under a time-sharing agreement;

18 (4) charges for customer equipment, including such
19 equipment that is leased or rented by the customer from
20 any source, wherein such charges are disaggregated and
21 separately identified from other charges;

22 (5) charges to business enterprises certified under
23 Section 9-222.1 of the Public Utilities Act, as amended,
24 to the extent of such exemption and during the period of
25 time specified by the Department of Commerce and
26 Community Affairs;

27 (6) charges for telecommunications and all services
28 and equipment provided in connection therewith between a
29 parent corporation and its wholly owned subsidiaries or
30 between wholly owned subsidiaries when the tax imposed
31 under this Article has already been paid to a retailer
32 and only to the extent that the charges between the
33 parent corporation and wholly owned subsidiaries or
34 between wholly owned subsidiaries represent expense

1 allocation between the corporations and not the
2 generation of profit for the corporation rendering such
3 service;

4 (7) bad debts. Bad debt means any portion of a debt
5 that is related to a sale at retail for which gross
6 charges are not otherwise deductible or excludable that
7 has become worthless or uncollectable, as determined
8 under applicable federal income tax standards. If the
9 portion of the debt deemed to be bad is subsequently
10 paid, the retailer shall report and pay the tax on that
11 portion during the reporting period in which the payment
12 is made;

13 (8) charges paid by inserting coins in
14 coin-operated telecommunication devices;

15 (9) amounts paid by telecommunications retailers
16 under the Telecommunications Municipal Infrastructure
17 Maintenance Fee Act.

18 (b) "Amount paid" means the amount charged to the
19 taxpayer's service address in this State regardless of where
20 such amount is billed or paid.

21 (c) "Telecommunications", in addition to the meaning
22 ordinarily and popularly ascribed to it, includes, without
23 limitation, messages or information transmitted through use
24 of local, toll and wide area telephone service; private line
25 services; channel services; telegraph services;
26 teletypewriter; computer exchange services; cellular mobile
27 telecommunications service; specialized mobile radio;
28 stationary two way radio; paging service; or any other form
29 of mobile and portable one-way or two-way communications; or
30 any other transmission of messages or information by
31 electronic or similar means, between or among points by wire,
32 cable, fiber-optics, laser, microwave, radio, satellite or
33 similar facilities. As used in this Act, "private line"
34 means a dedicated non-traffic sensitive service for a single

1 customer, that entitles the customer to exclusive or priority
2 use of a communications channel or group of channels, from
3 one or more specified locations to one or more other
4 specified locations. The definition of "telecommunications"
5 shall not include value added services in which computer
6 processing applications are used to act on the form, content,
7 code and protocol of the information for purposes other than
8 transmission. "Telecommunications" shall not include
9 purchases of telecommunications by a telecommunications
10 service provider for use as a component part of the service
11 provided by him to the ultimate retail consumer who
12 originates or terminates the taxable end-to-end
13 communications. Carrier access charges, right of access
14 charges, charges for use of inter-company facilities, and all
15 telecommunications resold in the subsequent provision of,
16 used as a component of, or integrated into end-to-end
17 telecommunications service shall be non-taxable as sales for
18 resale.

19 (d) "Interstate telecommunications" means all
20 telecommunications that either originate or terminate outside
21 this State.

22 (e) "Intrastate telecommunications" means all
23 telecommunications that originate and terminate within this
24 State.

25 (f) "Department" means the Department of Revenue of the
26 State of Illinois.

27 (g) "Director" means the Director of Revenue for the
28 Department of Revenue of the State of Illinois.

29 (h) "Taxpayer" means a person who individually or
30 through his agents, employees or permittees engages in the
31 act or privilege of originating or receiving
32 telecommunications in this State and who incurs a tax
33 liability under this Article.

34 (i) "Person" means any natural individual, firm, trust,

1 estate, partnership, association, joint stock company, joint
2 venture, corporation, limited liability company, or a
3 receiver, trustee, guardian or other representative appointed
4 by order of any court, the Federal and State governments,
5 including State universities created by statute or any city,
6 town, county or other political subdivision of this State.

7 (j) "Purchase at retail" means the acquisition,
8 consumption or use of telecommunication through a sale at
9 retail.

10 (k) "Sale at retail" means the transmitting, supplying
11 or furnishing of telecommunications and all services and
12 equipment provided in connection therewith for a
13 consideration to persons other than the Federal and State
14 governments, and State universities created by statute and
15 other than between a parent corporation and its wholly owned
16 subsidiaries or between wholly owned subsidiaries for their
17 use or consumption and not for resale.

18 (l) "Retailer" means and includes every person engaged
19 in the business of making sales at retail as defined in this
20 Article. The Department may, in its discretion, upon
21 application, authorize the collection of the tax hereby
22 imposed by any retailer not maintaining a place of business
23 within this State, who, to the satisfaction of the
24 Department, furnishes adequate security to insure collection
25 and payment of the tax. Such retailer shall be issued,
26 without charge, a permit to collect such tax. When so
27 authorized, it shall be the duty of such retailer to collect
28 the tax upon all of the gross charges for telecommunications
29 in this State in the same manner and subject to the same
30 requirements as a retailer maintaining a place of business
31 within this State. The permit may be revoked by the
32 Department at its discretion.

33 (m) "Retailer maintaining a place of business in this
34 State", or any like term, means and includes any retailer

1 having or maintaining within this State, directly or by a
2 subsidiary, an office, distribution facilities, transmission
3 facilities, sales office, warehouse or other place of
4 business, or any agent or other representative operating
5 within this State under the authority of the retailer or its
6 subsidiary, irrespective of whether such place of business or
7 agent or other representative is located here permanently or
8 temporarily, or whether such retailer or subsidiary is
9 licensed to do business in this State.

10 (n) "Service address" means the location of
11 telecommunications equipment from which the
12 telecommunications services are originated or at which
13 telecommunications services are received by a taxpayer. In
14 the event this may not be a defined location, as in the case
15 of mobile phones, paging systems, maritime systems, service
16 address means the customer's place of primary use as defined
17 in the Mobile Telecommunications Sourcing Conformity Act.
18 For air-to-ground systems and the like, service address shall
19 mean the location of a taxpayer's primary use of the
20 telecommunications equipment as defined by telephone number,
21 authorization code, or location in Illinois where bills are
22 sent.

23 (o) "Prepaid telephone calling arrangements" mean the
24 right to exclusively purchase telephone or telecommunications
25 services that must be paid for in advance and enable the
26 origination of one or more intrastate, interstate, or
27 international telephone calls or other telecommunications
28 using an access number, an authorization code, or both,
29 whether manually or electronically dialed, for which payment
30 to a retailer must be made in advance, provided that, unless
31 recharged, no further service is provided once that prepaid
32 amount of service has been consumed. Prepaid telephone
33 calling arrangements include the recharge of a prepaid
34 calling arrangement. For purposes of this subsection,

1 "recharge" means the purchase of additional prepaid telephone
2 or telecommunications services whether or not the purchaser
3 acquires a different access number or authorization code.

4 "Prepaid telephone calling arrangement" does not include an
5 arrangement whereby a customer purchases a payment card and
6 pursuant to which the service provider reflects the amount of
7 such purchase as a credit on an invoice issued to that
8 customer under an existing subscription plan.

9 (Source: P.A. 91-870, eff. 6-22-00; 92-474, eff. 8-1-02;
10 92-526, eff. 1-1-03.)

11 (Text of Section after amendment by P.A. 92-878)

12 Sec. 2. As used in this Article, unless the context
13 clearly requires otherwise:

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16 this State and for all services and equipment provided in
17 connection therewith by a retailer, valued in money whether
18 paid in money or otherwise, including cash, credits, services
19 and property of every kind or nature, and shall be determined
20 without any deduction on account of the cost of such
21 telecommunications, the cost of materials used, labor or
22 service costs or any other expense whatsoever. In case
23 credit is extended, the amount thereof shall be included only
24 as and when paid. "Gross charges" for private line service
25 shall include charges imposed at each channel point within
26 this State, charges for the channel mileage between each
27 channel point within this State, and charges for that portion
28 of the interstate inter-office channel provided within
29 Illinois. Charges for that portion of the interstate
30 inter-office channel provided in Illinois shall be determined
31 by the retailer as follows: (i) for interstate inter-office
32 channels having 2 channel termination points, only one of
33 which is in Illinois, 50% of the total charge imposed; (ii)
34 for interstate inter-office channels having more than 2

1 channel termination points, one or more of which are in
2 Illinois, an amount equal to the total charge multiplied by a
3 fraction, the numerator of which is the number of channel
4 termination points within Illinois and the denominator of
5 which is the total number of channel termination points; or
6 (iii) any other method that reasonably apportions the total
7 charges for interstate inter-office channels among the states
8 in which channel termination points are located. Prior to
9 January 1, 2004 ~~June--17--2003~~, any apportionment method
10 consistent with this paragraph shall be accepted as a
11 reasonable method to determine the charges for that portion
12 of the interstate inter-office channel provided within
13 Illinois for that period. However, "gross charges" shall not
14 include any of the following:

15 (1) Any amounts added to a purchaser's bill because
16 of a charge made pursuant to (i) the tax imposed by this
17 Article; (ii) charges added to customers' bills pursuant
18 to the provisions of Sections 9-221 or 9-222 of the
19 Public Utilities Act, as amended, or any similar charges
20 added to customers' bills by retailers who are not
21 subject to rate regulation by the Illinois Commerce
22 Commission for the purpose of recovering any of the tax
23 liabilities or other amounts specified in such provisions
24 of such Act; (iii) the tax imposed by Section 4251 of the
25 Internal Revenue Code; (iv) 911 surcharges; or (v) the
26 tax imposed by the Simplified Municipal
27 Telecommunications Tax Act.

28 (2) Charges for a sent collect telecommunication
29 received outside of the State.

30 (3) Charges for leased time on equipment or charges
31 for the storage of data or information for subsequent
32 retrieval or the processing of data or information
33 intended to change its form or content. Such equipment
34 includes, but is not limited to, the use of calculators,

1 computers, data processing equipment, tabulating
2 equipment or accounting equipment and also includes the
3 usage of computers under a time-sharing agreement.

4 (4) Charges for customer equipment, including such
5 equipment that is leased or rented by the customer from
6 any source, wherein such charges are disaggregated and
7 separately identified from other charges.

8 (5) Charges to business enterprises certified under
9 Section 9-222.1 of the Public Utilities Act, as amended,
10 to the extent of such exemption and during the period of
11 time specified by the Department of Commerce and
12 Community Affairs.

13 (6) Charges for telecommunications and all services
14 and equipment provided in connection therewith between a
15 parent corporation and its wholly owned subsidiaries or
16 between wholly owned subsidiaries when the tax imposed
17 under this Article has already been paid to a retailer
18 and only to the extent that the charges between the
19 parent corporation and wholly owned subsidiaries or
20 between wholly owned subsidiaries represent expense
21 allocation between the corporations and not the
22 generation of profit for the corporation rendering such
23 service.

24 (7) Bad debts. Bad debt means any portion of a debt
25 that is related to a sale at retail for which gross
26 charges are not otherwise deductible or excludable that
27 has become worthless or uncollectable, as determined
28 under applicable federal income tax standards. If the
29 portion of the debt deemed to be bad is subsequently
30 paid, the retailer shall report and pay the tax on that
31 portion during the reporting period in which the payment
32 is made.

33 (8) Charges paid by inserting coins in
34 coin-operated telecommunication devices.

1 (9) Amounts paid by telecommunications retailers
2 under the Telecommunications Municipal Infrastructure
3 Maintenance Fee Act.

4 (10) Charges for nontaxable services or
5 telecommunications if (i) those charges are aggregated
6 with other charges for telecommunications that are
7 taxable, (ii) those charges are not separately stated on
8 the customer bill or invoice, and (iii) the retailer can
9 reasonably identify the nontaxable charges on the
10 retailer's books and records kept in the regular course
11 of business. If the nontaxable charges cannot reasonably
12 be identified, the gross charge from the sale of both
13 taxable and nontaxable services or telecommunications
14 billed on a combined basis shall be attributed to the
15 taxable services or telecommunications. The burden of
16 proving nontaxable charges shall be on the retailer of
17 the telecommunications.

18 (b) "Amount paid" means the amount charged to the
19 taxpayer's service address in this State regardless of where
20 such amount is billed or paid.

21 (c) "Telecommunications", in addition to the meaning
22 ordinarily and popularly ascribed to it, includes, without
23 limitation, messages or information transmitted through use
24 of local, toll and wide area telephone service; private line
25 services; channel services; telegraph services;
26 teletypewriter; computer exchange services; cellular mobile
27 telecommunications service; specialized mobile radio;
28 stationary two way radio; paging service; or any other form
29 of mobile and portable one-way or two-way communications; or
30 any other transmission of messages or information by
31 electronic or similar means, between or among points by wire,
32 cable, fiber-optics, laser, microwave, radio, satellite or
33 similar facilities. As used in this Act, "private line"
34 means a dedicated non-traffic sensitive service for a single

1 customer, that entitles the customer to exclusive or priority
2 use of a communications channel or group of channels, from
3 one or more specified locations to one or more other
4 specified locations. The definition of "telecommunications"
5 shall not include value added services in which computer
6 processing applications are used to act on the form, content,
7 code and protocol of the information for purposes other than
8 transmission. "Telecommunications" shall not include
9 purchases of telecommunications by a telecommunications
10 service provider for use as a component part of the service
11 provided by him to the ultimate retail consumer who
12 originates or terminates the taxable end-to-end
13 communications. Carrier access charges, right of access
14 charges, charges for use of inter-company facilities, and all
15 telecommunications resold in the subsequent provision of,
16 used as a component of, or integrated into end-to-end
17 telecommunications service shall be non-taxable as sales for
18 resale.

19 (d) "Interstate telecommunications" means all
20 telecommunications that either originate or terminate outside
21 this State.

22 (e) "Intrastate telecommunications" means all
23 telecommunications that originate and terminate within this
24 State.

25 (f) "Department" means the Department of Revenue of the
26 State of Illinois.

27 (g) "Director" means the Director of Revenue for the
28 Department of Revenue of the State of Illinois.

29 (h) "Taxpayer" means a person who individually or
30 through his agents, employees or permittees engages in the
31 act or privilege of originating or receiving
32 telecommunications in this State and who incurs a tax
33 liability under this Article.

34 (i) "Person" means any natural individual, firm, trust,

1 estate, partnership, association, joint stock company, joint
2 venture, corporation, limited liability company, or a
3 receiver, trustee, guardian or other representative appointed
4 by order of any court, the Federal and State governments,
5 including State universities created by statute or any city,
6 town, county or other political subdivision of this State.

7 (j) "Purchase at retail" means the acquisition,
8 consumption or use of telecommunication through a sale at
9 retail.

10 (k) "Sale at retail" means the transmitting, supplying
11 or furnishing of telecommunications and all services and
12 equipment provided in connection therewith for a
13 consideration to persons other than the Federal and State
14 governments, and State universities created by statute and
15 other than between a parent corporation and its wholly owned
16 subsidiaries or between wholly owned subsidiaries for their
17 use or consumption and not for resale.

18 (l) "Retailer" means and includes every person engaged
19 in the business of making sales at retail as defined in this
20 Article. The Department may, in its discretion, upon
21 application, authorize the collection of the tax hereby
22 imposed by any retailer not maintaining a place of business
23 within this State, who, to the satisfaction of the
24 Department, furnishes adequate security to insure collection
25 and payment of the tax. Such retailer shall be issued,
26 without charge, a permit to collect such tax. When so
27 authorized, it shall be the duty of such retailer to collect
28 the tax upon all of the gross charges for telecommunications
29 in this State in the same manner and subject to the same
30 requirements as a retailer maintaining a place of business
31 within this State. The permit may be revoked by the
32 Department at its discretion.

33 (m) "Retailer maintaining a place of business in this
34 State", or any like term, means and includes any retailer

1 having or maintaining within this State, directly or by a
2 subsidiary, an office, distribution facilities, transmission
3 facilities, sales office, warehouse or other place of
4 business, or any agent or other representative operating
5 within this State under the authority of the retailer or its
6 subsidiary, irrespective of whether such place of business or
7 agent or other representative is located here permanently or
8 temporarily, or whether such retailer or subsidiary is
9 licensed to do business in this State.

10 (n) "Service address" means the location of
11 telecommunications equipment from which the
12 telecommunications services are originated or at which
13 telecommunications services are received by a taxpayer. In
14 the event this may not be a defined location, as in the case
15 of mobile phones, paging systems, maritime systems, service
16 address means the customer's place of primary use as defined
17 in the Mobile Telecommunications Sourcing Conformity Act.
18 For air-to-ground systems and the like, service address shall
19 mean the location of a taxpayer's primary use of the
20 telecommunications equipment as defined by telephone number,
21 authorization code, or location in Illinois where bills are
22 sent.

23 (o) "Prepaid telephone calling arrangements" mean the
24 right to exclusively purchase telephone or telecommunications
25 services that must be paid for in advance and enable the
26 origination of one or more intrastate, interstate, or
27 international telephone calls or other telecommunications
28 using an access number, an authorization code, or both,
29 whether manually or electronically dialed, for which payment
30 to a retailer must be made in advance, provided that, unless
31 recharged, no further service is provided once that prepaid
32 amount of service has been consumed. Prepaid telephone
33 calling arrangements include the recharge of a prepaid
34 calling arrangement. For purposes of this subsection,

1 "recharge" means the purchase of additional prepaid telephone
2 or telecommunications services whether or not the purchaser
3 acquires a different access number or authorization code.

4 "Prepaid telephone calling arrangement" does not include an
5 arrangement whereby a customer purchases a payment card and
6 pursuant to which the service provider reflects the amount of
7 such purchase as a credit on an invoice issued to that
8 customer under an existing subscription plan.

9 (Source: P.A. 91-870, eff. 6-22-00; 92-474, eff. 8-1-02;
10 92-526, eff. 1-1-03; 92-878, eff. 1-1-04.)

11 Section 10. The Telecommunications Infrastructure
12 Maintenance Fee Act is amended by changing Section 10 as
13 follows:

14 (35 ILCS 635/10)

15 (Text of Section before amendment by P.A. 92-878)

16 Sec. 10. Definitions.

17 (a) "Gross charges" means the amount paid to a
18 telecommunications retailer for the act or privilege of
19 originating or receiving telecommunications in this State and
20 for all services rendered in connection therewith, valued in
21 money whether paid in money or otherwise, including cash,
22 credits, services, and property of every kind or nature, and
23 shall be determined without any deduction on account of the
24 cost of such telecommunications, the cost of the materials
25 used, labor or service costs, or any other expense
26 whatsoever. In case credit is extended, the amount thereof
27 shall be included only as and when paid. "Gross charges" for
28 private line service shall include charges imposed at each
29 channel point within this State, charges for the channel
30 mileage between each channel point within this State, and
31 charges for that portion of the interstate inter-office
32 channel provided within Illinois. However, "gross charges"

1 shall not include:

2 (1) any amounts added to a purchaser's bill because
3 of a charge made under: (i) the fee imposed by this
4 Section, (ii) additional charges added to a purchaser's
5 bill under Section 9-221 or 9-222 of the Public Utilities
6 Act, (iii) the tax imposed by the Telecommunications
7 Excise Tax Act, (iv) 911 surcharges, (v) the tax imposed
8 by Section 4251 of the Internal Revenue Code, or (vi) the
9 tax imposed by the Simplified Municipal
10 Telecommunications Tax Act;

11 (2) charges for a sent collect telecommunication
12 received outside of this State;

13 (3) charges for leased time on equipment or charges
14 for the storage of data or information or subsequent
15 retrieval or the processing of data or information
16 intended to change its form or content. Such equipment
17 includes, but is not limited to, the use of calculators,
18 computers, data processing equipment, tabulating
19 equipment, or accounting equipment and also includes the
20 usage of computers under a time-sharing agreement;

21 (4) charges for customer equipment, including such
22 equipment that is leased or rented by the customer from
23 any source, wherein such charges are disaggregated and
24 separately identified from other charges;

25 (5) charges to business enterprises certified under
26 Section 9-222.1 of the Public Utilities Act to the extent
27 of such exemption and during the period of time specified
28 by the Department of Commerce and Community Affairs;

29 (6) charges for telecommunications and all services
30 and equipment provided in connection therewith between a
31 parent corporation and its wholly owned subsidiaries or
32 between wholly owned subsidiaries, and only to the extent
33 that the charges between the parent corporation and
34 wholly owned subsidiaries or between wholly owned

1 subsidiaries represent expense allocation between the
2 corporations and not the generation of profit other than
3 a regulatory required profit for the corporation
4 rendering such services;

5 (7) bad debts ("bad debt" means any portion of a
6 debt that is related to a sale at retail for which gross
7 charges are not otherwise deductible or excludable that
8 has become worthless or uncollectible, as determined
9 under applicable federal income tax standards; if the
10 portion of the debt deemed to be bad is subsequently
11 paid, the retailer shall report and pay the tax on that
12 portion during the reporting period in which the payment
13 is made); or

14 (8) charges paid by inserting coins in
15 coin-operated telecommunication devices.

16 (a-5) "Department" means the Illinois Department of
17 Revenue.

18 (b) "Telecommunications" includes, but is not limited
19 to, messages or information transmitted through use of local,
20 toll, and wide area telephone service, channel services,
21 telegraph services, teletypewriter service, computer exchange
22 services, private line services, specialized mobile radio
23 services, or any other transmission of messages or
24 information by electronic or similar means, between or among
25 points by wire, cable, fiber optics, laser, microwave, radio,
26 satellite, or similar facilities. Unless the context clearly
27 requires otherwise, "telecommunications" shall also include
28 wireless telecommunications as hereinafter defined.
29 "Telecommunications" shall not include value added services
30 in which computer processing applications are used to act on
31 the form, content, code, and protocol of the information for
32 purposes other than transmission. "Telecommunications" shall
33 not include purchase of telecommunications by a
34 telecommunications service provider for use as a component

1 part of the service provided by him or her to the ultimate
2 retail consumer who originates or terminates the end-to-end
3 communications. Retailer access charges, right of access
4 charges, charges for use of intercompany facilities, and all
5 telecommunications resold in the subsequent provision and
6 used as a component of, or integrated into, end-to-end
7 telecommunications service shall not be included in gross
8 charges as sales for resale. "Telecommunications" shall not
9 include the provision of cable services through a cable
10 system as defined in the Cable Communications Act of 1984 (47
11 U.S.C. Sections 521 and following) as now or hereafter
12 amended or through an open video system as defined in the
13 Rules of the Federal Communications Commission (47 C.D.F.
14 76.1550 and following) as now or hereafter amended.
15 Beginning January 1, 2001, prepaid telephone calling
16 arrangements shall not be considered "telecommunications"
17 subject to the tax imposed under this Act. For purposes of
18 this Section, "prepaid telephone calling arrangements" means
19 that term as defined in Section 2-27 of the Retailers'
20 Occupation Tax Act.

21 (c) "Wireless telecommunications" includes cellular
22 mobile telephone services, personal wireless services as
23 defined in Section 704(C) of the Telecommunications Act of
24 1996 (Public Law No. 104-104) as now or hereafter amended,
25 including all commercial mobile radio services, and paging
26 services.

27 (d) "Telecommunications retailer" or "retailer" or
28 "carrier" means and includes every person engaged in the
29 business of making sales of telecommunications at retail as
30 defined in this Section. The Department may, in its
31 discretion, upon applications, authorize the collection of
32 the fee hereby imposed by any retailer not maintaining a
33 place of business within this State, who, to the satisfaction
34 of the Department, furnishes adequate security to insure

1 collection and payment of the fee. When so authorized, it
2 shall be the duty of such retailer to pay the fee upon all of
3 the gross charges for telecommunications in the same manner
4 and subject to the same requirements as a retailer
5 maintaining a place of business within this State.

6 (e) "Retailer maintaining a place of business in this
7 State", or any like term, means and includes any retailer
8 having or maintaining within this State, directly or by a
9 subsidiary, an office, distribution facilities, transmission
10 facilities, sales office, warehouse, or other place of
11 business, or any agent or other representative operating
12 within this State under the authority of the retailer or its
13 subsidiary, irrespective of whether such place of business or
14 agent or other representative is located here permanently or
15 temporarily, or whether such retailer or subsidiary is
16 licensed to do business in this State.

17 (f) "Sale of telecommunications at retail" means the
18 transmitting, supplying, or furnishing of telecommunications
19 and all services rendered in connection therewith for a
20 consideration, other than between a parent corporation and
21 its wholly owned subsidiaries or between wholly owned
22 subsidiaries, when the gross charge made by one such
23 corporation to another such corporation is not greater than
24 the gross charge paid to the retailer for their use or
25 consumption and not for sale.

26 (g) "Service address" means the location of
27 telecommunications equipment from which telecommunications
28 services are originated or at which telecommunications
29 services are received. If this is not a defined location, as
30 in the case of wireless telecommunications, paging systems,
31 maritime systems, service address means the customer's place
32 of primary use as defined in the Mobile Telecommunications
33 Sourcing Conformity Act. For air-to-ground systems, and the
34 like, "service address" shall mean the location of the

1 customer's primary use of the telecommunications equipment as
2 defined by the location in Illinois where bills are sent.
3 (Source: P.A. 91-870, eff. 6-22-00; 92-474, eff. 8-1-02;
4 92-526, eff. 1-1-03.)

5 (Text of Section after amendment by P.A. 92-878)

6 Sec. 10. Definitions.

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11 money whether paid in money or otherwise, including cash,
12 credits, services, and property of every kind or nature, and
13 shall be determined without any deduction on account of the
14 cost of such telecommunications, the cost of the materials
15 used, labor or service costs, or any other expense
16 whatsoever. In case credit is extended, the amount thereof
17 shall be included only as and when paid. "Gross charges" for
18 private line service shall include charges imposed at each
19 channel point within this State, charges for the channel
20 mileage between each channel point within this State, and
21 charges for that portion of the interstate inter-office
22 channel provided within Illinois. Charges for that portion of
23 the interstate inter-office channel provided in Illinois
24 shall be determined by the retailer as follows: (i) for
25 interstate inter-office channels having 2 channel termination
26 points, only one of which is in Illinois, 50% of the total
27 charge imposed; (ii) for interstate inter-office channels
28 having more than 2 channel termination points, one or more of
29 which are in Illinois, an amount equal to the total charge
30 multiplied by a fraction, the numerator of which is the
31 number of channel termination points within Illinois and the
32 denominator of which is the total number of channel
33 termination points; or (iii) any other method that reasonably
34 apportions the total charges for interstate inter-office

1 channels among the states in which channel termination points
2 are located. Prior to January 1, 2004 ~~June-17-2003~~, any
3 apportionment method consistent with this paragraph shall be
4 accepted as a reasonable method to determine the charges for
5 that portion of the interstate inter-office channel provided
6 within Illinois for that period. However, "gross charges"
7 shall not include any of the following:

8 (1) Any amounts added to a purchaser's bill because
9 of a charge made under: (i) the fee imposed by this
10 Section, (ii) additional charges added to a purchaser's
11 bill under Section 9-221 or 9-222 of the Public Utilities
12 Act, (iii) the tax imposed by the Telecommunications
13 Excise Tax Act, (iv) 911 surcharges, (v) the tax imposed
14 by Section 4251 of the Internal Revenue Code, or (vi) the
15 tax imposed by the Simplified Municipal
16 Telecommunications Tax Act.

17 (2) Charges for a sent collect telecommunication
18 received outside of this State.

19 (3) Charges for leased time on equipment or charges
20 for the storage of data or information or subsequent
21 retrieval or the processing of data or information
22 intended to change its form or content. Such equipment
23 includes, but is not limited to, the use of calculators,
24 computers, data processing equipment, tabulating
25 equipment, or accounting equipment and also includes the
26 usage of computers under a time-sharing agreement.

27 (4) Charges for customer equipment, including such
28 equipment that is leased or rented by the customer from
29 any source, wherein such charges are disaggregated and
30 separately identified from other charges.

31 (5) Charges to business enterprises certified under
32 Section 9-222.1 of the Public Utilities Act to the extent
33 of such exemption and during the period of time specified
34 by the Department of Commerce and Community Affairs.

1 (6) Charges for telecommunications and all services
2 and equipment provided in connection therewith between a
3 parent corporation and its wholly owned subsidiaries or
4 between wholly owned subsidiaries, and only to the extent
5 that the charges between the parent corporation and
6 wholly owned subsidiaries or between wholly owned
7 subsidiaries represent expense allocation between the
8 corporations and not the generation of profit other than
9 a regulatory required profit for the corporation
10 rendering such services.

11 (7) Bad debts ("bad debt" means any portion of a
12 debt that is related to a sale at retail for which gross
13 charges are not otherwise deductible or excludable that
14 has become worthless or uncollectible, as determined
15 under applicable federal income tax standards; if the
16 portion of the debt deemed to be bad is subsequently
17 paid, the retailer shall report and pay the tax on that
18 portion during the reporting period in which the payment
19 is made).

20 (8) Charges paid by inserting coins in
21 coin-operated telecommunication devices.

22 (9) Charges for nontaxable services or
23 telecommunications if (i) those charges are aggregated
24 with other charges for telecommunications that are
25 taxable, (ii) those charges are not separately stated on
26 the customer bill or invoice, and (iii) the retailer can
27 reasonably identify the nontaxable charges on the
28 retailer's books and records kept in the regular course
29 of business. If the nontaxable charges cannot reasonably
30 be identified, the gross charge from the sale of both
31 taxable and nontaxable services or telecommunications
32 billed on a combined basis shall be attributed to the
33 taxable services or telecommunications. The burden of
34 proving nontaxable charges shall be on the retailer of

1 the telecommunications.

2 (a-5) "Department" means the Illinois Department of
3 Revenue.

4 (b) "Telecommunications" includes, but is not limited
5 to, messages or information transmitted through use of local,
6 toll, and wide area telephone service, channel services,
7 telegraph services, teletypewriter service, computer exchange
8 services, private line services, specialized mobile radio
9 services, or any other transmission of messages or
10 information by electronic or similar means, between or among
11 points by wire, cable, fiber optics, laser, microwave, radio,
12 satellite, or similar facilities. Unless the context clearly
13 requires otherwise, "telecommunications" shall also include
14 wireless telecommunications as hereinafter defined.
15 "Telecommunications" shall not include value added services
16 in which computer processing applications are used to act on
17 the form, content, code, and protocol of the information for
18 purposes other than transmission. "Telecommunications" shall
19 not include purchase of telecommunications by a
20 telecommunications service provider for use as a component
21 part of the service provided by him or her to the ultimate
22 retail consumer who originates or terminates the end-to-end
23 communications. Retailer access charges, right of access
24 charges, charges for use of intercompany facilities, and all
25 telecommunications resold in the subsequent provision and
26 used as a component of, or integrated into, end-to-end
27 telecommunications service shall not be included in gross
28 charges as sales for resale. "Telecommunications" shall not
29 include the provision of cable services through a cable
30 system as defined in the Cable Communications Act of 1984 (47
31 U.S.C. Sections 521 and following) as now or hereafter
32 amended or through an open video system as defined in the
33 Rules of the Federal Communications Commission (47 C.D.F.
34 76.1550 and following) as now or hereafter amended.

1 Beginning January 1, 2001, prepaid telephone calling
2 arrangements shall not be considered "telecommunications"
3 subject to the tax imposed under this Act. For purposes of
4 this Section, "prepaid telephone calling arrangements" means
5 that term as defined in Section 2-27 of the Retailers'
6 Occupation Tax Act.

7 (c) "Wireless telecommunications" includes cellular
8 mobile telephone services, personal wireless services as
9 defined in Section 704(C) of the Telecommunications Act of
10 1996 (Public Law No. 104-104) as now or hereafter amended,
11 including all commercial mobile radio services, and paging
12 services.

13 (d) "Telecommunications retailer" or "retailer" or
14 "carrier" means and includes every person engaged in the
15 business of making sales of telecommunications at retail as
16 defined in this Section. The Department may, in its
17 discretion, upon applications, authorize the collection of
18 the fee hereby imposed by any retailer not maintaining a
19 place of business within this State, who, to the satisfaction
20 of the Department, furnishes adequate security to insure
21 collection and payment of the fee. When so authorized, it
22 shall be the duty of such retailer to pay the fee upon all of
23 the gross charges for telecommunications in the same manner
24 and subject to the same requirements as a retailer
25 maintaining a place of business within this State.

26 (e) "Retailer maintaining a place of business in this
27 State", or any like term, means and includes any retailer
28 having or maintaining within this State, directly or by a
29 subsidiary, an office, distribution facilities, transmission
30 facilities, sales office, warehouse, or other place of
31 business, or any agent or other representative operating
32 within this State under the authority of the retailer or its
33 subsidiary, irrespective of whether such place of business or
34 agent or other representative is located here permanently or

1 temporarily, or whether such retailer or subsidiary is
2 licensed to do business in this State.

3 (f) "Sale of telecommunications at retail" means the
4 transmitting, supplying, or furnishing of telecommunications
5 and all services rendered in connection therewith for a
6 consideration, other than between a parent corporation and
7 its wholly owned subsidiaries or between wholly owned
8 subsidiaries, when the gross charge made by one such
9 corporation to another such corporation is not greater than
10 the gross charge paid to the retailer for their use or
11 consumption and not for sale.

12 (g) "Service address" means the location of
13 telecommunications equipment from which telecommunications
14 services are originated or at which telecommunications
15 services are received. If this is not a defined location, as
16 in the case of wireless telecommunications, paging systems,
17 maritime systems, service address means the customer's place
18 of primary use as defined in the Mobile Telecommunications
19 Sourcing Conformity Act. For air-to-ground systems, and the
20 like, "service address" shall mean the location of the
21 customer's primary use of the telecommunications equipment as
22 defined by the location in Illinois where bills are sent.

23 (Source: P.A. 91-870, eff. 6-22-00; 92-474, eff. 8-1-02;
24 92-526, eff. 1-1-03; 92-878, eff. 1-1-04.)

25 Section 15. The Simplified Municipal Telecommunications
26 Tax Act is amended by changing Section 5-7 as follows:

27 (35 ILCS 636/5-7)

28 (Text of Section before amendment by P.A. 92-878)

29 Sec. 5-7. Definitions. For purposes of the taxes
30 authorized by this Act:

31 "Amount paid" means the amount charged to the taxpayer's
32 service address in such municipality regardless of where such

1 amount is billed or paid.

2 "Department" means the Illinois Department of Revenue.

3 "Gross charge" means the amount paid for the act or
4 privilege of originating or receiving telecommunications in
5 such municipality and for all services and equipment provided
6 in connection therewith by a retailer, valued in money
7 whether paid in money or otherwise, including cash, credits,
8 services and property of every kind or nature, and shall be
9 determined without any deduction on account of the cost of
10 such telecommunications, the cost of the materials used,
11 labor or service costs or any other expense whatsoever. In
12 case credit is extended, the amount thereof shall be included
13 only as and when paid. "Gross charges" for private line
14 service shall include charges imposed at each channel point
15 within this State, charges for the channel mileage between
16 each channel point within this State, and charges for that
17 portion of the interstate inter-office channel provided
18 within Illinois. However, "gross charge" shall not include:

19 (1) any amounts added to a purchaser's bill because
20 of a charge made pursuant to: (i) the tax imposed by this
21 Act, (ii) the tax imposed by the Telecommunications
22 Excise Tax Act, (iii) the tax imposed by Section 4251 of
23 the Internal Revenue Code, (iv) 911 surcharges, or (v)
24 charges added to customers' bills pursuant to the
25 provisions of Section 9-221 or 9-222 of the Public
26 Utilities Act, as amended, or any similar charges added
27 to customers' bills by retailers who are not subject to
28 rate regulation by the Illinois Commerce Commission for
29 the purpose of recovering any of the tax liabilities or
30 other amounts specified in those provisions of the Public
31 Utilities Act;

32 (2) charges for a sent collect telecommunication
33 received outside of such municipality;

34 (3) charges for leased time on equipment or charges

1 for the storage of data or information for subsequent
2 retrieval or the processing of data or information
3 intended to change its form or content. Such equipment
4 includes, but is not limited to, the use of calculators,
5 computers, data processing equipment, tabulating
6 equipment or accounting equipment and also includes the
7 usage of computers under a time-sharing agreement;

8 (4) charges for customer equipment, including such
9 equipment that is leased or rented by the customer from
10 any source, wherein such charges are disaggregated and
11 separately identified from other charges;

12 (5) charges to business enterprises certified as
13 exempt under Section 9-222.1 of the Public Utilities Act
14 to the extent of such exemption and during the period of
15 time specified by the Department of Commerce and
16 Community Affairs;

17 (6) charges for telecommunications and all services
18 and equipment provided in connection therewith between a
19 parent corporation and its wholly owned subsidiaries or
20 between wholly owned subsidiaries when the tax imposed
21 under this Act has already been paid to a retailer and
22 only to the extent that the charges between the parent
23 corporation and wholly owned subsidiaries or between
24 wholly owned subsidiaries represent expense allocation
25 between the corporations and not the generation of profit
26 for the corporation rendering such service;

27 (7) bad debts ("bad debt" means any portion of a
28 debt that is related to a sale at retail for which gross
29 charges are not otherwise deductible or excludable that
30 has become worthless or uncollectible, as determined
31 under applicable federal income tax standards; if the
32 portion of the debt deemed to be bad is subsequently
33 paid, the retailer shall report and pay the tax on that
34 portion during the reporting period in which the payment

1 is made);

2 (8) charges paid by inserting coins in
3 coin-operated telecommunication devices; or

4 (9) amounts paid by telecommunications retailers
5 under the Telecommunications Infrastructure Maintenance
6 Fee Act.

7 "Interstate telecommunications" means all
8 telecommunications that either originate or terminate outside
9 this State.

10 "Intrastate telecommunications" means all
11 telecommunications that originate and terminate within this
12 State.

13 "Person" means any natural individual, firm, trust,
14 estate, partnership, association, joint stock company, joint
15 venture, corporation, limited liability company, or a
16 receiver, trustee, guardian, or other representative
17 appointed by order of any court, the Federal and State
18 governments, including State universities created by statute,
19 or any city, town, county, or other political subdivision of
20 this State.

21 "Purchase at retail" means the acquisition, consumption
22 or use of telecommunications through a sale at retail.

23 "Retailer" means and includes every person engaged in the
24 business of making sales at retail as defined in this
25 Section. The Department may, in its discretion, upon
26 application, authorize the collection of the tax hereby
27 imposed by any retailer not maintaining a place of business
28 within this State, who, to the satisfaction of the
29 Department, furnishes adequate security to insure collection
30 and payment of the tax. Such retailer shall be issued,
31 without charge, a permit to collect such tax. When so
32 authorized, it shall be the duty of such retailer to collect
33 the tax upon all of the gross charges for telecommunications
34 in this State in the same manner and subject to the same

1 requirements as a retailer maintaining a place of business
2 within this State. The permit may be revoked by the
3 Department at its discretion.

4 "Retailer maintaining a place of business in this State",
5 or any like term, means and includes any retailer having or
6 maintaining within this State, directly or by a subsidiary,
7 an office, distribution facilities, transmission facilities,
8 sales office, warehouse or other place of business, or any
9 agent or other representative operating within this State
10 under the authority of the retailer or its subsidiary,
11 irrespective of whether such place of business or agent or
12 other representative is located here permanently or
13 temporarily, or whether such retailer or subsidiary is
14 licensed to do business in this State.

15 "Sale at retail" means the transmitting, supplying or
16 furnishing of telecommunications and all services and
17 equipment provided in connection therewith for a
18 consideration, to persons other than the Federal and State
19 governments, and State universities created by statute and
20 other than between a parent corporation and its wholly owned
21 subsidiaries or between wholly owned subsidiaries for their
22 use or consumption and not for resale.

23 "Service address" means the location of
24 telecommunications equipment from which telecommunications
25 services are originated or at which telecommunications
26 services are received by a taxpayer. In the event this may
27 not be a defined location, as in the case of mobile phones,
28 paging systems, and maritime systems, service address means
29 the customer's place of primary use as defined in the Mobile
30 Telecommunications Sourcing Conformity Act. For
31 air-to-ground systems and the like, "service address" shall
32 mean the location of a taxpayer's primary use of the
33 telecommunications equipment as defined by telephone number,
34 authorization code, or location in Illinois where bills are

1 sent.

2 "Taxpayer" means a person who individually or through his
3 or her agents, employees, or permittees engages in the act or
4 privilege of originating or receiving telecommunications in a
5 municipality and who incurs a tax liability as authorized by
6 this Act.

7 "Telecommunications", in addition to the meaning
8 ordinarily and popularly ascribed to it, includes, without
9 limitation, messages or information transmitted through use
10 of local, toll, and wide area telephone service, private line
11 services, channel services, telegraph services,
12 teletypewriter, computer exchange services, cellular mobile
13 telecommunications service, specialized mobile radio,
14 stationary two-way radio, paging service, or any other form
15 of mobile and portable one-way or two-way communications, or
16 any other transmission of messages or information by
17 electronic or similar means, between or among points by wire,
18 cable, fiber optics, laser, microwave, radio, satellite, or
19 similar facilities. As used in this Act, "private line"
20 means a dedicated non-traffic sensitive service for a single
21 customer, that entitles the customer to exclusive or priority
22 use of a communications channel or group of channels, from
23 one or more specified locations to one or more other
24 specified locations. The definition of "telecommunications"
25 shall not include value added services in which computer
26 processing applications are used to act on the form, content,
27 code, and protocol of the information for purposes other than
28 transmission. "Telecommunications" shall not include
29 purchases of telecommunications by a telecommunications
30 service provider for use as a component part of the service
31 provided by such provider to the ultimate retail consumer who
32 originates or terminates the taxable end-to-end
33 communications. Carrier access charges, right of access
34 charges, charges for use of inter-company facilities, and all

1 telecommunications resold in the subsequent provision of,
2 used as a component of, or integrated into, end-to-end
3 telecommunications service shall be non-taxable as sales for
4 resale. Prepaid telephone calling arrangements shall not be
5 considered "telecommunications" subject to the tax imposed
6 under this Act. For purposes of this Section, "prepaid
7 telephone calling arrangements" means that term as defined in
8 Section 2-27 of the Retailers' Occupations Tax Act.

9 (Source: P.A. 92-526, eff. 7-1-02.)

10 (Text of Section after amendment by P.A. 92-878)

11 Sec. 5-7. Definitions. For purposes of the taxes
12 authorized by this Act:

13 "Amount paid" means the amount charged to the taxpayer's
14 service address in such municipality regardless of where such
15 amount is billed or paid.

16 "Department" means the Illinois Department of Revenue.

17 "Gross charge" means the amount paid for the act or
18 privilege of originating or receiving telecommunications in
19 such municipality and for all services and equipment provided
20 in connection therewith by a retailer, valued in money
21 whether paid in money or otherwise, including cash, credits,
22 services and property of every kind or nature, and shall be
23 determined without any deduction on account of the cost of
24 such telecommunications, the cost of the materials used,
25 labor or service costs or any other expense whatsoever. In
26 case credit is extended, the amount thereof shall be included
27 only as and when paid. "Gross charges" for private line
28 service shall include charges imposed at each channel point
29 within this State, charges for the channel mileage between
30 each channel point within this State, and charges for that
31 portion of the interstate inter-office channel provided
32 within Illinois. Charges for that portion of the interstate
33 inter-office channel provided in Illinois shall be determined
34 by the retailer as follows: (i) for interstate inter-office

1 channels having 2 channel termination points, only one of
2 which is in Illinois, 50% of the total charge imposed; (ii)
3 for interstate inter-office channels having more than 2
4 channel termination points, one or more of which are in
5 Illinois, an amount equal to the total charge multiplied by a
6 fraction, the numerator of which is the number of channel
7 termination points within Illinois and the denominator of
8 which is the total number of channel termination points; or
9 (iii) any other method that reasonably apportions the total
10 charges for interstate inter-office channels among the states
11 in which channel termination points are located. Prior to
12 January 1, 2004 ~~June--17--2003~~, any apportionment method
13 consistent with this paragraph shall be accepted as a
14 reasonable method to determine the charges for that portion
15 of the interstate inter-office channel provided within
16 Illinois for that period. However, "gross charge" shall not
17 include any of the following:

18 (1) Any amounts added to a purchaser's bill because
19 of a charge made pursuant to: (i) the tax imposed by this
20 Act, (ii) the tax imposed by the Telecommunications
21 Excise Tax Act, (iii) the tax imposed by Section 4251 of
22 the Internal Revenue Code, (iv) 911 surcharges, or (v)
23 charges added to customers' bills pursuant to the
24 provisions of Section 9-221 or 9-222 of the Public
25 Utilities Act, as amended, or any similar charges added
26 to customers' bills by retailers who are not subject to
27 rate regulation by the Illinois Commerce Commission for
28 the purpose of recovering any of the tax liabilities or
29 other amounts specified in those provisions of the Public
30 Utilities Act.

31 (2) Charges for a sent collect telecommunication
32 received outside of such municipality.

33 (3) Charges for leased time on equipment or charges
34 for the storage of data or information for subsequent

1 retrieval or the processing of data or information
2 intended to change its form or content. Such equipment
3 includes, but is not limited to, the use of calculators,
4 computers, data processing equipment, tabulating
5 equipment or accounting equipment and also includes the
6 usage of computers under a time-sharing agreement.

7 (4) Charges for customer equipment, including such
8 equipment that is leased or rented by the customer from
9 any source, wherein such charges are disaggregated and
10 separately identified from other charges.

11 (5) Charges to business enterprises certified as
12 exempt under Section 9-222.1 of the Public Utilities Act
13 to the extent of such exemption and during the period of
14 time specified by the Department of Commerce and
15 Community Affairs.

16 (6) Charges for telecommunications and all services
17 and equipment provided in connection therewith between a
18 parent corporation and its wholly owned subsidiaries or
19 between wholly owned subsidiaries when the tax imposed
20 under this Act has already been paid to a retailer and
21 only to the extent that the charges between the parent
22 corporation and wholly owned subsidiaries or between
23 wholly owned subsidiaries represent expense allocation
24 between the corporations and not the generation of profit
25 for the corporation rendering such service.

26 (7) Bad debts ("bad debt" means any portion of a
27 debt that is related to a sale at retail for which gross
28 charges are not otherwise deductible or excludable that
29 has become worthless or uncollectible, as determined
30 under applicable federal income tax standards; if the
31 portion of the debt deemed to be bad is subsequently
32 paid, the retailer shall report and pay the tax on that
33 portion during the reporting period in which the payment
34 is made).

1 (8) Charges paid by inserting coins in
2 coin-operated telecommunication devices.

3 (9) Amounts paid by telecommunications retailers
4 under the Telecommunications Infrastructure Maintenance
5 Fee Act.

6 (10) Charges for nontaxable services or
7 telecommunications if (i) those charges are aggregated
8 with other charges for telecommunications that are
9 taxable, (ii) those charges are not separately stated on
10 the customer bill or invoice, and (iii) the retailer can
11 reasonably identify the nontaxable charges on the
12 retailer's books and records kept in the regular course
13 of business. If the nontaxable charges cannot reasonably
14 be identified, the gross charge from the sale of both
15 taxable and nontaxable services or telecommunications
16 billed on a combined basis shall be attributed to the
17 taxable services or telecommunications. The burden of
18 proving nontaxable charges shall be on the retailer of
19 the telecommunications.

20 "Interstate telecommunications" means all
21 telecommunications that either originate or terminate outside
22 this State.

23 "Intrastate telecommunications" means all
24 telecommunications that originate and terminate within this
25 State.

26 "Person" means any natural individual, firm, trust,
27 estate, partnership, association, joint stock company, joint
28 venture, corporation, limited liability company, or a
29 receiver, trustee, guardian, or other representative
30 appointed by order of any court, the Federal and State
31 governments, including State universities created by statute,
32 or any city, town, county, or other political subdivision of
33 this State.

34 "Purchase at retail" means the acquisition, consumption

1 or use of telecommunications through a sale at retail.

2 "Retailer" means and includes every person engaged in the
3 business of making sales at retail as defined in this
4 Section. The Department may, in its discretion, upon
5 application, authorize the collection of the tax hereby
6 imposed by any retailer not maintaining a place of business
7 within this State, who, to the satisfaction of the
8 Department, furnishes adequate security to insure collection
9 and payment of the tax. Such retailer shall be issued,
10 without charge, a permit to collect such tax. When so
11 authorized, it shall be the duty of such retailer to collect
12 the tax upon all of the gross charges for telecommunications
13 in this State in the same manner and subject to the same
14 requirements as a retailer maintaining a place of business
15 within this State. The permit may be revoked by the
16 Department at its discretion.

17 "Retailer maintaining a place of business in this State",
18 or any like term, means and includes any retailer having or
19 maintaining within this State, directly or by a subsidiary,
20 an office, distribution facilities, transmission facilities,
21 sales office, warehouse or other place of business, or any
22 agent or other representative operating within this State
23 under the authority of the retailer or its subsidiary,
24 irrespective of whether such place of business or agent or
25 other representative is located here permanently or
26 temporarily, or whether such retailer or subsidiary is
27 licensed to do business in this State.

28 "Sale at retail" means the transmitting, supplying or
29 furnishing of telecommunications and all services and
30 equipment provided in connection therewith for a
31 consideration, to persons other than the Federal and State
32 governments, and State universities created by statute and
33 other than between a parent corporation and its wholly owned
34 subsidiaries or between wholly owned subsidiaries for their

1 use or consumption and not for resale.

2 "Service address" means the location of
3 telecommunications equipment from which telecommunications
4 services are originated or at which telecommunications
5 services are received by a taxpayer. In the event this may
6 not be a defined location, as in the case of mobile phones,
7 paging systems, and maritime systems, service address means
8 the customer's place of primary use as defined in the Mobile
9 Telecommunications Sourcing Conformity Act. For
10 air-to-ground systems and the like, "service address" shall
11 mean the location of a taxpayer's primary use of the
12 telecommunications equipment as defined by telephone number,
13 authorization code, or location in Illinois where bills are
14 sent.

15 "Taxpayer" means a person who individually or through his
16 or her agents, employees, or permittees engages in the act or
17 privilege of originating or receiving telecommunications in a
18 municipality and who incurs a tax liability as authorized by
19 this Act.

20 "Telecommunications", in addition to the meaning
21 ordinarily and popularly ascribed to it, includes, without
22 limitation, messages or information transmitted through use
23 of local, toll, and wide area telephone service, private line
24 services, channel services, telegraph services,
25 teletypewriter, computer exchange services, cellular mobile
26 telecommunications service, specialized mobile radio,
27 stationary two-way radio, paging service, or any other form
28 of mobile and portable one-way or two-way communications, or
29 any other transmission of messages or information by
30 electronic or similar means, between or among points by wire,
31 cable, fiber optics, laser, microwave, radio, satellite, or
32 similar facilities. As used in this Act, "private line"
33 means a dedicated non-traffic sensitive service for a single
34 customer, that entitles the customer to exclusive or priority

1 use of a communications channel or group of channels, from
2 one or more specified locations to one or more other
3 specified locations. The definition of "telecommunications"
4 shall not include value added services in which computer
5 processing applications are used to act on the form, content,
6 code, and protocol of the information for purposes other than
7 transmission. "Telecommunications" shall not include
8 purchases of telecommunications by a telecommunications
9 service provider for use as a component part of the service
10 provided by such provider to the ultimate retail consumer who
11 originates or terminates the taxable end-to-end
12 communications. Carrier access charges, right of access
13 charges, charges for use of inter-company facilities, and all
14 telecommunications resold in the subsequent provision of,
15 used as a component of, or integrated into, end-to-end
16 telecommunications service shall be non-taxable as sales for
17 resale. Prepaid telephone calling arrangements shall not be
18 considered "telecommunications" subject to the tax imposed
19 under this Act. For purposes of this Section, "prepaid
20 telephone calling arrangements" means that term as defined in
21 Section 2-27 of the Retailers' Occupation Tax Act.

22 (Source: P.A. 92-526, eff. 7-1-02; 92-878, eff. 1-1-04.)

23 Section 95. No acceleration or delay. Where this Act
24 makes changes in a statute that is represented in this Act by
25 text that is not yet or no longer in effect (for example, a
26 Section represented by multiple versions), the use of that
27 text does not accelerate or delay the taking effect of (i)
28 the changes made by this Act or (ii) provisions derived from
29 any other Public Act.

30 Section 99. Effective date. This Act takes effect on
31 January 1, 2004.