

1 AMENDMENT TO SENATE BILL 1102

2 AMENDMENT NO. _____. Amend Senate Bill 1102 on page 1, by
3 replacing lines 4 and 5 with the following:

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

1 channel point within this State, and charges for that portion
2 of the interstate inter-office channel provided within
3 Illinois. However, "gross charges" shall not include:

4 (1) any amounts added to a purchaser's bill because
5 of a charge made pursuant to (i) the tax imposed by this
6 Article; (ii) charges added to customers' bills pursuant
7 to the provisions of Sections 9-221 or 9-222 of the
8 Public Utilities Act, as amended, or any similar charges
9 added to customers' bills by retailers who are not
10 subject to rate regulation by the Illinois Commerce
11 Commission for the purpose of recovering any of the tax
12 liabilities or other amounts specified in such provisions
13 of such Act; (iii) the tax imposed by Section 4251 of the
14 Internal Revenue Code; (iv) 911 surcharges; or (v) the
15 tax imposed by the Simplified Municipal
16 Telecommunications Tax Act;

17 (2) charges for a sent collect telecommunication
18 received outside of the State;

19 (3) charges for leased time on equipment or charges
20 for the storage of data or information for 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, as amended,
33 to the extent of such exemption and during the period of
34 time specified by the Department of Commerce and

1 Community Affairs;

2 (6) charges for telecommunications and all services
3 and equipment provided in connection therewith between a
4 parent corporation and its wholly owned subsidiaries or
5 between wholly owned subsidiaries when the tax imposed
6 under this Article has already been paid to a retailer
7 and only to the extent that the charges between the
8 parent corporation and wholly owned subsidiaries or
9 between wholly owned subsidiaries represent expense
10 allocation between the corporations and not the
11 generation of profit for the corporation rendering such
12 service;

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

22 (8) charges paid by inserting coins in
23 coin-operated telecommunication devices;

24 (9) amounts paid by telecommunications retailers
25 under the Telecommunications Municipal Infrastructure
26 Maintenance Fee Act.

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

30 (c) "Telecommunications", in addition to the meaning
31 ordinarily and popularly ascribed to it, includes, without
32 limitation, messages or information transmitted through use
33 of local, toll and wide area telephone service; private line
34 services; channel services; telegraph services;

1 teletypewriter; computer exchange services; cellular mobile
2 telecommunications service; specialized mobile radio;
3 stationary two way radio; paging service; or any other form
4 of mobile and portable one-way or two-way communications; or
5 any other transmission of messages or information by
6 electronic or similar means, between or among points by wire,
7 cable, fiber-optics, laser, microwave, radio, satellite or
8 similar facilities. As used in this Act, "private line"
9 means a dedicated non-traffic sensitive service for a single
10 customer, that entitles the customer to exclusive or priority
11 use of a communications channel or group of channels, from
12 one or more specified locations to one or more other
13 specified locations. The definition of "telecommunications"
14 shall not include value added services in which computer
15 processing applications are used to act on the form, content,
16 code and protocol of the information for purposes other than
17 transmission. "Telecommunications" shall not include
18 purchases of telecommunications by a telecommunications
19 service provider for use as a component part of the service
20 provided by him to the ultimate retail consumer who
21 originates or terminates the taxable end-to-end
22 communications. Carrier access charges, right of access
23 charges, charges for use of inter-company facilities, and all
24 telecommunications resold in the subsequent provision of,
25 used as a component of, or integrated into end-to-end
26 telecommunications service shall be non-taxable as sales for
27 resale.

28 (d) "Interstate telecommunications" means all
29 telecommunications that either originate or terminate outside
30 this State.

31 (e) "Intrastate telecommunications" means all
32 telecommunications that originate and terminate within this
33 State.

34 (f) "Department" means the Department of Revenue of the

1 State of Illinois.

2 (g) "Director" means the Director of Revenue for the
3 Department of Revenue of the State of Illinois.

4 (h) "Taxpayer" means a person who individually or
5 through his agents, employees or permittees engages in the
6 act or privilege of originating or receiving
7 telecommunications in this State and who incurs a tax
8 liability under this Article.

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

16 (j) "Purchase at retail" means the acquisition,
17 consumption or use of telecommunication through a sale at
18 retail.

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

27 (l) "Retailer" means and includes every person engaged
28 in the business of making sales at retail as defined in this
29 Article. The Department may, in its discretion, upon
30 application, authorize the collection of the tax hereby
31 imposed by any retailer not maintaining a place of business
32 within this State, who, to the satisfaction of the
33 Department, furnishes adequate security to insure collection
34 and payment of the tax. Such retailer shall be issued,

1 without charge, a permit to collect such tax. When so
2 authorized, it shall be the duty of such retailer to collect
3 the tax upon all of the gross charges for telecommunications
4 in this State in the same manner and subject to the same
5 requirements as a retailer maintaining a place of business
6 within this State. The permit may be revoked by the
7 Department at its discretion.

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

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

32 (o) "Prepaid telephone calling arrangements" mean the
33 right to exclusively purchase telephone or telecommunications
34 services that must be paid for in advance and enable the

1 origination of one or more intrastate, interstate, or
2 international telephone calls or other telecommunications
3 using an access number, an authorization code, or both,
4 whether manually or electronically dialed, for which payment
5 to a retailer must be made in advance, provided that, unless
6 recharged, no further service is provided once that prepaid
7 amount of service has been consumed. Prepaid telephone
8 calling arrangements include the recharge of a prepaid
9 calling arrangement. For purposes of this subsection,
10 "recharge" means the purchase of additional prepaid telephone
11 or telecommunications services whether or not the purchaser
12 acquires a different access number or authorization code.
13 "Prepaid telephone calling arrangement" does not include an
14 arrangement whereby a customer purchases a payment card and
15 pursuant to which the service provider reflects the amount of
16 such purchase as a credit on an invoice issued to that
17 customer under an existing subscription plan.

18 (Source: P.A. 91-870, eff. 6-22-00; 92-474, eff. 8-1-02;
19 92-526, eff. 1-1-03.)

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

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

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24 privilege of originating or receiving telecommunications in
25 this State and for all services and equipment provided in
26 connection therewith by a retailer, valued in money whether
27 paid in money or otherwise, including cash, credits, services
28 and property of every kind or nature, and shall be determined
29 without any deduction on account of the cost of such
30 telecommunications, the cost of materials used, labor or
31 service costs or any other expense whatsoever. In case
32 credit is extended, the amount thereof shall be included only
33 as and when paid. "Gross charges" for private line service
34 shall include charges imposed at each channel point within

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

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

1 tax imposed by the Simplified Municipal
2 Telecommunications Tax Act.

3 (2) Charges for a sent collect telecommunication
4 received outside of the State.

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

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

17 (5) Charges to business enterprises certified under
18 Section 9-222.1 of the Public Utilities Act, as amended,
19 to the extent of such exemption and during the period of
20 time specified by the Department of Commerce and
21 Community Affairs.

22 (6) Charges for telecommunications and all services
23 and equipment provided in connection therewith between a
24 parent corporation and its wholly owned subsidiaries or
25 between wholly owned subsidiaries when the tax imposed
26 under this Article has already been paid to a retailer
27 and only to the extent that the charges between the
28 parent corporation and wholly owned subsidiaries or
29 between wholly owned subsidiaries represent expense
30 allocation between the corporations and not the
31 generation of profit for the corporation rendering such
32 service.

33 (7) Bad debts. Bad debt means any portion of a debt
34 that is related to a sale at retail for which gross

1 charges are not otherwise deductible or excludable that
2 has become worthless or uncollectable, as determined
3 under applicable federal income tax standards. If the
4 portion of the debt deemed to be bad is subsequently
5 paid, the retailer shall report and pay the tax on that
6 portion during the reporting period in which the payment
7 is made.

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

10 (9) Amounts paid by telecommunications retailers
11 under the Telecommunications Municipal Infrastructure
12 Maintenance Fee Act.

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

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

30 (c) "Telecommunications", in addition to the meaning
31 ordinarily and popularly ascribed to it, includes, without
32 limitation, messages or information transmitted through use
33 of local, toll and wide area telephone service; private line
34 services; channel services; telegraph services;

1 teletypewriter; computer exchange services; cellular mobile
2 telecommunications service; specialized mobile radio;
3 stationary two way radio; paging service; or any other form
4 of mobile and portable one-way or two-way communications; or
5 any other transmission of messages or information by
6 electronic or similar means, between or among points by wire,
7 cable, fiber-optics, laser, microwave, radio, satellite or
8 similar facilities. As used in this Act, "private line"
9 means a dedicated non-traffic sensitive service for a single
10 customer, that entitles the customer to exclusive or priority
11 use of a communications channel or group of channels, from
12 one or more specified locations to one or more other
13 specified locations. The definition of "telecommunications"
14 shall not include value added services in which computer
15 processing applications are used to act on the form, content,
16 code and protocol of the information for purposes other than
17 transmission. "Telecommunications" shall not include
18 purchases of telecommunications by a telecommunications
19 service provider for use as a component part of the service
20 provided by him to the ultimate retail consumer who
21 originates or terminates the taxable end-to-end
22 communications. Carrier access charges, right of access
23 charges, charges for use of inter-company facilities, and all
24 telecommunications resold in the subsequent provision of,
25 used as a component of, or integrated into end-to-end
26 telecommunications service shall be non-taxable as sales for
27 resale.

28 (d) "Interstate telecommunications" means all
29 telecommunications that either originate or terminate outside
30 this State.

31 (e) "Intrastate telecommunications" means all
32 telecommunications that originate and terminate within this
33 State.

34 (f) "Department" means the Department of Revenue of the

1 State of Illinois.

2 (g) "Director" means the Director of Revenue for the
3 Department of Revenue of the State of Illinois.

4 (h) "Taxpayer" means a person who individually or
5 through his agents, employees or permittees engages in the
6 act or privilege of originating or receiving
7 telecommunications in this State and who incurs a tax
8 liability under this Article.

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

16 (j) "Purchase at retail" means the acquisition,
17 consumption or use of telecommunication through a sale at
18 retail.

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

27 (l) "Retailer" means and includes every person engaged
28 in the business of making sales at retail as defined in this
29 Article. The Department may, in its discretion, upon
30 application, authorize the collection of the tax hereby
31 imposed by any retailer not maintaining a place of business
32 within this State, who, to the satisfaction of the
33 Department, furnishes adequate security to insure collection
34 and payment of the tax. Such retailer shall be issued,

1 without charge, a permit to collect such tax. When so
2 authorized, it shall be the duty of such retailer to collect
3 the tax upon all of the gross charges for telecommunications
4 in this State in the same manner and subject to the same
5 requirements as a retailer maintaining a place of business
6 within this State. The permit may be revoked by the
7 Department at its discretion.

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

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

32 (o) "Prepaid telephone calling arrangements" mean the
33 right to exclusively purchase telephone or telecommunications
34 services that must be paid for in advance and enable the

1 origination of one or more intrastate, interstate, or
2 international telephone calls or other telecommunications
3 using an access number, an authorization code, or both,
4 whether manually or electronically dialed, for which payment
5 to a retailer must be made in advance, provided that, unless
6 recharged, no further service is provided once that prepaid
7 amount of service has been consumed. Prepaid telephone
8 calling arrangements include the recharge of a prepaid
9 calling arrangement. For purposes of this subsection,
10 "recharge" means the purchase of additional prepaid telephone
11 or telecommunications services whether or not the purchaser
12 acquires a different access number or authorization code.
13 "Prepaid telephone calling arrangement" does not include an
14 arrangement whereby a customer purchases a payment card and
15 pursuant to which the service provider reflects the amount of
16 such purchase as a credit on an invoice issued to that
17 customer under an existing subscription plan.

18 (Source: P.A. 91-870, eff. 6-22-00; 92-474, eff. 8-1-02;
19 92-526, eff. 1-1-03; 92-878, eff. 1-1-04.)

20 Section 10. The Telecommunications Infrastructure
21 Maintenance Fee Act is amended by changing Section 10 as
22 follows:

23 (35 ILCS 635/10)

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

25 Sec. 10. Definitions.

26 (a) "Gross charges" means the amount paid to a
27 telecommunications retailer for the act or privilege of
28 originating or receiving telecommunications in this State and
29 for all services rendered in connection therewith, valued in
30 money whether paid in money or otherwise, including cash,
31 credits, services, and property of every kind or nature, and
32 shall be determined without any deduction on account of the

1 cost of such telecommunications, the cost of the materials
2 used, labor or service costs, or any other expense
3 whatsoever. In case credit is extended, the amount thereof
4 shall be included only as and when paid. "Gross charges" for
5 private line service shall include charges imposed at each
6 channel point within this State, charges for the channel
7 mileage between each channel point within this State, and
8 charges for that portion of the interstate inter-office
9 channel provided within Illinois. However, "gross charges"
10 shall not include:

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

20 (2) charges for a sent collect telecommunication
21 received outside of this State;

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

30 (4) charges for customer equipment, including such
31 equipment that is leased or rented by the customer from
32 any source, wherein such charges are disaggregated and
33 separately identified from other charges;

34 (5) charges to business enterprises certified under

1 Section 9-222.1 of the Public Utilities Act to the extent
2 of such exemption and during the period of time specified
3 by the Department of Commerce and Community Affairs;

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

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

23 (8) charges paid by inserting coins in
24 coin-operated telecommunication devices.

25 (a-5) "Department" means the Illinois Department of
26 Revenue.

27 (b) "Telecommunications" includes, but is not limited
28 to, messages or information transmitted through use of local,
29 toll, and wide area telephone service, channel services,
30 telegraph services, teletypewriter service, computer exchange
31 services, private line services, specialized mobile radio
32 services, or any other transmission of messages or
33 information by electronic or similar means, between or among
34 points by wire, cable, fiber optics, laser, microwave, radio,

1 satellite, or similar facilities. Unless the context clearly
2 requires otherwise, "telecommunications" shall also include
3 wireless telecommunications as hereinafter defined.
4 "Telecommunications" shall not include value added services
5 in which computer processing applications are used to act on
6 the form, content, code, and protocol of the information for
7 purposes other than transmission. "Telecommunications" shall
8 not include purchase of telecommunications by a
9 telecommunications service provider for use as a component
10 part of the service provided by him or her to the ultimate
11 retail consumer who originates or terminates the end-to-end
12 communications. Retailer access charges, right of access
13 charges, charges for use of intercompany facilities, and all
14 telecommunications resold in the subsequent provision and
15 used as a component of, or integrated into, end-to-end
16 telecommunications service shall not be included in gross
17 charges as sales for resale. "Telecommunications" shall not
18 include the provision of cable services through a cable
19 system as defined in the Cable Communications Act of 1984 (47
20 U.S.C. Sections 521 and following) as now or hereafter
21 amended or through an open video system as defined in the
22 Rules of the Federal Communications Commission (47 C.D.F.
23 76.1550 and following) as now or hereafter amended.
24 Beginning January 1, 2001, prepaid telephone calling
25 arrangements shall not be considered "telecommunications"
26 subject to the tax imposed under this Act. For purposes of
27 this Section, "prepaid telephone calling arrangements" means
28 that term as defined in Section 2-27 of the Retailers'
29 Occupation Tax Act.

30 (c) "Wireless telecommunications" includes cellular
31 mobile telephone services, personal wireless services as
32 defined in Section 704(C) of the Telecommunications Act of
33 1996 (Public Law No. 104-104) as now or hereafter amended,
34 including all commercial mobile radio services, and paging

1 services.

2 (d) "Telecommunications retailer" or "retailer" or
3 "carrier" means and includes every person engaged in the
4 business of making sales of telecommunications at retail as
5 defined in this Section. The Department may, in its
6 discretion, upon applications, authorize the collection of
7 the fee hereby imposed by any retailer not maintaining a
8 place of business within this State, who, to the satisfaction
9 of the Department, furnishes adequate security to insure
10 collection and payment of the fee. When so authorized, it
11 shall be the duty of such retailer to pay the fee upon all of
12 the gross charges for telecommunications in the same manner
13 and subject to the same requirements as a retailer
14 maintaining a place of business within this State.

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

26 (f) "Sale of telecommunications at retail" means the
27 transmitting, supplying, or furnishing of telecommunications
28 and all services rendered in connection therewith for a
29 consideration, other than between a parent corporation and
30 its wholly owned subsidiaries or between wholly owned
31 subsidiaries, when the gross charge made by one such
32 corporation to another such corporation is not greater than
33 the gross charge paid to the retailer for their use or
34 consumption and not for sale.

1 (g) "Service address" means the location of
2 telecommunications equipment from which telecommunications
3 services are originated or at which telecommunications
4 services are received. If this is not a defined location, as
5 in the case of wireless telecommunications, paging systems,
6 maritime systems, service address means the customer's place
7 of primary use as defined in the Mobile Telecommunications
8 Sourcing Conformity Act. For air-to-ground systems, and the
9 like, "service address" shall mean the location of the
10 customer's primary use of the telecommunications equipment as
11 defined by the location in Illinois where bills are sent.

12 (Source: P.A. 91-870, eff. 6-22-00; 92-474, eff. 8-1-02;
13 92-526, eff. 1-1-03.)

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

15 Sec. 10. Definitions.

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

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

17 (1) Any amounts added to a purchaser's bill because
18 of a charge made under: (i) the fee imposed by this
19 Section, (ii) additional charges added to a purchaser's
20 bill under Section 9-221 or 9-222 of the Public Utilities
21 Act, (iii) the tax imposed by the Telecommunications
22 Excise Tax Act, (iv) 911 surcharges, (v) the tax imposed
23 by Section 4251 of the Internal Revenue Code, or (vi) the
24 tax imposed by the Simplified Municipal
25 Telecommunications Tax Act.

26 (2) Charges for a sent collect telecommunication
27 received outside of this State.

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

1 usage of computers under a time-sharing agreement.

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

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

10 (6) Charges for telecommunications and all services
11 and equipment provided in connection therewith between a
12 parent corporation and its wholly owned subsidiaries or
13 between wholly owned subsidiaries, and only to the extent
14 that the charges between the parent corporation and
15 wholly owned subsidiaries or between wholly owned
16 subsidiaries represent expense allocation between the
17 corporations and not the generation of profit other than
18 a regulatory required profit for the corporation
19 rendering such services.

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

29 (8) Charges paid by inserting coins in
30 coin-operated telecommunication devices.

31 (9) Charges for nontaxable services or
32 telecommunications if (i) those charges are aggregated
33 with other charges for telecommunications that are
34 taxable, (ii) those charges are not separately stated on

1 the customer bill or invoice, and (iii) the retailer can
2 reasonably identify the nontaxable charges on the
3 retailer's books and records kept in the regular course
4 of business. If the nontaxable charges cannot reasonably
5 be identified, the gross charge from the sale of both
6 taxable and nontaxable services or telecommunications
7 billed on a combined basis shall be attributed to the
8 taxable services or telecommunications. The burden of
9 proving nontaxable charges shall be on the retailer of
10 the telecommunications.

11 (a-5) "Department" means the Illinois Department of
12 Revenue.

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

1 used as a component of, or integrated into, end-to-end
2 telecommunications service shall not be included in gross
3 charges as sales for resale. "Telecommunications" shall not
4 include the provision of cable services through a cable
5 system as defined in the Cable Communications Act of 1984 (47
6 U.S.C. Sections 521 and following) as now or hereafter
7 amended or through an open video system as defined in the
8 Rules of the Federal Communications Commission (47 C.D.F.
9 76.1550 and following) as now or hereafter amended.
10 Beginning January 1, 2001, prepaid telephone calling
11 arrangements shall not be considered "telecommunications"
12 subject to the tax imposed under this Act. For purposes of
13 this Section, "prepaid telephone calling arrangements" means
14 that term as defined in Section 2-27 of the Retailers'
15 Occupation Tax Act.

16 (c) "Wireless telecommunications" includes cellular
17 mobile telephone services, personal wireless services as
18 defined in Section 704(C) of the Telecommunications Act of
19 1996 (Public Law No. 104-104) as now or hereafter amended,
20 including all commercial mobile radio services, and paging
21 services.

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

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

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

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

32 (Source: P.A. 91-870, eff. 6-22-00; 92-474, eff. 8-1-02;
33 92-526, eff. 1-1-03; 92-878, eff. 1-1-04.)

1 Section 15. The Simplified Municipal Telecommunications
2 Tax Act is amended by changing Sections 5-7 and 5-20 as
3 follows:

4 (35 ILCS 636/5-7)

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

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

8 "Amount paid" means the amount charged to the taxpayer's
9 service address in such municipality regardless of where such
10 amount is billed or paid.

11 "Department" means the Illinois Department of Revenue.

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

- 28 (1) any amounts added to a purchaser's bill because
29 of a charge made pursuant to: (i) the tax imposed by this
30 Act, (ii) the tax imposed by the Telecommunications
31 Excise Tax Act, (iii) the tax imposed by Section 4251 of
32 the Internal Revenue Code, (iv) 911 surcharges, or (v)
33 charges added to customers' bills pursuant to the

1 provisions of Section 9-221 or 9-222 of the Public
2 Utilities Act, as amended, or any similar charges added
3 to customers' bills by retailers who are not subject to
4 rate regulation by the Illinois Commerce Commission for
5 the purpose of recovering any of the tax liabilities or
6 other amounts specified in those provisions of the Public
7 Utilities Act;

8 (2) charges for a sent collect telecommunication
9 received outside of such municipality;

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 as
23 exempt under Section 9-222.1 of the Public Utilities Act
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 Act has already been paid to a retailer and
32 only to the extent that the charges between the parent
33 corporation and wholly owned subsidiaries or between
34 wholly owned subsidiaries represent expense allocation

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

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

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

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

17 "Interstate telecommunications" means all
18 telecommunications that either originate or terminate outside
19 this State.

20 "Intrastate telecommunications" means all
21 telecommunications that originate and terminate within this
22 State.

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

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

33 "Retailer" means and includes every person engaged in the
34 business of making sales at retail as defined in this

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

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

25 "Sale at retail" means the transmitting, supplying or
26 furnishing of telecommunications and all services and
27 equipment provided in connection therewith for a
28 consideration, to persons other than the Federal and State
29 governments, and State universities created by statute and
30 other than between a parent corporation and its wholly owned
31 subsidiaries or between wholly owned subsidiaries for their
32 use or consumption and not for resale.

33 "Service address" means the location of
34 telecommunications equipment from which telecommunications

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

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

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

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

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

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

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

23 "Amount paid" means the amount charged to the taxpayer's
24 service address in such municipality regardless of where such
25 amount is billed or paid.

26 "Department" means the Illinois Department of Revenue.

27 "Gross charge" means the amount paid for the act or
28 privilege of originating or receiving telecommunications in
29 such municipality and for all services and equipment provided
30 in connection therewith by a retailer, valued in money
31 whether paid in money or otherwise, including cash, credits,
32 services and property of every kind or nature, and shall be
33 determined without any deduction on account of the cost of
34 such telecommunications, the cost of the materials used,

1 labor or service costs or any other expense whatsoever. In
2 case credit is extended, the amount thereof shall be included
3 only as and when paid. "Gross charges" for private line
4 service shall include charges imposed at each channel point
5 within this State, charges for the channel mileage between
6 each channel point within this State, and charges for that
7 portion of the interstate inter-office channel provided
8 within Illinois. Charges for that portion of the interstate
9 inter-office channel provided in Illinois shall be determined
10 by the retailer as follows: (i) for interstate inter-office
11 channels having 2 channel termination points, only one of
12 which is in Illinois, 50% of the total charge imposed; (ii)
13 for interstate inter-office channels having more than 2
14 channel termination points, one or more of which are in
15 Illinois, an amount equal to the total charge multiplied by a
16 fraction, the numerator of which is the number of channel
17 termination points within Illinois and the denominator of
18 which is the total number of channel termination points; or
19 (iii) any other method that reasonably apportions the total
20 charges for interstate inter-office channels among the states
21 in which channel termination points are located. Prior to
22 January 1, 2004 ~~June--17--2003~~, any apportionment method
23 consistent with this paragraph shall be accepted as a
24 reasonable method to determine the charges for that portion
25 of the interstate inter-office channel provided within
26 Illinois for that period. However, "gross charge" shall not
27 include any of the following:

- 28 (1) Any amounts added to a purchaser's bill because
29 of a charge made pursuant to: (i) the tax imposed by this
30 Act, (ii) the tax imposed by the Telecommunications
31 Excise Tax Act, (iii) the tax imposed by Section 4251 of
32 the Internal Revenue Code, (iv) 911 surcharges, or (v)
33 charges added to customers' bills pursuant to the
34 provisions of Section 9-221 or 9-222 of the Public

1 Utilities Act, as amended, or any similar charges added
2 to customers' bills by retailers who are not subject to
3 rate regulation by the Illinois Commerce Commission for
4 the purpose of recovering any of the tax liabilities or
5 other amounts specified in those provisions of the Public
6 Utilities Act.

7 (2) Charges for a sent collect telecommunication
8 received outside of such municipality.

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

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

21 (5) Charges to business enterprises certified as
22 exempt under Section 9-222.1 of the Public Utilities Act
23 to the extent of such exemption and during the period of
24 time specified by the Department of Commerce and
25 Community Affairs.

26 (6) Charges for telecommunications and all services
27 and equipment provided in connection therewith between a
28 parent corporation and its wholly owned subsidiaries or
29 between wholly owned subsidiaries when the tax imposed
30 under this Act has already been paid to a retailer and
31 only to the extent that the charges between the parent
32 corporation and wholly owned subsidiaries or between
33 wholly owned subsidiaries represent expense allocation
34 between the corporations and not the generation of profit

1 for the corporation rendering such service.

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

11 (8) Charges paid by inserting coins in
12 coin-operated telecommunication devices.

13 (9) Amounts paid by telecommunications retailers
14 under the Telecommunications Infrastructure Maintenance
15 Fee Act.

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

30 "Interstate telecommunications" means all
31 telecommunications that either originate or terminate outside
32 this State.

33 "Intrastate telecommunications" means all
34 telecommunications that originate and terminate within this

1 State.

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

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

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

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

1 other representative is located here permanently or
2 temporarily, or whether such retailer or subsidiary is
3 licensed to do business in this State.

4 "Sale at retail" means the transmitting, supplying or
5 furnishing of telecommunications and all services and
6 equipment provided in connection therewith for a
7 consideration, to persons other than the Federal and State
8 governments, and State universities created by statute and
9 other than between a parent corporation and its wholly owned
10 subsidiaries or between wholly owned subsidiaries for their
11 use or consumption and not for resale.

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

25 "Taxpayer" means a person who individually or through his
26 or her agents, employees, or permittees engages in the act or
27 privilege of originating or receiving telecommunications in a
28 municipality and who incurs a tax liability as authorized by
29 this Act.

30 "Telecommunications", in addition to the meaning
31 ordinarily and popularly ascribed to it, includes, without
32 limitation, messages or information transmitted through use
33 of local, toll, and wide area telephone service, private line
34 services, channel services, telegraph services,

1 teletypewriter, computer exchange services, cellular mobile
2 telecommunications service, specialized mobile radio,
3 stationary two-way radio, paging service, or any other form
4 of mobile and portable one-way or two-way communications, or
5 any other transmission of messages or information by
6 electronic or similar means, between or among points by wire,
7 cable, fiber optics, laser, microwave, radio, satellite, or
8 similar facilities. As used in this Act, "private line"
9 means a dedicated non-traffic sensitive service for a single
10 customer, that entitles the customer to exclusive or priority
11 use of a communications channel or group of channels, from
12 one or more specified locations to one or more other
13 specified locations. The definition of "telecommunications"
14 shall not include value added services in which computer
15 processing applications are used to act on the form, content,
16 code, and protocol of the information for purposes other than
17 transmission. "Telecommunications" shall not include
18 purchases of telecommunications by a telecommunications
19 service provider for use as a component part of the service
20 provided by such provider to the ultimate retail consumer who
21 originates or terminates the taxable end-to-end
22 communications. Carrier access charges, right of access
23 charges, charges for use of inter-company facilities, and all
24 telecommunications resold in the subsequent provision of,
25 used as a component of, or integrated into, end-to-end
26 telecommunications service shall be non-taxable as sales for
27 resale. Prepaid telephone calling arrangements shall not be
28 considered "telecommunications" subject to the tax imposed
29 under this Act. For purposes of this Section, "prepaid
30 telephone calling arrangements" means that term as defined in
31 Section 2-27 of the Retailers' Occupation Tax Act.

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

34 on page 2, immediately below line 16, by inserting the

1 following:

2 "Section 95. No acceleration or delay. Where this Act
3 makes changes in a statute that is represented in this Act by
4 text that is not yet or no longer in effect (for example, a
5 Section represented by multiple versions), the use of that
6 text does not accelerate or delay the taking effect of (i)
7 the changes made by this Act or (ii) provisions derived from
8 any other Public Act.

9 Section 99. Effective date. This Act takes effect upon
10 becoming law."