COMMITTEE: Communications, Financial Services & Interstate Commerce

POLICY: NCSL Supports Federal VoIP Communications Sourcing

TYPE OF POLICY: Action

WHEREAS, State and local transaction taxes and fees imposed on communications services should be applied uniformly and in a competitively neutral manner upon all providers of communication services; and

WHEREAS, the Mobile Telecommunications Sourcing Act (P.L. 106-252) established uniformity of sourcing mobile telecommunications for state and local tax purposes; and

WHEREAS, NCSL worked with other state and local organizations as well as the wireless industry in developing the Mobile Telecommunications Sourcing Act: and

WHEREAS, NCSL supported the enactment of the Mobile Telecommunications Sourcing Act and assisted states in complying with the federal legislation; and

WHEREAS, Interconnected Voice over Internet Protocol (VoIP) services, as defined by the Federal Communications Commission are not uniformly sourced for tax purposes and may unnecessarily subject consumers, businesses and others engaged in interstate commerce to multiple, confusing and burdensome state and local taxes; and

WHEREAS, the general rule of the Mobile Telecommunications Sourcing Act sources the tax on wireless services to the “customer’s place of primary use, regardless of where the services originate, terminate, or pass through, and no
other taxing jurisdiction may impose taxes, charges, or fees on charges for such
services”; and

WHEREAS, such a sourcing rule should also apply to Interconnected VoIP
services;

NOW, THEREFORE BE IT RESOLVED THAT, the National Conference of State
Legislatures supports federal legislation that would require sourcing for purposes
of state and local taxation of Interconnected VoIP services to be the same as the
sourcing rule for state and local taxation of wireless services as contained in the
Mobile Telecommunications Sourcing Act, and

BE IT FURTHER RESOLVED THAT, the VoIP Communications Sourcing Act
should not address any other tax issues, and

BE IT FURTHER RESOLVED THAT, a copy of this resolution be sent to the
President of the United States and all members of the 112th Congress.