

**CITY OF RICHMOND**  
**COMMUNICATIONS TAX ADMINISTRATIVE RULINGS AND INTERPRETATION**  
**(1.0)**

Authority. Pursuant to Section 13.54.130 (b), 13.54.040 (c) and 13.54.050 (d) of the City of Richmond Telecommunication and Video Tax Ordinance (Chapter 13.54, Ord. #7-08 N.S.), the Tax Administrator hereby adopts the following administrative rulings and administrative interpretation:

**A. Administrative Ruling (Prepaid Telecommunication Service).** To facilitate the accurate application, collection and remittance of the City's "telecommunication tax", this Ruling is adopted with the intent of providing the following general guidance to the tax-collecting utilities and their agents:

*The communications tax shall apply to prepaid telecommunication service to the extent that it is practicable for the service supplier to collect the correct tax imposed under this Article from the end user. "Impracticality" does not arise when direct sales are made by the service provider (or by a reseller) to the end users, whether such sales take place over the internet or through retail stores owned or franchised by the service provider (or by a reseller). In such cases, the communications users tax should be collected and remitted to the City. "Impracticality" also does not arise when the tax on prepaid wireless service may be collected from the end-user by a retail store at a point of sale in the City. There is a rebuttable presumption that the point of sale in the City is the place of primary use of the prepaid wireless service.*

**B. Administrative Ruling (Private Telecommunication Services).** The sourcing of charges for the use of private communication services shall be as follows:

- 1. Service for a separate charge related to a customer channel termination point is sourced to each level of jurisdiction in which such customer channel termination point is located.*
- 2. Service where all customer termination points are located entirely within one jurisdiction or levels of jurisdiction is sourced in such jurisdiction in which the customer channel termination points are located.*
- 3. Service for segments of a channel between two customer channel termination points located in different jurisdictions and which segment of channel are separately charged is sourced fifty percent in each level of jurisdiction in which the customer channel termination points are located.*
- 4. Service for segments of a channel located in more than one jurisdiction or levels of jurisdiction and which segments are not separately billed is sourced in each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in such jurisdiction by the total number of customer channel termination points.*

**Limitation.** The above rulings and interpretations are intended to give general guidance and should not be viewed as providing a definite answer to all factual situations, as the exact application of the tax will depend on the nature of the service, the manner in which it is billed (e.g., bundled or unbundled), and other factors that could bear on whether the communication users' tax is applied or not applied.

**Effective and Expiration Dates.** This Ruling shall automatically expire on January 1, 2018, so that the conditions then existing may be reviewed, and the Administrative Ruling may be thereafter revised, as appropriate, and then re-adopted. Nothing herein, however, shall preclude the Tax Administrator from revising or rescinding this Administrative Ruling, and the interpretations herein, at any time.

City of Richmond UUT Tax Administrator

  
James Goins

Date: January 17, 2013