

Ed Buelow, Jr., Chairman  
and Commissioner of Revenue

Russell E. Hawkins, CPA  
Associate Commissioner

Terry L. Jordan  
Associate Commissioner



# MISSISSIPPI

## STATE TAX COMMISSION

Sales and Use Tax Bureau  
Post Office Box 1033  
Jackson, Mississippi 39215  
Telephone: 601-923-7015  
Fax: 601-923-7034

Notice 02-05

August 1, 2002

### Notice to All Taxpayers Providing Telecommunications Services

Senate Bill 3120, as passed by the 2002 Legislature, made several significant changes related to the taxation of telecommunications companies. The three areas of change relate to an increase in the levy for interstate telecommunications, conformity with the federal "Mobile Telecommunications Sourcing Act" (P.L. 106-252), and sale of telecommunications for resale.

Effective August 1, 2002, the levy on interstate telecommunication services has increased from 5.5% to 7%. This change results in all telecommunication services, whether intrastate or interstate, being taxed at the same 7% rate. However, due to the fact that the taxes collected from intrastate services and interstate services are diverted to different sources once they are received, *it is necessary that they be reported separately on Form 72-010, Sales Tax Return. Tax Code 71 should be used to report the 7% tax due from intrastate telecommunications services and Tax Code 80 should be used to report the 7% tax due from interstate telecommunications services.* Enclosed with the notice are preprinted returns that have these two tax codes printed on the face of the return to help ensure proper reporting.

Also effective August 1, 2002, all charges for mobile telecommunications services to a customer with a primary place of use in Mississippi will be subject to either the 7% intrastate levy or the 7% interstate levy. All charges for the transmission of messages or conversation between points within any single state should be taxed as intrastate calls, and all charges for the transmission of messages or conversation originating in one state and terminating in any other state should be taxed as interstate calls. Enclosed is a copy of Rule 2 – Telephone Companies, Mobile Telephone and Telephone Answering Services for your use.

Effective July 1, 2002, all sales of telecommunication services taxable under Section 27-65-19, Mississippi Code of 1972, for resale to a regular telecommunications provider are taxable unless the provider is registered under Section 27-65-27 and is either located in this state or is providing telecommunications services in this state.

Sincerely,

A handwritten signature in cursive script that reads "Meg Barnes".

Meg Barnes, Director  
Sales and Use Tax Bureau