

## FEDERAL TAX

### 1. GENERAL.

A Federal tax of 10 per cent. is imposed on all telephone charges paid for within the United States. However, from coin stations no tax is imposed on toll charges of less than 25 cents or on charges for local calls regardless of amount. \*

Taxes deposited at coin telephones are computed for each call to the nearest 5 cents, 2½ cents or more being counted as 5 cents. Taxes collected at attended public stations are computed to the nearest cent, ½ cent or more becoming 1 cent. When a customer makes one payment for several calls at an attended telephone, the tax is computed on the total charges for all calls. Taxes on other telephone service are computed and billed by the Accounting Department.

On reversed charge toll calls and on calls charged to a third telephone, the tax is billed to the telephone that is to pay for the call if it is within the United States.

If there are other taxes on telephone calls, such as state taxes, local practices apply.

**2. COLLECTION OF TAX ON CALLS FROM COIN TELEPHONES.** Determine and collect the tax only on a toll call on which the charge is 25 cents or more.

**a. Initial Period.** Ask for the deposit for the initial period charge, including the tax but without mentioning it. If the customer asks about the tax, say "That includes the tax." If he questions the amount, say for example, "10 cents is for the tax." \*

Enter the message charge and the tax separately on the ticket. If there is no specific space for the tax, enter it directly below the charge space preceded by the word "tax" or, if the charge space is at the bottom of the ticket, place the tax entry directly above it.

**b. Collecting Overtime.** In securing deposit for overtime, determine the total telephone charge plus tax and request the difference between this amount and the amount previously secured.

If the call becomes taxable, enter the tax as above or, if there is already a tax entry, add the additional amount of tax due separated from the initial tax entry by a dash. If you are unable to collect the entire amount of charge and tax due, enter the total shortage as one figure, as, for example, "shortage 15 cents" and refer the ticket to the service assistant or supervisor.

*S.A. or SR. See that the telephone charge and tax entries are complete for the full charge and tax due and that the entry on the back of the ticket shows the total shortage as one figure.*

**c. Telegram Calls.** Toll calls to telegraph offices are subject to a tax as any other toll call and, in addition, there may be a tax on the telegram charge. Collect the telegram charge and the tax as directed by the telegraph operator. If she indicates the amount of the tax, enter it on the telegram ticket as above; if she says "No tax," enter "no tax." If she fails to mention a tax, ask "How much tax?"

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d. Claims for Tax Exemptions and Refunds. In the case of claim for tax exemption, refusal to pay the tax on the initial charge, or request for a refund, refer the call to the service assistant or supervisor.

*S.A. or SR. On a claim for exemption, explain that, since customers cannot be identified at coin telephones, the tax must be deposited. If the customer deposits the tax but asks for a refund, say that the claim will be referred to the Business Office. Write "Claims tax exemption" diagonally across the face of the ticket and, at the end of conversation, refer the ticket to the Chief Operator for reference to the Business Office.*

On a refusal to pay the tax on an initial charge, explain that you cannot complete the call unless the full amount including tax is deposited.

On a request for refund, arrange for the claim in the regular way and include any tax due to be refunded in the amount shown on the ticket without designating any part of it as tax.

**3. QUOTING RATE OR CHARGE.** On requests from noncoin telephones, quote a rate or charge in the regular way and add "plus tax." If the customer asks for the amount of tax, give him the per cent. of tax applying to the rate or charge, saying "10 per cent." or "10 per cent. of the telephone charge."

If the customer asks for the specific amount of the tax on an individual call connect him with your service assistant or supervisor unless you are able to supply the information.

*S.A. or SR. If the customer is not satisfied with the explanation that the tax is a certain percentage of the telephone charge, compute the amount of the tax to the nearest penny and give him this information, stating that it is the approximate tax.*

*If the customer asks about the tax on any form of extended scope or interzone service, make such explanation as is required to meet his question. For example, you might say that the total amount shown on the customer's bill for extended scope or interzone service is subject to the 10 per cent. tax regardless of the number of units involved for any individual message.*

When stating that a call is a local call or when quoting a charge in message units, do not mention the tax unless the customer asks about it. If he asks about the tax, say for example, "The 10 per cent. tax applies." If he makes any inquiry regarding the tax in relation to message units which you are unable to answer, refer him to the Business Office.

Mention of tax may be omitted in quoting a rate or charge if this information seems unnecessary, as in the case of some F.B.X. attendants and other regular toll users.

On a request for the rate from a coin telephone, if it is 25 cents or more, quote it in the usual way and add for example, "plus 5 cents tax." If the rate is less than 25 cents, do not mention tax but if the customer asks if there is a tax, say "Only if the charge is 25 cents or more," followed by any further information requested.