

**TITLE 6.
FINANCE AND TAXATION.**

**CHAPTER 6-700. MUNICIPAL
TELECOMMUNICATIONS LICENSE
TAX**

6-701. Definitions. As used in this ordinance:

(1) Commission means the State Tax Commission.

(2) (a) Subject to Subsection (2)(b), customer means the person who is obligated under a contract with a telecommunications provider to pay for telecommunications service received under the contract.

(b) For purposes of this ordinance, customer means:

(i) the person who is obligated under a contract with a telecommunications provider to pay for telecommunications service received under the contract; or

(ii) if the end user is not the person described in Subsection (2)(b)(i), the end user of telecommunications service.

(3) Customer does not include a reseller:

(a) of telecommunications service; or

(b) for mobile telecommunications service, of a serving carrier under an agreement to serve the customer outside the telecommunications provider's licensed service area.

(4) (a) End user means the person who uses a telecommunications service.

(b) For purposes of telecommunications service provided to a person who is not an individual, end user means the individual who uses the telecommunications service on behalf of the person who is provided the telecommunications service.

(5) Gross Receipts attributed to the municipality means those gross receipts from a transaction for telecommunications services that is located within the municipality for the purposes of sales and use taxes under Utah Code Title 59, Chapter 12, Sales and Use Tax Act and determined in accordance with Utah Code section 59-12-207.

(6) Gross receipts from telecommunications service means the revenue that a telecommunications provider receives for telecommunications service rendered except for

amounts collected or paid as:

(a) a tax, fee, or charge:

(i) imposed by a governmental entity;

(ii) separately identified as a tax, fee, or charge in the transaction with the customer for the telecommunications service; and

(iii) imposed only on a telecommunications provider;

(b) sales and use taxes collected by the telecommunications provider from a customer under Title 59, Chapter 12, Sales and Use Tax Act; or

(c) interest, a fee, or a charge that is charged by a telecommunications provider on a customer for failure to pay for telecommunications service when payment is due.

(7) Mobile telecommunications service is as defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

(8) Municipality means Tremonton City.

(9) Place of primary use:

(a) For telecommunications service other than mobile telecommunications service, means the street address representative of where the customer's use of the telecommunications service

(i) the residential street address of the customer; or

(ii) the primary business street address of the customer; or

(b) for mobile telecommunications service, is as defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

(10) Notwithstanding where a call is billed or paid, service address means:

(a) if the location described in this Subsection (9)(a) is known, the location of the telecommunications equipment:

(i) to which a call is charged; and

(ii) from which the call originates or terminates;

(b) if the location described in Subsection (9)(a) is not known but the location described in this Subsection (8)(b) is known, the location of the origination point of the signal of the telecommunications service first identified by:

(i) the telecommunications system of the telecommunications provider; or

(ii) if the system used to transport the signal is not a system of the

- telecommunications provider, information received by the telecommunications provider from its service provider; or
- (c) if the locations described in Subsection (9)(a) or (b) are not known, the location of a customer's place of primary use.
- (11)(a) subject to Subsections (9)(b) and (9)(c), telecommunications provider means a person that:
- (i) owns, controls, operates, or manages a telecommunications service; or
 - (ii) engages in an activity described in Subsection (9)(a)(i) for the shared use with or resale to any person of the telecommunications service.
- (b) A person described in Subsection (9)(1) is a telecommunications provider whether or not the Public Service Commission of Utah regulates:
- (i) that person; or
 - (ii) the telecommunications service that the person owns, controls, operates, or manages.
- (c) Telecommunications provider does not include an aggregator as defined in Utah Code Section 54-8b-2.
- (12) Telecommunications service means:
- (a) telephone service, as defined in Utah Code Section 59-12-102, other than mobile telecommunications service, that originates and terminates within the boundaries of this state; and
 - (b) mobile telecommunications service, as defined in Utah Code Section 59-12-102:
 - (i) that originates and terminates within the boundaries of one state; and
 - (ii) only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et eq.

6-702. Levy of Tax. There is hereby levied a municipal telecommunications license tax on the gross receipts from telecommunications service attributed to this municipality.

6-703. Rate. The rate of the tax levy shall be 4% of the telecommunication provider's gross receipts from telecommunications service that are attributed to the municipality subject to the following:

- (1) If the location of a transaction is determined to be other than this municipality then

the rate imposed on the gross receipts for telecommunications services shall be the lower of

- (a) the rate imposed by the taxing jurisdiction in which the transaction is located or

- (b) the rate for non-mobile telecommunication services shall be the rate imposed by the municipality in which the customer's service address is located; or for mobile telecommunications service, the rate imposed by the municipality of the customer's primary place of use. .

6-704. Rate Limitation and Exemption Therefrom. This rate of this levy shall not exceed 4% of the telecommunication provider's gross receipts from telecommunication service attributed to the municipality unless a higher rate is approved by a majority vote of the voters in this municipality that vote in:

- (1) a municipal general election;
- (2) a regular general election; or
- (3) a local special election.

6-705. Effective Date of Tax Levy. This tax shall be levied beginning the earlier of July 1, 2004 or the first day of any calendar quarter after a 75 day period beginning on the date the Commission received notice pursuant to Utah Code 10-1-403 that this municipality has enacted this ordinance.

6-706. Interlocal Agreement for Collection of the Tax. On or before the effective date of the ordinance, the municipality shall enter into the uniform interlocal agreement with the Commission as described in Utah Code Section 10-1-405 for the collection, enforcement, and administration of this municipal telecommunications license tax;

6-707. Repeal of Inconsistent Taxes and Fees.

- (1) Any tax or fee previously enacted by this municipality under authority of Utah Code 10-1-203 or Utah Code Title 11, Chapter 26, Local Taxation of Utilities Limitation is hereby repealed.

- (2) Nothing in this ordinance shall be interpreted to repeal any municipal ordinance or fee which provides that the municipality may recover from a telecommunications provider the management costs of the municipality caused by the activities of the telecommunications provider in the rights-of-way of the municipality, if the fee is imposed in accordance with Utah Code: section 72-7-102 and is not related to the municipality's loss of use of a highway as a result of the activities of the

telecommunications provider in a right of way, or increased deterioration of a highway as a result of the activities of the telecommunications provider in a right-of-way nor does this ordinance limit the municipalities right to charge fees or taxes on persons that are not subject to the municipal telecommunications license tax under this ordinance and locate telecommunications facilities, as defined in Utah code section 72-7-108, in this municipality

(3) This ordinance shall take effect upon posting.

Rev 07-15.1