



INFORMATIONAL BULLETIN

■ Chicago Telecommunications Tax

TO:

All Providers of DSL (Digital Subscriber Line) Service

The purpose of this informational bulletin is to inform providers of Digital Subscriber Line (DSL) service of the federal Internet Tax Freedom Act Amendments Act of 2007's preemption becoming effective for Chicago telecommunications, and to discuss the Chicago Telecommunications Tax, chapter 3-73, as it pertains to DSL service within the corporate limits of the City of Chicago.

General Information

The Chicago Telecommunications Tax is imposed upon: (1) the act or privilege of originating in the city or receiving in the city intrastate telecommunications by a person at a rate of seven percent of the gross charge for such telecommunications purchased at retail; and (2) the act or privilege of originating in the city or receiving in the city interstate telecommunications by a person at a rate of seven percent of the gross charge for such telecommunications purchased at retail.

Are DSL charges subject to the Chicago Telecommunications Tax?

As of July 1, 2008, DSL services purchased, used, or sold by a provider of Internet access to provide Internet access are no longer subject to the Chicago Telecommunications Tax.

Please note that these charges were taxable prior to July 1, 2008 and should be reported and paid to the Department.

Are non-providers of Internet access subject to the tax?

DSL services not purchased, used, or sold by a provider of Internet access are not affected and remain subject to the Chicago Telecommunications Tax.

How do I cancel my registration for the Chicago Telecommunications Tax?

If the changes discussed in this informational bulletin result in your no longer having any responsibility for collecting and remitting the Chicago

Telecommunications Tax, please fill out an "Affidavit for Final Taxable Period" in order to remove this tax code from your account with the Chicago Department of Revenue. You can find this form on our website at: www.cityofchicago.org/revenue

If you have any questions about this form please contact our customer service unit at 312-747-4747 Monday thru Friday from 8am until 4pm.

Questions?

If you have questions or need more information, please write us. Our address is:

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