

## *Multistate Tax Commission*



### **Resolution 01-06**

#### **Resolution Regarding the Taxation of Mobile Telecommunications Services**

**WHEREAS**, States and the mobile telecommunications industry both acknowledge the importance of assigning a situs to mobile telecommunications services for purposes of imposing transactional taxes; and

**WHEREAS**, States and the mobile telecommunications industry both desire a workable method that is revenue neutral and administratively practical that would allow the situs of mobile telecommunications services to be determined; and

**WHEREAS**, the mobile telecommunications industry, under the leadership of the Wireless Tax Group, worked closely with the States, the National Governor's Association, the National Conference of State Legislatures, the Multistate Tax Commission and the Federation of Tax Administrators to craft proposed legislation that would be acceptable to the States, local governments and the industry; and

**WHEREAS**, the proposed bill, the Mobile Telecommunications Sourcing Act, designated the location of the place of primary use as the situs of all mobile telecommunications sourcing for purposes of State transactional taxes; and

**WHEREAS**, that bill was passed by Congress and was signed into law by President Clinton on July 28, 2000; and

**WHEREAS**, many States must amend existing statutory law to conform to the sourcing requirements of the Act, and the industry has worked with States to draft conforming legislation and shepherd the proposed legislation through the respective State legislatures; now, therefore, be it

**RESOLVED**, that the mobile telecommunications industry be commended for its cooperative efforts with the States to simplify State transactional taxation of mobile telecommunication services; and be it further

**RESOLVED**, that the MTC recommends that each State examine its laws regarding the taxation of mobile telecommunications services to determine the changes necessary to implement the Act; and be it further

**RESOLVED**, that the MTC recommends that the States work diligently with the Commission and other State groups and the mobile telecommunications industry to craft and implement bills and regulations that would conform existing State law to the Act.

Adopted this 27<sup>th</sup> day of July, 2001 by the Multistate Tax Commission.

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Dan R. Bucks, Executive Director

This resolution shall expire at the Annual Business Meeting in 2006.