
Opinion of the Tax Commissioner

Date Issued: August 14, 1992

Opinion No: 92-0008

Tax: Sales

XXXX
XXXX
XXXX

Subject: 900 Service

The request for an opinion of the Tax Commissioner was received on March 18, 1992. Specifically, it concerns the applications of the sales tax to a "900 Service" operation.

XXXX (hereinafter referred to as taxpayer) has submitted the following factual information:

- 1.) The taxpayer is an Ohio corporation with its principal place of business in XXXX.
- 2.) The taxpayer operates as a "service bureau" for "information providers", who utilize the taxpayer's service to communicate information to third party end users via 900 numbers.
- 3.) The taxpayer obtains long distance service (XXXX 900 Service) from a long distance carrier at terms pursuant to contract.
- 4.) The taxpayer charges its customers, the information providers, pursuant to contract, in addition to billing them for all allocable charges from the long distance carrier, including any charges for incoming lines and on-line call detail data.

QUESTIONS FOR WHICH OPINIONS ARE REQUESTED

- 1.) Whether the charges for the XXXX 900 Service provided by the long distance carrier and used in the operation of the taxpayer's "service bureau" business are subject to sales tax?

ANSWER: No. R.C. 5739.01(B)(3)(f) expressly makes sales of telecommunications services taxable. XXXX 900 Service is "eight hundred type service" which is specifically excluded from the definition of "telecommunications service" as defined in R.C. 5739.01(AA)(1). Accordingly, it is the opinion of the Tax Commissioner that the transactions at issue are not subject to the sales tax.

- 2.) Whether sales tax is due on the charges from the taxpayer to its customers, the information provider?

ANSWER: No. The taxpayer is not a vendor of a telecommunications service and the taxpayer's customers are not consumers or end users as contemplated by R.C. 5739.01(B)(3)(f). Therefore, the taxpayer is not providing a telecommunications service. Based upon the facts

presented, it is the opinion of the Tax Commissioner that the charges for the service the taxpayer provides to the information providers are not subject to the sales tax.

This opinion applies to the taxpayer and its property only. It may not be transferred or assigned.

In addition, the tax consequences stated in this opinion may be subject to change for any of the reasons stated in R.C. 5703.53(C). It is the duty of the taxpayer to be aware of such changes. R.C. 5703.53(D).

Roger W. Tracy
Tax Commissioner