

# Consumer Information and Procedures

## -- Taxes and Surcharges on Your Phone Bill

### Federal Charges

**Federal Subscribers Line Charges:** The lines connected to your home or business have extra expenses not already recovered by the local company's regular line charge. The Federal Communications Commission (FCC) allows the local company to apply this charge for each phone line a customer has. The charge may be higher for each additional phone line.

**Universal Services Charge:** This represents a mandatory contribution by toll carriers. The carriers contribute to a fund that supplies financial support for telecommunications in rural and other high cost areas, schools, libraries and health care facilities. In addition, this fund supports the Lifeline and Link-Up programs to assist low-income phone customers.

**Number Portability Charge:** The FCC allows local phone companies to recover the costs associated with making it possible for customers to take their current phone numbers with them when they switch to new local carriers.

**Federal Excise Tax:** This is a basic tax on telecommunications services. The Federal Excise Tax is currently 3%.

Further information on FCC related charges and topics may be found at  
[http://www.fcc.gov/cgb/information\\_directory.html](http://www.fcc.gov/cgb/information_directory.html)

### State Charges

**State Excise Tax:** A basic telecommunications tax, similar to the federal one. The State Excise is 7%.

**Public Utilities Tax:** This is a tax of 1/10 of 1% of gross receipts on utility bills which supports the work of the Illinois Commerce Commission.

**Wireless 9-1-1 Surcharge:** As of September 2000 (and starting earlier for some providers), wireless services providers collect a 75 cent statewide surcharge on wireless phone numbers to support the implementation and operation of emergency services for wireless phone customers. For information on 9-1-1 in Illinois, please visit this section of the ICC website:  
<http://www.icc.state.il.us/tc/nineoneone.aspx>

**Illinois Universal Service Fund:** This represents a mandatory surcharge on the local and in-state long-distance portion of a customer's bill. Funds raised by this levy are used to keep basic local phone service affordable for subscribers of telecommunications carriers located in rural and high cost areas within the state. This charge was approved in September of 2001 and is currently set at approximately 0.3%.

## Municipal/County Charges

**Infrastructure Maintenance Fee (IMF):** All telecommunications carriers on a customer's bill must collect this fee. The funds for the State IMF help to support the costs of providing and maintaining utility rights of way. Revenue from the IMF is dedicated for Personal Property Replacement Tax (PPRT) purposes and is disbursed to all taxing districts. The State IMF is 0.5% of gross receipts.

**9-1-1 Surcharges:** If the charges to support 9-1-1 services appear on a consumer's phone bill, then a local referendum approved such a process. The phone company collects a specific amount on each bill, and these amounts may vary from community to community across the state. In some cases, the surcharge may be assessed even before the 9-1-1 system is active. This is to enable the local government to build up the funds necessary to create the system.

**Simplified Municipal Telecommunications Tax:** Effective January 1, 2003, local governments have been empowered to replace the Optional IMF, Municipal IMF, Municipal Messages Tax and the Municipal Telecommunications Tax with a Simplified Municipal Telecommunications Tax. For municipalities with populations of 500,000 or more, the Simplified Municipal Telecommunications Tax may not exceed 7% of the gross charge for telecommunications on a customer's bill. For municipalities with populations less than 500,000, the Simplified Municipal Telecommunications Tax may not exceed 6% of the gross charge for telecommunications on a customer's bill. Mobile telephone bills will also be assessed this tax. The Illinois Department of Revenue provides a downloadable form on this topic for the purpose of determining applicability of the tax here: <http://www.revenue.state.il.us/taxforms/misc/pu/Rt12.pdf>