Telephone Tax Changes Effective August 1, 2013

Introduction
Recent legislation will change the taxation of the telecommunications industry. Effective August 1, 2013, telephone service providers will:

- Begin collecting retail sales tax on local (residentially tariffed wireline) telephone service charges.
- Begin collecting retail sales tax on coin-operated telephone service charges.
- No longer collect the Washington Telephone Assistance Program (WTAP) tax or Telephone Relay Service (TRS) tax. (RCW 80.36.430 and 43.20A.725)

The bill also includes changes affecting prepaid wireless service that will take effect January 1, 2014. You will receive information about those changes later this year. (Second Engrossed Second Substitute House Bill 1971 [chapter 8, Laws of 2013 2nd spec.sess.])

What Will Change on August 1, 2013?
The following changes will take effect:

- **WTAP and TRS taxes expire**
  Telephone service providers will stop collecting the WTAP tax (14 cents per switched access line) and the TRS tax (17 cents per switched access line).

- **Local telephone service retail sales tax exemption expires**
  Retail sales tax must be collected on local (residentially tariffed wireline) telephone service beginning the first billing period on or after August 1, 2013.
  
  **Note:** Telephone service providers will continue to collect state and local E911 taxes on local telephone service charges. E911 tax rates can be found at dor.wa.gov/E911.

- **Coin-operated telephone service retail sales tax exemption expires**
  Retail sales tax will be collected on coin-operated telephone service.

For more information
Contact the Department’s Telephone Information Center at 1-800-647-7706.