

City and County of Denver, Colorado

TAX GUIDE

Topic No. 76

TELEPHONE AND TELECOMMUNICATION SERVICES

The DRMC imposes a sales/use tax on the purchase price or charge for telecommunications service. This includes any two-way interactive electronic or electromagnetic communications including but not limited to voice, image, data and any other information, by the use of any means but not limited to wire, cable, fiber optical cable, microwave, radio wave, Voice over Internet Protocol (VoIP), or any combinations of such media, including any form of mobile two-way communication. Examples include but are not limited to basic local exchange telephone service, INTRAsate long-distance telephone service, toll telephone service, teletypewriter service, residential and business service, directory assistance, VoIP, cellular mobile telephone or telecommunication service, specialized mobile radio and two-way pagers and paging service.

The tax is due when the service originates in Denver and is charged to a telephone number or an account located within the City. Mobile or cellular telecommunications service shall be subject to sales and use tax if the service is provided by a home service provider to a customer whose place of primary use is within the city and the service originates within the city.

The purchase price or charge for the telecommunications service includes all fees imposed on the telecom provider and passed through to the consumer. The purchase price does not include of any direct tax imposed by the federal government, by the state or by the DRMC Ordinance.

This tax is separate from and in addition to the City's telecommunications business tax (TBT) and emergency telephone charges (E911 charges). Reporting of the sales/use tax, TB tax (if applicable) and E911 charges are done on distinct and separate filing forms with the City and County of Denver.

Prepaid Wireless Telecommunications

Sales/use tax is due at the point of purchase for prepaid wireless service either at a retail location in the City and County of Denver and/or from a seller who delivers the service to a consumer located in the City and County of Denver. Sales tax is due on retail, online, and recharge purchases of prepaid wireless telecommunications whether purchased in units or in dollars.

Prepaid Wireless Cards are not subject to the sourcing provisions regarding of the Mobile Telecommunications Sourcing Act and when a customer fails to provide its place of primary use; therefore, the taxability is determined at the point of purchase.

RELATED TAX GUIDE TOPIC

Telecommunications Business Tax

Emergency Telephone Charge

- * DRMC Section 53-24(38) Definitions – Telecommunications Service
- * DRMC Section 53-25(3). Imposition of tax.
- * DRMC Section 53-95(43) Definitions – Telecommunications Service
- * DRMC Section 53-96(3). Imposition of tax.
- * DRMC Section 53-37(1). Application to mobile telecommunication services

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT DENVER TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE DRMC AND APPLICABLE RULES AND REGULATIONS.