

**CITY OF PALM SPRINGS UTILITY USERS TAX
ADMINISTRATIVE RULING AND INTERPRETATION (2.0)**

Authority. Pursuant to Section 3.32.030 (c) of the City of Palm Springs Utility Users' Tax Ordinance (as amended by Ord. #1765), the Tax Administrator hereby adopts the following administrative rulings and administrative interpretation:

Administrative Ruling (Universal Service, Regulatory and Administrative Cost Recovery Charges). "Charges for telecommunication services" shall include, and is not limited to, the following charges, which have been historically subject to the utility users tax as "universal service, regulatory, administrative and other cost recovery charges":

State

California PUC User fee

Universal Lifeline Telephone Service (ULTS)

California Telenet Fund (CWTF);

California Deaf and Disabled Telecommunications Program (DDTP);

California High Cost Fund-A (CHCF-A);

California High Cost Fund-B (CHCF-B);

California Advance Service Fund (CASF)

Federal

Universal Service Fee or Universal Connectivity Fee (USF)

Federal Regulatory or Cost Recovery Fee, which may include cost recovery charges for: Federal Regulatory Fee; Telecommunications Relay Service; Number Portability and Number Pooling, among others.

"Charges for telecommunication services" shall not include the federal excise tax (FET) or the *state 911 Surcharge*, which is defined by statute to be a tax (Calif. Rev. and Tax Code Sec. 41013), and historically have not been subject to the utility users tax.

Limitation. This Ruling is intended to give general guidance and should not be viewed as providing a definite answer to all factual situations, as the exact application of the tax will depend on the nature of the service, the manner in which it is billed (*e.g.*, bundled or unbundled), and other factors that could bear on whether the utility users tax is applied or not applied.

Effective and Expiration Dates. This Ruling shall automatically expire on January 1, 2018, so that the conditions then existing may be reviewed, and the Administrative Ruling may be thereafter revised, as appropriate, and then re-adopted. Nothing herein, however, shall preclude the Tax Administrator from revising or rescinding this Administrative Ruling at any time.

City of Palm Springs Finance Director and UUT Tax Administrator



Geoffrey Kiehl

Date: December 21, 2017