

rendered more than 2 months before such date. In the case of services rendered more than 2 months before such date, the provisions of subchapter B of chapter 33 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] in effect at the time such services were rendered shall apply to the amounts paid for such services."

EFFECTIVE DATE OF 1958 AMENDMENT

For effective date of amendment made by Pub. L. 85-859, see section 133(b) of Pub. L. 85-859, set out as a note under section 4251 of this title.

§ 4254. Computation of tax

(a) General rule

If a bill is rendered the taxpayer for local telephone service or toll telephone service—

(1) the amount on which the tax with respect to such services shall be based shall be the sum of all charges for such services included in the bill; except that

(2) if the person who renders the bill groups individual items for purposes of rendering the bill and computing the tax, then (A) the amount on which the tax with respect to each such group shall be based shall be the sum of all items within that group, and (B) the tax on the remaining items not included in any such group shall be based on the charge for each item separately.

(b) Where payment is made for toll telephone service in coin-operated telephones

If the tax imposed by section 4251 with respect to toll telephone service is paid by inserting coins in coin-operated telephones, tax shall be computed to the nearest multiple of 5 cents, except that, where the tax is midway between multiples of 5 cents, the next higher multiple shall apply.

(c) Certain State and local taxes not included

For purposes of this subchapter, in determining the amounts paid for communications services, there shall not be included the amount of any State or local tax imposed on the furnishing or sale of such services, if the amount of such tax is separately stated in the bill.

(Aug. 16, 1954, ch. 736, 68A Stat. 504; Pub. L. 85-859, title I, §133(a), Sept. 2, 1958, 72 Stat. 1291; Pub. L. 89-44, title III, §302, June 21, 1965, 79 Stat. 147; Pub. L. 95-172, §2(a), Nov. 12, 1977, 91 Stat. 1358.)

REPEAL

*This subchapter, relating to the tax on communications was repealed by Pub. L. 90-364, title I, §105(b)(3), June 28, 1968, 82 Stat. 266, as amended by Pub. L. 91-172, title VII, §702(b)(3), Dec. 30, 1969, 83 Stat. 660; Pub. L. 91-614, title II, §201(b)(3), Dec. 31, 1970, 84 Stat. 1843, effective with respect to amounts paid pursuant to bills first rendered on or after Jan. 1, 1982. In the case of communications services rendered before Nov. 1, 1981, for which a bill has not been rendered before Jan. 1, 1982, a bill shall be treated as having been first rendered on Dec. 31, 1981. Repeal of this subchapter was not executed in view of the amendments to section 4251 of this title by Pub. L. 96-499, Pub. L. 97-34, Pub. L. 97-248, Pub. L. 98-369, Pub. L. 99-514, Pub. L. 100-203, and Pub. L. 101-508, extending the date in (and finally eliminating) provisions*

*which had reduced the tax to zero after a specified date.*

AMENDMENTS

1977—Subsec. (c). Pub. L. 95-172 added subsec. (c).

1965—Subsec. (a). Pub. L. 89-44 substituted "local telephone service or toll telephone service" for "general telephone service, toll telephone service, or telegraph service".

Subsec. (b). Pub. L. 89-44 substituted "toll telephone service" for "toll telephone service or telegraph service" in catchline and text.

1958—Subsec. (a). Pub. L. 85-859 provided that if the person who renders the bill groups individual items for purposes of rendering the bill and computing the tax, then the amount on which the tax with respect to each group shall be based shall be the sum of all items within that group, and the tax on remaining items not included in any such group shall be based on the charge of each item separately.

Subsec. (b). Pub. L. 85-859 substituted "toll telephone service" for "long distance telephone service".

EFFECTIVE DATE OF 1977 AMENDMENT

Pub. L. 95-172, §2(b), Nov. 12, 1977, 91 Stat. 1358, provided that: "The amendment made by this section [amending this section] shall take effect only with respect to amounts paid pursuant to bills first rendered on or after the first day of the first month which begins more than 20 days after the date of the enactment of this Act [Nov. 12, 1977]. For purposes of the preceding sentence, in the case of communications services rendered more than 2 months before the effective date provided in the preceding sentence, no bill shall be treated as having been first rendered on or after such effective date."

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by Pub. L. 89-44 applicable to amounts paid pursuant to bills rendered on or after January 1, 1966, for service rendered on or after such date, but, in the case of amounts paid pursuant to bills rendered after January 1, 1966, for services rendered before such date for which no previous bill had been rendered, applicable except with respect to such services as were rendered more than two months before such date, see section 701(b)(2)(A) of Pub. L. 89-44, set out as a note under section 4251 of this title.

EFFECTIVE DATE OF 1958 AMENDMENT

For effective date of amendment made by Pub. L. 85-859, see section 133(b) of Pub. L. 85-859, set out as a note under section 4251 of this title.

Subchapter C—Transportation by Air

- Part I. Persons.
- II. Property.
- III. Special provisions relating to taxes on transportation by air.<sup>1</sup>

PART I—PERSONS

- Sec. 4261. Imposition of tax.
- 4262. Definition of taxable transportation.
- 4263. Special rules.

AMENDMENTS

1970—Pub. L. 91-258, title II, §205(c)(4), May 21, 1970, 84 Stat. 242, substituted "Transportation by Air" for "Transportation of Persons by Air" in subchapter heading, inserted part I to III headings in subchapter analysis, inserted "PART I—PERSONS" as analysis heading preceding section 4261, struck out item 4263, and redesignated item 4264 as 4263.

<sup>1</sup> So in original. Does not conform to part heading.