

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."

PLAN AMENDMENTS NOT REQUIRED UNTIL
JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§1101-1147 and 1171-1177] or title XVIII [§§1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

§ 4252. Definitions

(a) Local telephone service

For purposes of this subchapter, the term "local telephone service" means—

- (1) the access to a local telephone system, and the privilege of telephonic quality communication with substantially all persons having telephone or radio telephone stations constituting a part of such local telephone system, and
- (2) any facility or service provided in connection with a service described in paragraph (1).

The term "local telephone service" does not include any service which is a "toll telephone service" or a "private communication service" as defined in subsections (b) and (d).

(b) Toll telephone service

For purposes of this subchapter, the term "toll telephone service" means—

- (1) a telephonic quality communication for which (A) there is a toll charge which varies in amount with the distance and elapsed transmission time of each individual communication and (B) the charge is paid within the United States, and
- (2) a service which entitles the subscriber, upon payment of a periodic charge (determined as a flat amount or upon the basis of total elapsed transmission time), to the privilege of an unlimited number of telephonic communications to or from all or a substantial portion of the persons having telephone or radio telephone stations in a specified area which is outside the local telephone system area in which the station provided with this service is located.

(c) Teletypewriter exchange service

For purposes of this subchapter, the term "teletypewriter exchange service" means the access from a teletypewriter or other data station to the teletypewriter exchange system of which such station is a part, and the privilege of intercommunication by such station with substantially all persons having teletypewriter or other data stations constituting a part of the same teletypewriter exchange system, to which the subscriber is entitled upon payment of a charge or charges (whether such charge or charges are determined as a flat periodic amount, on the basis of distance and elapsed transmission time, or in some other manner). The term "teletypewriter exchange service" does not include any service which is "local telephone service" as defined in subsection (a).

(d) Private communication service

For purposes of this subchapter, the term "private communication service" means—

- (1) the communication service furnished to a subscriber which entitles the subscriber—
 - (A) to exclusive or priority use of any communication channel or groups of channels, or
 - (B) to the use of an intercommunication system for the subscriber's stations,

regardless of whether such channel, groups of channels, or intercommunication system may be connected through switching with a service described in subsection (a), (b), or (c),

- (2) switching capacity, extension lines and stations, or other associated services which are provided in connection with, and are necessary or unique to the use of, channels or systems described in paragraph (1), and

- (3) the channel mileage which connects a telephone station located outside a local telephone system area with a central office in such local telephone system,

except that such term does not include any communication service unless a separate charge is made for such service.

(Aug. 16, 1954, ch. 736, 68A Stat. 503; Pub. L. 85-859, title I, §133(a), Sept. 2, 1958, 72 Stat. 1290; Pub. L. 87-508, §4(a), June 28, 1962, 76 Stat. 115; Pub. L. 89-44, title III, §302, June 21, 1965, 79 Stat. 145.)

CODIFICATION

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

1965—Subsec. (a). Pub. L. 89-44 substituted definition of "local telephone service" for definition of "general telephone service".

Subsec. (b). Pub. L. 89-44 replaced definition of "toll telephone service" as telephone or radio telephone message or conversation for which there is a toll charge paid within the United States with a definition which defined the term as a telephonic quality communication carrying a varying toll charge depending upon distance and elapsed transmission time and a service entitling the subscriber, upon payment of a periodic charge, to unlimited telephonic communication in an area outside the local telephone system area.

Subsec. (c). Pub. L. 89-44 substituted definition of "teletypewriter exchange service" for definition of "telegraph service".

Subsec. (d). Pub. L. 89-44 substituted definition of "private communication service" for definition of "teletypewriter exchange service".

Subsecs. (e), (f). Pub. L. 89-44 struck out subsecs. (e) and (f) which defined wire mileage service and wire and equipment service.

1962—Subsec. (e)(1), (2). Pub. L. 87-508 limited wire mileage service to service not used in the conduct of a trade or business.

1958—Subsec. (a). Pub. L. 85-859 substituted definition of “general telephone service” for provisions which defined “local telephone service” as any telephone service not taxable as long distance telephone service; leased wire; teletypewriter or talking circuit special service; or wire and equipment service, and provided that amounts paid for the installation of instruments, wires, poles, switchboards, apparatus, and equipment shall not be considered amounts paid for service, and that amounts paid for services and facilities which are exempted from other communication taxes by section 4253(b) should not be deemed to be within the definition of local telephone service.

Subsec. (b). Pub. L. 85-859 substituted “toll telephone service” for “long distance telephone service” and struck out provisions which defined “long distance telephone service” as a telephone or radio telephone message or conversation for which the toll charge is more than 24 cents.

Subsec. (c). Pub. L. 85-859 substituted “For purposes of this subchapter, the term ‘telegraph service’ means a telegram” for “As used in section 4251 the term ‘telegraph service’ means a telegram”.

Subsec. (d). Pub. L. 85-859 substituted provisions defining “teletypewriter exchange service” for provisions which defined “leased wire, teletypewriter or talking circuit special service”.

Subsec. (e). Pub. L. 85-859 substituted provisions defining “wire mileage service” for provisions which defined “wire and equipment service”, which were covered by subsec. (f) of this section.

Subsec. (f). Pub. L. 85-859 added subsec. (f). Similar provisions were formerly contained in subsec. (e) of this section.

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 services 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 1962 AMENDMENT

Pub. L. 87-508, §4(c), June 28, 1962, 76 Stat. 115, provided that: “The amendments made by subsections (a) and (b) [amending this section and section 4253 of this title] shall apply with respect to services furnished on or after January 1, 1963.”

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.

§ 4253. Exemptions

(a) Certain coin-operated service

Service paid for by inserting coins in coin-operated telephones available to the public shall not be subject to the tax imposed by section 4251 with respect to local telephone service, or with respect to toll telephone service if the charge for such toll telephone service is less than 25 cents; except that where such coin-operated telephone service is furnished for a guaranteed amount, the amounts paid under such guarantee plus any fixed monthly or other periodic charge shall be subject to the tax.

(b) News services

No tax shall be imposed under section 4251, except with respect to local telephone service, on

any payment received from any person for services used in the collection of news for the public press, or a news ticker service furnishing a general news service similar to that of the public press, or radio broadcasting, or in the dissemination of news through the public press, or a news ticker service furnishing a general news service similar to that of the public press, or by means of radio broadcasting, if the charge for such service is billed in writing to such person.

(c) International, etc., organizations

No tax shall be imposed under section 4251 on any payment received for services furnished to an international organization, or to the American National Red Cross.

(d) Servicemen in combat zone

No tax shall be imposed under section 4251 on any payment received for any toll telephone service which originates within a combat zone, as defined in section 112, from a member of the Armed Forces of the United States performing service in such combat zone, as determined under such section, provided a certificate, setting forth such facts as the Secretary may by regulations prescribe, is furnished to the person receiving such payment.

(e) Items otherwise taxed

Only one payment of tax under section 4251 shall be required with respect to the tax on any service, notwithstanding the lines or stations of one or more persons are used in furnishing such service.

(f) Common carriers and communications companies

No tax shall be imposed under section 4251 on the amount paid for any toll telephone service described in section 4252(b)(2) to the extent that the amount so paid is for use by a common carrier, telephone or telegraph company, or radio broadcasting station or network in the conduct of its business as such.

(g) Installation charges

No tax shall be imposed under section 4251 on so much of any amount paid for the installation of any instrument, wire, pole, switchboard, apparatus, or equipment as is properly attributable to such installation.

(h) Nonprofit hospitals

No tax shall be imposed under section 4251 on any amount paid by a nonprofit hospital for services furnished to such organization. For purposes of this subsection, the term “nonprofit hospital” means a hospital referred to in section 170(b)(1)(A)(iii) which is exempt from income tax under section 501(a).

(i) State and local governmental exemption

Under regulations prescribed by the Secretary, no tax shall be imposed under section 4251 upon any payment received for services or facilities furnished to the government of any State, or any political subdivision thereof, or the District of Columbia.

(j) Exemption for nonprofit educational organizations

Under regulations prescribed by the Secretary, no tax shall be imposed under section 4251 on