

# Segment VAT/GST FAQs

Last updated on 11/15/22

## Does Twilio Segment Charge Value Added Tax or Goods and Services Tax?

Twilio Inc. dba Twilio Segment & its affiliates (hereinafter, “Twilio Segment”). are required by certain foreign taxing authorities to collect Value-Added Tax (“VAT”) and Goods and Services Tax (“GST”) on sales of its services to customers located in the below jurisdictions. This guide covers the countries where Twilio Segment charges VAT/GST, and what products are taxable.

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## VAT and GST Overview

Twilio Segment collects VAT/GST on the services sold to its international customers located in certain foreign jurisdictions.

Who is charged VAT/GST?

Any international customer with a business/services address ("Ship To" on invoice) in the list of countries provided below:

- Austria
- Brazil
- Belgium
- Bulgaria
- Canada
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Japan
- Latvia
- Liechtenstein
- Lithuania
- Luxembourg
- Malta

- Monaco
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- United Kingdom

## Why am I charged VAT or GST?

Your service address ("Ship To" on invoice) indicates you live in one of the countries where we are required to collect and remit VAT/GST. If your service address ("Ship To" on invoice) is not correct, you can update it by contacting your Segment account representative.

## Does Twilio Segment Ireland Charge VAT in Europe?

EU VAT laws, and similar laws of other European countries require companies that sell cloud communication platform services to customers located in the EU, Norway, Switzerland/Liechtenstein, Monaco, and the UK to collect and remit VAT. These European customers will be invoiced from Twilio Segment Ireland . and B2C (business to consumer) and B2B (business to business) customers that have not provided a valid VAT registration number will be subject to VAT on their purchases of any applicable Twilio Segment services. How is VAT determined?

VAT is applied based on where the customer has a permanent place of establishment. For individual customers (B2C), the permanent place of establishment is usually the billing/residential address. For

business customers (B2B), the permanent place of establishment is usually the business's registered address, or where the business is located. Twilio Segment uses your service address ("Ship To" on invoice) for tax calculation purposes.

## What rate is VAT charged?

Twilio Segment's services will be subject to the local VAT rate in the jurisdiction where the customer is located.

For example, a customer in France would be charged the French VAT standard rate of 20% for all taxable sales. If this customer spends \$100 with Twilio Segment, they would be charged an additional \$20 for VAT, for a total of \$120.

Total taxable sales: \$100

+ French VAT (20%): \$20

Total including taxes: \$120

Examples of taxable Twilio Segment products and services include the following:

- Business Plan
- Protocols
- Personas
- Engage

Billing adjustments may also have tax implications:

- Credits applied will refund you taxes at the same rate as the respective product (e.g. A credit on a Business Plan subscription)

## How can I be tax exempt for VAT?

In general, Twilio Segment is only required to impose VAT on Business to Customer (“B2C”) transactions. Business to Business (“B2B”) customers are tax exempt with a valid VAT number.

**Question: I am a business, but do not have a VAT number. I am not required to register for VAT since my business falls under the required sales threshold for registering.**

Answer: The VAT laws for nonresidents are designed to capture VAT from B2C consumers, and from B2B consumers that fall under the sales threshold. Unless a B2B customer can provide a valid VAT number, they will be taxed as a B2C. Nonresidents are not required to tax B2B customers with valid VAT numbers, since B2B customers are supposed to self-assess the VAT on their end.

**Question: Are nonprofit organizations exempt from VAT?**

Answer: Nonresident entities like Twilio Segment are required to collect and remit VAT for B2C customers. We are not required to impose VAT on B2B customers, if the B2B customer provides a valid VAT number. In general, sales to nonprofit organizations that are not VAT registered will be treated as a B2C supply, and subject to VAT. However, there are exemptions that are specific to each country’s local VAT laws. Please contact [taxhelp@twilio.com](mailto:taxhelp@twilio.com) if you believe your entity is exempt from tax. The Tax Department can then confirm if your specific situation is exempt from VAT based on your country’s local VAT laws.

### Educational organizations located specifically in the UK

- The VAT treatment would be dependent on the customer’s activities, and whether the customer is treated as a ‘business’ or ‘non-business’ for UK VAT purposes.
- Please contact [taxhelp@twilio.com](mailto:taxhelp@twilio.com) and let us know if:
  - You are charging a fee for your services. If yes, then you would be considered a business and not taxable. The reverse charge mechanism would still apply.
  - Educational services are free or funded by grants. If yes, then you would be considered a non-business and subject to VAT.

## Other nonprofits or charitable organizations in the UK

- Some nonprofits, mainly charitable organizations, are eligible to purchase goods at zero rate (i.e. without VAT) despite being treated as a 'non-business' for VAT purposes. Please contact [taxhelp@twilio.com](mailto:taxhelp@twilio.com) and provide a certificate declaring that your purchase is eligible to be zero rated.

Notice: For customers located in Switzerland, Lichtenstein, and Ireland customers contracted with Twilio Segment Ireland, we are required to apply VAT for both B2B and B2C customers.

If you are a VAT registered B2B customer, please update your VAT number with your Segment account representative to be issued a valid tax invoice, and for self-assessment (reverse charge) before the current month's end to prevent taxation.

## How do I enter my VAT number?

Please contact your Segment account representative to update your service address ("Ship To" on invoice) and VAT number. If you are unsure of your VAT number, format or validity, please contact [taxhelp@twilio.com](mailto:taxhelp@twilio.com)

## Do I need to provide a resale certificate to be tax exempt?

No, you don't need to provide a resale certificate, but you will need to provide a valid VAT number to be considered tax exempt. All EU, Norway, UK customers that have not provided a valid VAT registration number will be subject to VAT on their purchases of any taxable Twilio Segment services.

## I forgot to enter my VAT number, but should be tax exempt. Can I get a refund for this month's VAT?

It may be possible to receive a refund if requested within 90 days, depending on your location:

- If you are a B2B customer with a valid VAT registration number in the EU, Norway, or UK, please contact [taxhelp@twilio.com](mailto:taxhelp@twilio.com) for a refund or credit for the VAT amount charged.
- If you are a B2B customer in Switzerland/Lichtenstein or Ireland, Twilio Segment is unable to issue a refund or credit for VAT, as entities are obligated to collect VAT from ALL customers (B2B and B2C). That said, B2B customers are entitled to reclaim the VAT charged upon receipt of a valid VAT invoice from Twilio Segment under the VAT recovery rules.

## Where do I see the VAT amount on my invoice?

You can see the VAT amount charged in the Tax Summary section of your invoice. Your invoice will continue to show subscription charges, usage and taxes in the same currency as before.

## How Does Twilio Segment Validate my Tax ID?

A Twilio Segment Account Executive will reach out to you to collect your Tax ID. Once Twilio Segment has your Tax ID, we will validate the ID via a tax validation service.

## Does Twilio Segment Charge Goods and Services Tax (GST) in Canada?

As of July 1, 2021, Canada requires entities like Twilio Segment to collect Goods and Services Tax (GST)/ Harmonized Services Tax (HST) for digital services sold to customers in Canada. This guide covers the following topics:

- [Goods and Services Tax \(GST\)/ Harmonized Services Tax \(HST\) overview](#)
- [Additional Provincial Taxes](#)
- [How can I be tax exempt for GST?](#)
- [I am a business, but do not have a GST number. I am not required to register for GST since my business falls under the required sales threshold for registering](#)

- [How do I enter my GST number?](#)
- [How is GST/HST/QST/PST determined applicable?](#)
- [I forgot to enter my GST number, but am a GST registered B2B customer - can I request a refund?](#)
- [Are Charitable Organizations, Schools, Non Profit Organizations, etc. exempt from taxation?](#)

## Goods and Services Tax (GST)/ Harmonized Services Tax (HST) overview

Canada passed legislation effective July 1, 2021, requiring non-resident entities like Twilio Segment selling digital services to collect and remit GST/HST on sales to customers located in Canada. Non-residents are only required to apply GST/HST on Business to Customer (B2C) transactions. Business to Business (B2B) transactions will not be charged GST/HST if a valid GST/HST number is provided by the B2B customer. B2B Customers should self assess on their end.

## Additional Provincial Taxes

### British Columbia & Saskatchewan

If you are a customer located in the province of British Columbia and Saskatchewan, both B2B and B2C customers are subject to Provincial Sales Tax (PST) on their purchases from Twilio Segment. There is no exemption from PST in these jurisdictions. For example, if you are a B2B customer located in these two provinces, your purchases will be exempt from Federal GST but taxable for PST.

### Quebec

If you are a customer located in Quebec, B2C customers are subject to Quebec Sales Tax (QST). B2B customers are exempt on our end. If the business customer provides a valid QST number. B2B customers located in Quebec should self assess on their end. For example, a B2B customer will be exempt from Federal GST and QST but should self assess under the reverse charge mechanism on their end.



## How can I be tax exempt for GST?

B2B customer transactions with a valid GST/HST/QST number will not be taxed on our end. However, B2B customers should self-assess the GST/HST/QST on their end through the reverse charge mechanism. There is no PST exemption for B2B customers located in Saskatchewan and British Columbia.

**I am a business, but do not have a GST number. I am not required to register for GST since my business falls under the required sales threshold for registering.**

The GST/HST/QST/PST laws for nonresidents are designed to capture GST from B2C consumers and from B2B consumers that fall under the sales threshold. Unless a B2B customer can provide a valid GST/HST/QST number, they will be considered a B2C customer and the transaction will be subject to tax. Nonresidents are not required to tax B2B customers with valid GST numbers since B2B customers are supposed to self-assess the GST on their end.

## How do I enter my GST/HST/QST number?

B2B customers will need to contact their Twilio Segment account representative to enter their Canadian Tax ID..

## How is GST/HST/QST/PST determined applicable?

GST/HST/QST/PST is applicable based on the type of products or services that are purchased. We have determined that most of Twilio Segment's services are subject to Canadian taxes.

Please confirm your shipping address is up to date by contacting your Segment account representative.

## I forgot to enter my GST number, but am a GST registered B2B customer - can I request a refund?

If you are a B2B customer with a valid GST number in Canada, please contact [ar@segment.com](mailto:ar@segment.com) for a credit of the GST amount charged within 90 days of the initial charge. For invoices issued in closed periods, we will credit the GST charged in the following month's invoice.

## Are Charitable Organizations, Schools, Non Profit Organizations, etc. exempt from taxation?

### British Columbia

For British Columbia there are specific exemptions, amongst others, for services supplied to specified or notified schools and First Nation Individuals on a First Nation Reserve. In order for the exemption to apply, the customer must provide Twilio Segment with a specific exemption certificate. This is a certificate issued by the taxing authority to the customer confirming that the customer is exempt from local PST. Without the certificate, Twilio Segment would be liable to collect PST on the supply.

### Saskatchewan

For Saskatchewan, there are also similar exemptions for First Nation Individuals and certain specified Government bodies. There is no exemption for specified schools.

There is no requirement to provide an exemption certificate, but the customer will need to provide evidence that the customer is eligible for the exemption. For example, for supplies to eligible government agencies, the supplier would need to retain a copy of the PO issued by the government agency or for supplies to First Nation Individuals, the supplier would need to collect the First Nation Individual ID number and mention it on the face of the invoice, in order for the exemption to apply.

# Does Twilio Segment (US Entity) Charge Goods and Services Tax (GST) in Singapore?

As of January 1, 2020, Singapore requires non-resident entities like Twilio Segment to collect a Goods and Services Tax (GST) for any digital services sold to customers in Singapore. This guide covers how Twilio Segment charges GST and what goods are taxable.

Notice: Twilio Segment services may be subject to state and/or local taxes in a number of jurisdictions. To see if Twilio collects taxes in your country, please see the [Taxes section of our Support Help Center](#).

The following topics are discussed in this guide. Click a topic to skip directly to this information:

- [Goods and Services Tax \(GST\) overview](#)
- [When will Twilio Segment start charging GST in Singapore?](#)
- [How can I be tax exempt for GST?](#)
- [I am a business, but do not have a GST number. I am not required to register for GST since my business falls under the required sales threshold for registering](#)
- [How do I enter my GST number?](#)
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- [What rate is GST charged in Singapore?](#)
- [I forgot to enter my GST number, but am a GST registered B2B customer - Can I get a refund?](#)
- [Where can I see the GST charged on my Invoice?](#)

## Goods and Services Tax (GST) overview

Singapore passed legislation effective Jan 1, 2020, requiring non-resident entities selling digital services to collect and remit a 7% Goods and Services Tax (GST) on its sales to customers located in Singapore. Non-residents are only required to apply GST on Business to Customer (B2C) transactions. Business to Business (B2B) transactions will not be charged GST if a valid GST number is provided by the B2B customer.

## When will Twilio Segment start charging GST in Singapore?

Twilio Segment will begin collecting GST on services sold to customers located in Singapore starting January 1, 2023.

## How can I be tax exempt for GST?

B2B customers with a valid GST number will not be taxed.

I am a business, but do not have a GST number. I am not required to register for GST since my business falls under the required sales threshold for registering

The GST laws for nonresidents are designed to capture GST from B2C consumers and from B2B consumers that fall under the sales threshold. Unless a B2B customer can provide a valid GST number, they will be considered a B2C and the transaction will be subject to tax. Nonresidents are not required to tax B2B customers with valid GST numbers since B2B customers are required to self-assess the GST on their end.

## How do I enter my GST number?

B2B customers can enter their 9-10 character GST number in the “GST Number” field by contacting their Segment account representative

Customers can provide one of three options here to their account representative::

- Standard GST registration number
- National Registration Identity Card number (NRIC - for individuals who own sole proprietorships).
- Unique Entity Number (UEN - used as your GST Number)

You can validate your GST, NRIC, or UEN number at the [Singapore GST Registered Business Search \(mytax.IRAS.gov.sg\)](https://mytax.IRAS.gov.sg). Here are examples of how the different numbers may be formatted:

Tax identification type	Description	Example
GST registration number	Business under GST Sole registration, proprietorships	MX1234567X
National Registration Identity Card (NRIC) number	Individuals who own sole proprietorships	X1234567X
Unique Entity Number (UEN)	Local company (Pte, Ltd, Ltd Co)	200312345A
	Partnership	52912345A
	Foreign company, LLP, club, association, agency, etc.	T08XX1234A

## How is GST determined?

GST is applicable based on the type of products or services that are purchased. We have determined that most of Twilio Segments services are subject to GST. What rate is GST charged in Singapore?

Twilio Segment's services will be subject to the 8% GST rate as determined by the Singapore Taxation Office.

For example, a customer in Jan 2023 would be charged the GST standard rate of 8% for all taxable sales. If this customer spends \$1,500 with Twilio Segment out of which \$1,000 is taxable, they would be charged an additional \$80 for GST, for a total of \$1,580 (\$1,500 + \$80).

Total taxable sales: \$1,000

Goods and Services Tax (GST) @ 8%: \$ 80

+ Total pre-tax sales : \$1,500

= Total sales including taxes: \$1,580

Examples of taxable Twilio Segment products and services include the following:

- Business Plan
- Protocols
- Personas
- Engage

Some Billing adjustments may also have tax implications:

- Credits applied against services will refund you taxes at the same rate as the respective product (e.g. A credit on Business Plan)

I forgot to enter my GST number, but am a GST registered B2B customer - can I request a refund?

If you are a B2B customer with a valid GST number in Singapore, please contact [ar@segment.com](mailto:ar@segment.com) for a credit of the GST amount charged within 90 days of the initial charge. For invoices issued in closed periods, we will credit the GST charged in the following month's invoice. You will see the credit listed as Promo - GST.

## Where can I see the GST charged on my Invoice?

GST can be found on your invoice in the Tax Summary section. This line item represents the GST charged.

## When Does Twilio Segment Charge Taxes?

Twilio Segment charges monthly taxes for applicable sales and usage in jurisdictions where local regulations require us to collect them. This guide will explain how to find if and when you will be charged local taxes from Twilio Segment.

## Is Twilio Segment pricing inclusive of taxes?

No. Twilio Segment's pricing is meant to be applicable to all customers across the globe, and does not include taxes. Taxes are added on your invoice upon purchase of Twilio Segment services..

## What determines the tax amount?

Tax charges are determined based on these factors:

- Customer's country of usage - as determined by service address ("ship to address")
- Tax regulations in the country that apply to Twilio Segment
- Products or services purchased by the consumer
- Tax status of the customer, such as nonprofits or VAT registered companies.

Note that if we do not find a valid service address ("ship to") on your account, we will default to using your billing address (address you use for credit card payments) to determine taxes. If you do not have a valid

service or billing address, we cannot determine taxes for your usage and an invoice can not be generated for you. Please ensure your address is complete and valid.

## Which address was used to assess taxes on my invoice?

To provide transparency and reduce confusion, you can find the address used for taxation on your invoice.

- Your service address will be used to assess taxes on your invoice if it can be verified as "tax assessable" by our third party address verification and tax provider.
- We will use your billing address to determine taxes if you do not have a service address listed on your account, or if your service address is incomplete or unable to be verified.

## If I update my address, will I be provided with past invoices and charged for past taxes?

No. Per our standard operating procedures, we do not adjust the billing or invoicing of a closed billing period. Your past months' taxes will not be recalculated and charged. No previous invoices will be regenerated.

## When does Twilio Segment charge taxes?

Taxes are charged on the recurring subscription invoices per the order form and on overage invoices if incurred.



My account was charged taxes today. Where do I find a tax invoice?

Taxes are found on invoices when services are purchased.

Where on the invoice can I see the amount of tax charged?

You can see tax charges for your project in the tax summary of the invoice.

## Does Twilio Segment Charge Goods and Services Tax (GST) in Australia?

As of July 2017, Australia requires non-resident entities like Twilio Segment to collect a Goods and Services Tax (GST) for any digital services sold to customers in Australia. This guide covers how Twilio Segment charges GST, and what goods are taxable.

The following topics are discussed in this guide. Click a topic to skip directly to this information:

- [Goods and Services Tax \(GST\) Overview](#)
- [When will Twilio start charging GST?](#)
- [How can I be Tax Exempt for GST?](#)
- [How do I enter my GST number?](#)
- [How is GST Determined?](#)
- [What Rate is GST Charged?](#)
- [I Forgot to Enter my GST Number, But am a GST Registered B2B customer - Can I Get a Refund?](#)
- [What is Twilio's ABN Number?](#)
- [What is the Reverse Charge Mechanism?](#)

- [Will my Invoice be in Australian Dollars?](#)
- [Where Can I See the GST Charged?](#)

## Goods and Services Tax (GST) Overview

Australia passed legislation effective July 1, 2017 requiring non-resident entities selling digital services to collect and remit a 10% Goods and Services Tax (GST) on its sales to customers located in Australia. The tax only applies to inbound intangible goods sold to consumers, which broadly includes anything other than goods or real property to an Australian consumer. In addition, non-residents are only required to apply GST on Business to Customer (“B2C”) transactions. Business to Business (“B2B”) transactions will not be charged GST if a valid GST number is provided by the B2B customer. See [Tax and Superannuation Laws Amendment \(2016 Measures No1\) Bill 2016](#).

## When Will Twilio Segment Start Charging GST?

Twilio Segment will begin collecting GST on services sold to customers located in Australia starting January 1, 2023.

GST is assessed and applied on your invoices when you purchase Segment services..

## How Can I be Tax Exempt for GST?

B2B customers will not be taxed with a valid GST number. However, B2B customers should self-assess the GST through the reverse charge mechanism.

**Question: I am a business, but do not have a GST number. I am not required to register for GST since my business falls under the required sales threshold for registering.**

Answer: The GST laws for nonresidents are designed to capture GST from B2C consumers, and from B2B consumers that fall under the sales threshold. Unless a B2B customer can provide a valid GST number, they will be taxed as a B2C. Nonresidents are not required to tax B2B customers with valid GST numbers, since B2B customers are supposed to self-assess the GST on their end.

### Question: Are Nonprofits subject to GST in Australia?

Answer: Yes, nonprofit organizations that are not GST registered are subject to tax. Supplies made to a non-profit organization that is not registered for GST purposes in Australia should be considered as supplies provided to a B2C customer, and thus taxable.

## How Do I Enter my GST Number?

Please contact your Segment account representative.

## How is GST Determined?

GST is applicable based on the type of products or services that are purchased. We have determined that all of Twilio Segment's services are subject to GST.

## What Rate is GST Charged?

Twilio's services will be subject to the GST rate determined by the Australia Taxation Office.

For example, a customer in November 2019 would be charged the GST standard rate of 10% for all taxable sales. If this customer spends \$1,500 with Twilio out of which \$1,000 is taxable, they would be charged an additional \$100 for GST, for a total of \$1,600 (\$1,500 + \$100).

Total taxable sales: \$1,000

Goods and Services Tax (GST) @ 10%: \$ 100

+ Total sales: \$1,500

= Total including taxes: \$1,600

Examples of taxable Twilio Segment products and services include the following:

- Business Plan
- Protocols

- Personas
- Engage

Billing adjustments may also have tax implications:

- Credits applied against services will refund you taxes at the same rate as the respective product (e.g. A credit on a Business Plan subscription)

## I Forgot to Enter my GST Number, But am a GST Registered B2B customer - Can I Get a Refund?

No. Refunds will not be issued if a B2B customer is inadvertently charged GST and later provides a valid GST number. B2B customers can reclaim the tax on their end when their GST return is filed.

## What is Twilio's ABN Number?

Twilio Segment's Australian Business Number (ABN) is 56 811 703 253.

## What is the Reverse Charge Mechanism?

The Reverse Charge Mechanism is the process in which B2B customers are required to report GST charges.

## Will my Invoice be in Australian Dollars?

No. As a non-resident, Twilio Segment is allowed to provide an invoice either in USD or AUD, but is required to provide a foreign exchange rate for the GST amount. Your invoice will be in the same currency as your pricing.

## Where Can I See the GST Charged?

GST can be found on your invoice in the TaxSummary section. This line item represents the GST charged.

## Does Twilio Segment Charge US Sales or Telecommunication Taxes?

If Twilio Segment is determined to have sufficient presence ([nexus](#) - economic presence or substantial presence) in a state or locality, it is required to collect any applicable state sales & local taxes, telecommunication taxes, and other indirect taxes on the sale of its services based on the service address of the customer. Currently, most of Twilio Segment's services are only subject to state sales and local taxes.

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- [What if my business is a reseller or is tax exempt?](#)
- [Sales & telecommunication taxes](#)

## In Which US States does Twilio Segment Charge Taxes?

Per state tax laws, Twilio Segment is only liable to charge sales and/or telecommunication taxes for states in which we have a “physical or economic presence” as determined by the applicable state nexus rules. Twilio Segment will be collecting taxes for the following states:

1. Alabama

2. Arizona
3. Arkansas
4. California
5. Colorado
6. Connecticut
7. District of Columbia
8. Florida
9. Georgia
10. Hawaii
11. Idaho
12. Illinois
13. Indiana
14. Iowa
15. Kansas
16. Kentucky
17. Louisiana
18. Maine
19. Maryland
20. Massachusetts
21. Michigan

22. Minnesota
23. Mississippi
24. Missouri
25. Montana
26. Nebraska
27. Nevada
28. New Hampshire
29. New Jersey
30. New Mexico
31. New York
32. North Carolina
33. North Dakota
34. Ohio
35. Oklahoma
36. Oregon
37. Pennsylvania
38. Rhode Island
39. South Carolina
40. South Dakota
41. Tennessee

42. Texas

43. Utah

44. Virginia

45. Washington

46. West Virginia

47. Wisconsin

48. Wyoming

## Why am I being charged two different types of taxes?

Similar to paying tax in a store or property taxes on a home, our products are subject to sales and/or telecommunication taxes due to our wide array of unique product offerings.

## Can I get an estimate of what my taxes will be?

Unfortunately, there is no way to provide an accurate estimate in advance. The taxes assessed on the Twilio Segment products you are using could change monthly depending on varying reasons such as where you consume our services or state/local tax laws changing.

We will be providing a detailed breakout of your taxes via an invoice after taxes are assessed...

## How does Twilio Segment know how much to charge?

Tax laws are regularly changing so we have chosen to work with a third party tax vendor that determines the taxation to apply based on the services purchased and customer service/ship to address, If there is no service address provided, the tax will be calculated on the billing address.



# What if my business is a reseller or is tax exempt?

If your business is a reseller, 501(c)3 organization or is in possession of a state specific tax exemption certificate(s) please email a copy of the certificate(s) to [taxforms@twilio.com](mailto:taxforms@twilio.com) and include your Account Owner. If the certificate(s) applies to multiple accounts, please provide all Accounts affected along with certificate(s). Once your certificate(s) is received, our third party exemption company will verify your certificate(s) and update your project accordingly. Please note that even if you have a resellers or exemption certificate you may not be exempt from all taxes in every jurisdiction. Please review the below guidelines regarding resellers and exemption certificates.

## Certificates for State Level Taxes

- In order for you or your business to be exempt from taxes, you will need to provide Twilio Segment with a reseller certificate from each state you would like to claim tax exemption status in. You will need to provide us with a state issued certificate specific to being a reseller of services in order to be exempt from telecommunication taxes in an individual state.

[California certificate available for download here](#)

Note: reseller certificates only cover SaaS-based taxes at the state level. The certificate does not exempt you from state level telecommunication taxes (which are a part of indirect taxes).

- An IRS 501(c)3 letter does not constitute an exemption certificate for state and local purposes.

## Certificates for Federal Level Taxes

- SaaS services are not taxed at the federal level.
- In order to be exempt from telecommunication-based taxes at the federal level you must provide us with a certificate that proves you are a federally registered reseller.

## Federal Tax Types

- Federal Universal Services Fund Fee: To be exempt, you must be registered with the FCC and be a “Direct Contributor” to the Federal Universal Services Fund.
- Telecommunication Relay Service Charge (TRS) - Federal Cost Recovery Charge: To be exempt, you must be a “Direct Contributor” to the Universal Services Fund.
- Federal Excise Tax: Twilio will not be charging you this tax so no exemption certificate is needed.

#### Exemption Certificates

- An exemption certificate is only valid for the state it is issued from. You will need to provide an exemption certificate for each state you or your business wishes to claim exemption status in.
- An exemption certificate is only exempt from SaaS taxes, not telecommunication taxes.
- An exemption certificate only exempts you from state and local level taxes – home rule states (AL, AK, AZ, CO, LA) may treat these taxes differently. It is not applied against federal taxes.

## Sales & telecommunication taxes

#### What are sales & telecommunication taxes?

- Simply put, sales & telecommunication taxes are both taxes charged on the sale of a product or service. These taxes may be assessed at the State, County and Municipal jurisdictional levels. Each jurisdiction will categorize Twilio Segment's products differently, and these jurisdictions will have different regulations on what products and services are subject to sales and/or indirect tax.

#### How are sales & telecommunication taxes determined?

- The Address Where Twilio Segment Services Are Consumed: Sales and telecommunication taxes for Twilio Segment's products are dependent on where you consume our products, which is determined by your "service address". Twilio uses your service address, or billing address if no service address is specified, to calculate taxes.
- Purchase Type: Each state has its own method to determine whether taxes are owed for purchasable goods and/or services and at what rate.

What if I consume the majority of my usage outside of the United States?

## Segment Dissolution FAQs

### When is the Segment.io dissolution into Twilio Inc. .?

On November 2, 2020, Twilio Inc. (“Twilio”) acquired Segment.io, Inc. and its subsidiaries (“Segment”), resulting in Segment becoming a wholly owned subsidiary of Twilio . As is custom after an acquisition, Twilio is dissolving Segment.io, Inc. as a legal entity at the end of 2022. Hereafter, Segment will be doing business as Twilio Segment

### What will happen with the current Segment agreements?

As of January 1, 2023, customer agreements, their associated order forms, and the performance of the Segment services that were formerly contracted through Segment.io, Inc. are being assigned to Twilio Inc. and its affiliates.

### What are the new, global Segment billing entities being setup and how will customers be mapped to those entities?

Starting January 1, 2023, based on the country your customers are domiciled in, they will receive invoices from Twilio Inc. or an affiliated legal entity in accordance with this mapping:

Applicable Twilio Entity:	Rule:
Twilio Ireland Limited	Customer is domiciled in a country in the European Economic Area (EEA), the UK, or Switzerland

Twilio Inc.	Customer is domiciled in any country outside of the EEA, the UK, Switzerland, Brazil, and Japan
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## When will we begin collecting VAT/GST tax?

With Segment's dissolution into Twilio occurring at the end of 2022, Segment will now be required to collect and remit taxes for our non-US based customers in the jurisdictions that Twilio has registered for taxation.

Segment will be required to remit taxes to the local tax authorities for our non-US based customers in certain jurisdictions starting January 1, 2023. In order to accurately determine if a customer is eligible for a tax exemption, they must provide their Value Added Tax (VAT)/Goods & Services Tax (GST) tax ID so we can validate it for exemption.

## How will we determine if a customer is eligible for a tax exemption?

Taxation and exemption from taxation will be determined based on the customer's "Ship To" address, Business to Business (B2B) or Business to Consumer (B2C) status and the customer's country specific tax laws.

A B2B customer is a business customer that is registered with the taxing authorities and has a VAT/GST number.

A B2C customer is a non-business customer or a business customer that does not have a VAT/GST number.

## Is there any impact to US-domiciled Segment customers?

All US-domiciled Segment customers will be subject to their state's sales tax rates, beginning on January 1, 2023, in the state's that Twilio is registered in.

## Are there any additional impacts to customer billing?

Starting January 1, 2023, submit payments for all Segment invoices to the new bank accounts.

For additional questions regarding billing, please reach out to [ar@segment.com](mailto:ar@segment.com)

If questions pertain to their invoices, either the information provided or their layout, please reachout to [ar@segment.com](mailto:ar@segment.com)

For additional questions regarding your taxes, please reach out to [taxhelp@twilio.com](mailto:taxhelp@twilio.com)

[taxhelp@twilio.com](mailto:taxhelp@twilio.com)