AvaTax for Communications

Local Exchange Mapping Guidelines

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Document Revision History

The Revision History log lists the date and description of the most recent revisions or versions of the document.

Date	Version	Description
10/06/2014	0001	Initial re-branded version
10/20/2014	0002	Updates from Tax Research department and new template.
07/23/2014	0003	Updates to Local/PBX Extension and Local/Centrex Extension transaction/service pairings.
03/25/2016	0004	Avalara branding updates to reflect the transition to the new company and product names have been incorporated into this document. Please see **Appendix A – Avalara Product Names** for specific changes in product references and descriptions.
10/25/2017	0005	Updated Avalara contact information (address and support site). Removed **Appendix A – Avalara Product Names**.
12/21/2018	006	Updated Avalara contact information and reorganization of document.

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1. Overview

Local exchange mapping requires special handling because more than one transaction/service combination is needed to generate all necessary rated and per line taxes. To capture all appropriate taxes, the following transaction/service combinations should be passed to AvaTax for Communications (AFC). For a complete description of all transaction service pairs see the **AFC Telecom Mapping Guidelines.pdf**

To simplify the process, the transactions have been broken into three separate categories: (1) Rated Charges, (2) Per-Line Charges and (3) Invoice Charges.

2. Transactions to Return Rated Charges

These transaction/service pairs should be sent into the system with the corresponding charge. The lines field should be set to zero.

2.1 Transactions to Return Rated Charges

1. Local/Local Exchange (7/5)
2. Local/FCC Subscriber Line Fee (7/20)
3. Local/FCC Subscriber Line Charge Centrex (7/641)
4. Local/FCC Subscriber Line Fee Multi Line (7/612)
5. Local/LNP (Local Number Portability) (7/20)
6. Local/Data (7/27)
7. Local/Private Line (7/4)

Service Type	Description
(27) Data	Local data service charge, MRC, and other related service type charges and features.
(641) FCC Subscriber Line Charge Centrex	Charge for recovering the cost of connecting the Centrex customer premise to the local phone network, often referred to as the Federal Subscriber Line Charge (SLC) or the End User Common Line (EUCL) Charge. The FCC has established per-line caps for primary and secondary line charges. This charge is not a tax or a governmental assessment, but an authorized charge for the recovery of cost for providing local exchange service.
(20) FCC Subscriber Line Fee	Charge for recovering the cost of connecting the customer premise to the local phone network, often referred to as the Federal Subscriber Line Charge (SLC) or the End User Common Line (EUCL) Charge. The FCC has established per-line caps for primary and secondary line charges. This charge is not a tax or a governmental assessment, but an authorized charge for the recovery of cost for providing local exchange service.

Service Type	Description
(612) FCC Subscriber Line Fee Multi Line	Charge for recovering the cost of connecting a multi-line customer premise to the local phone network, often referred to as the Federal Subscriber Line Charge (SLC) or the End User Common Line (EUCL) Charge. The FCC has established per-line caps for primary and secondary charges. This charge is not a tax or a governmental assessment, but an authorized charge for the recovery of cost for providing local exchange for multi-line service.
(5) Local Exchange	Charges for monthly recurring charge, usage, local loop, local flat rates and other similar charges for local telecom service. This will also include dial tone and any applicable long-distance access line charges, or other local service related fees and charges, or other local service related fees and charges. (Does not include local feature charges.)
(20) Number Portability Recovery	Fixed, monthly charge through which local telephone companies may recover some the costs associated with providing local number portability service. This is not the LNP Administrative Fee.
(4) Private Line	Local private line service charge, MRC, and other related service type charges and features. (Charges are for a service in which the service originates at the customer's premises and connects only to a designated termination location. No switching or access to other third-party lines. The private line will originate and terminate entirely within a single city. If the private line is charged on a basis of time and distance per call or used to make tolls calls outside of the local calling areas for a set periodic/flat fee charge, then the private line should be mapped as a toll, toll free, or WATS type of service.)

2.2 Options for Further Accuracy:

The following are transaction/service pair options that will ensure further accuracy

1. Local/Customer Premise Equip Rental (7/625)
2. Local/Local Feature Charge (7/30)
3. Local/Late Charge (7/14)
4. Other/PICC (3/46)
5. Other/No Pick PICC (3/47)

Service Type	Description
(625) Customer Premise Equip Rental	Rental of equipment located at a subscriber's premises that enable customers to access local communications services.
(14) Late Charge	Category for late charges that were originally taxed using one of the Local (07) transaction categories.
(30) Local Feature Charge	Charges and fees for additional feature charges of local exchange services. (Includes services such as call waiting, caller ID, call blocking, call forwarding, etc.)
(46) PICC	This combination should be used for the charge assessed by either a LEC or LD company for maintaining record of an end users of LD carrier.
(47) No Pick PCC	This combination should be used for the charge assessed by a LEC for maintaining record that end users choose not to declare an LD carrier. This combination will only return the necessary State Taxes.

3. Transactions to Return Per Line Charges

Not all the necessary telecom taxes are returned using transaction/service combinations that return rated charges. There exist per-line taxes, such as E911, that are returned using lines-based transactions. It is necessary to send all T/S pairs within one of the basic categories below depending on the service provided. Some jurisdictions assess per line taxes, such as E911, on the number of PBX, high capacity or Centrex trunks used. Others assess per-line taxes on the number of PBX, high capacity or Centrex DID Extensions. While others may assess based on the number of PBX, high capacity or Centrex channels. Different taxes within the same jurisdiction may be assessed with different methods. (For example, the TRS may be assessed on the trunk, but the E911 on extensions.) Multiline services require three transactions (trunks, extensions and channels), to be passed into the system to ensure return of the proper taxation. The amount field for these transactions should be set to zero.

Line transactions fall into one of the following categories:

3.1 Lines

1. Local/Lines (7/21)

3.2 High Capacity

1. Local/High Capacity Trunk (7/45) –The Lines field of this transaction should be populated with the number of Trunks to be taxed.
2. Local/High Capacity Outbound Channel (7/582) –The Lines field of this transaction should be populated with the number of Outbound Channels to be taxed.
3. Local/High Capacity Extension (7/580) –The Lines field of this transaction should be populated with the number of Extensions to be taxed.

3.3 PBX

1. Local/PBX Trunk (7/24) –The Lines field of this transaction should be populated with the number of Trunks to be taxed.
2. Local/PBX Extensions (7/41) –The Lines field of this transaction should be populated with the number of Extensions to be taxed.
3. Local/PBX Outbound Channel (7/566) –The Lines field of this transaction should be populated with the number of Outbound Channels to be taxed.

3.4 Centrex

1. Local/Centrex Trunk (7/42) –The Lines field of this transaction should be populated with the number of Centrex trunks taxed.
2. Local/Centrex DID Extensions (7/40) –The Lines field of this transaction should be populated with the number of Centrex extensions to be taxed.
3. Local/Centrex Outbound Channel (7/587) –The Lines field of this transaction should be populated with the number of Outbound Channels to be taxed.

Service Type	Description
(21) Lines	Designates the number of lines a local service customer is using.
(45) High Capacity Trunk	Designates the number of High Capacity Trunks a customer is using. High Capacity Trunks are usually defined as T1 or greater.
(582) High Capacity Outbound Channel	Designates the number of outbound channels a local customer is using on a High Capacity Trunk.
(580) High Capacity Extension	Designates the number of extensions a local customer is using on a High Capacity Trunk. High Capacity Trunks are usually defined as T1 or greater.
(24) PBX Trunk	Designates the number of PBX Trunks a local service customer is using.
(566) PBX Outbound Channel	Designates the number of voice grade communications channels leaving a subscriber's premises through a PBX connecting the subscriber's premise to the public switch network.
(41) PBX Extension	Designates the number of PBX Extensions a local service customer is using.
(42) Centrex Trunk	Designates the number of Centrex trunks a local service customer is using.
(587) Centrex Outbound Channel	Designates the number of outbound channels a local service customer is using on a Centrex Trunk.
(40) Centrex DID Extension	Designates the number of Centrex/Direct Inward Dialing extensions a local service customer is using.

4. Transactions to Return Invoice Charges

To ensure that appropriate per invoice taxes are returned, users must submit one invoice transaction using service type 43- Invoice or 623- Centrex Invoice. This tax is based per invoice per account per billing cycle. Pass one transaction for each invoice issued. The charge and lines fields are irrelevant and must be set to zero.

4.1 Transactions for an Invoice Charge

1. Local/Invoice (7/43)
2. Local/Centrex Invoice (7/623)

Service Type	Description
(43) Invoice	Mapping category for transactions on a per invoice basis. Tax is based per invoice per account per billing cycle.
(623) Centrex Invoice	Mapping category for transactions on a per invoice basis. Tax is based on per invoice per account per billing cycle.

5. Bundle Transactions

Bundle service types should be used when local and non-local transactions are being submitted together. Local only transaction/service pairs will return the Federal Excise Tax. A bundled transaction does not return the Federal Excise Tax per IRS Notice 2006-50.

Service Type	Description
(91) Centrex Extension Bundle	Designates the number of Centrex/Direct Inward Dialing extensions a local service customer is using.
(588) Centrex Outbound Channel Bundle	Designates the number of outbound channels a local service customer is using on a Centrex Trunk.
(93) Centrex Trunk Bundle	Designates the number of Centrex trunks a local service customer is using.
(642) FCC Subscriber Line Charge Centrex Bundle	Charge for recovering the cost of connecting the Centrex customer premise to the local phone network, often referred to as the Federal Subscriber Line Charge (SLC) or the End User Common Line (EUCL) Charge. The FCC has established per line caps for primary and secondary line charges. This charge is not a tax or governmental assessment, but an authorized charge for the recovery of cost for providing local exchange service. This transaction is intended only for taxation of the Subscriber Line Fee (not the actual fees for Centrex services or the line counts on Centrex systems).
(86) FCC Subscriber Line Fee Bundle	Charge for recovering the cost of connecting the customer premise to the local phone network, of often referred to as the Federal Subscriber Line Charge (SLC) or the End User Common Line (EUCL) Charge. The FCC has established per line caps for primary and secondary line charges. This charge is not a tax or governmental assessment, but an authorized charge for the recovery of cost for providing local exchange service.
(613) FCC Subscriber Line Fee Multi Line Bundle	Charge for recovering the cost of connecting a multi-line customer premise to the local phone network, often referred to as the Federal Subscriber Line Charge (SLC) or the End User Common Line (EUCL) Charge. The FCC has established per-line caps for primary and secondary charges. This charge is not a tax or a governmental assessment, but an authorized charge for the recover of cost for providing local exchange multi-line service.
(581) High Capacity Extension Bundle	Designates the number of extensions a local service customer is using on a High Capacity Trunk.
(583) High Capacity Outbound Channel Bundle	Designates the number of outbound channels a local service customer is using on a High Capacity Trunk.
(95) High Capacity Trunk Bundle	Designates the number of High Capacity Trunks a customer is using. High Capacity Trunks are usually defined as T1 or greater.
(94) Invoice Bundle	Mapping category for transactions on a per invoice basis.
(84) Late Charge Bundle	Category for late charges that were originally taxed using one of the Local (07) transaction categories associated with bundled transactions.

Service Type	Description
(85) Local Exchange Bundle	Charges for monthly recurring charge, usage, local loop, local flat rates and other similar charges for local telecom service. This will also include dial tone and any applicable long-distance access line charges, or other local service-related charges.
(90) Local Feature Charge Bundle	Charges and fees for additional feature charges of local exchange services. (Includes services such as call waiting, caller ID, call blocking, call forwarding, etc.)
(97) PICC Bundle	This combination should be used for the charge assessed by either a LEC or LD company for maintaining record of an end users choice of LD carrier. It will return the proper Federal taxes, such as USF, in addition to necessary State Taxes, such as Sales Tax.
(96) No Pick PICC Bundle	This combination should be used for the charge assessed by a LEC for maintaining record that end users choose not to declare an LD carrier. This combination will only return the necessary State Tax.
(92) PBX Extension Bundle	Designates the number of PBX extensions a local service customer is using.
(567) PBX Outbound Channel Bundle	Designates the number of voice grade communications channels leaving a subscriber's premises through a PBX connecting the subscriber's premises to the public switched network.
(89) PBX Trunk Bundle	Designates the number of PBX trunks a local service customer is using.

6. Populating Data

The data required for accurate taxation varies from service type to service type. The following chart lists which data to populate for each service type.

Service Type	Data
(4) Private Line	Amount, Minutes
(5) Local Exchange Services	Amount, Minutes
(14) Late Charge	Amount
(20) FCC Subscriber Line Fee; Number Portability Recovery	Amount
(21) Lines	Lines
(24) PBX/Trunk	Lines
(27) Data	Amount, Minutes
(30) Local Feature Charges	Amount
(40) Centrex DID Extension	Lines
(41) PBX Extension	Lines
(42) Centrex Trunk	Lines
(43) Invoice	Amount
(45) High Capacity Trunk	Lines
(84) Late Charge Bundle	Amount
(85) Local Exchange Bundle	Amount, Minutes

Service Type	Data
(86) FCC Subscriber Line Fee Bundle; Number Portability Recovery Bundle	Amount, Minutes
(87) Lines Bundle	Lines
(89) PBX Trunk Bundle	Lines
(90) Local Feature Charge Bundle	Amount
(91) Centrex Extension Bundle	Lines
(92) PBX Extension Bundle	Lines
(93) Centrex Trunk Bundle	Lines
(94) Invoice Bundle	Amount
(95) High Capacity Trunk Bundle	Lines
(566) PBX Outbound Channel	Lines
(567) PBX Outbound Channel Bundle	Lines
(580) High Capacity Extension	Lines
(581) High Capacity Extension Bundle	Lines
(582) High Capacity Outbound Channel	Lines
(583) High Capacity Outbound Channel Bundle	Lines
(587) Centrex Outbound Channel	Lines
(588) Centrex Outbound Channel Bundle	Lines
(612) FCC Subscriber Line Fee Multi Line	Amount
(613) FCC Subscriber Line Fee Multi Line Bundle	Amount
(623) Centrex Invoice	Amount
(625) Customer Premise Equip Rental	Amount
(641) FCC Subscriber Line Charge Centrex	Amount
(642) FCC Subscriber Line Charge Centrex Bundle	Amount

For more information please contact Avalara at 1-800-525-8175 or communicationsupport@avalara.com.