



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 .

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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 local taxes, the following transaction/service combinations should be passed to AvaTax for Communications (AFC). For a complete description of these combinations see the **AFC Telecom Transaction Mapping Guidelines.pdf** document located in the update download under /support/docs.

To simplify the process, the transactions have been broken into three separate categories:

Required transactions to return rated charges:

- Local / Local Exchange or bundle
- Local / FCC Subscriber Line Fee or bundle
- Local / LNP
- Local / Invoice or bundle
- Local / Location or bundle

Required transactions to return per-line charges:

1. Local / Lines or bundle
2. Local / High Capacity Trunk and Local / High Capacity Extension and Local / High Capacity Outbound Channels or bundle
3. Local / PBX Trunk and Local / PBX Extensions and Local / PBX Outbound Channels or bundle
4. Local / Centrex Trunk and Local / Centrex DID Extension and Local / Centrex Outbound Channels or bundle

Optional for further accuracy:

- Local / Local Features or bundle
- Local / Late Charge or bundle

2. Transactions

Begin by passing the following required rated transactions. (In all instances, a corresponding Bundle charge is provided for service which includes local service bundled with long distance as defined in IRS Notice 2006-50.)

Local / Local Exchange (07/05 or 02/05) or Local / Local Exchange Bundle (07/85)

- Charges for the monthly recurring charge, usage, local loop, local flat rates, and other similar charges for local telecom service.

Due to unique Federal Taxation, the FCC Subscriber Line Fee and Local Number Portability must be distinguished.

Local / FCC Subscriber Line Fee (07/20) or Local FCC Subscriber Line Fee Bundle (07/86)

- Charge for assessing the carrier's subscriber line charge to a local service customer.

Local / LNP (07/20) or Local LNP Bundle (07/86)

- Fixed, monthly charge through which local telephone companies may recover some of the costs associated with providing local number portability service.

Both the 07/05 and 07/20 or 07/85 and 07/86 are sent in with the corresponding charge. The lines and locations fields must be set to zero.

Local / Invoice (07/43), Local / Centrex Invoice (07/623) or Local / Invoice Bundle (07/94)

- This combination returns taxes assessed on a per-invoice basis. **The charge, lines and locations fields are irrelevant and must be set to zero. Pass one transaction for each invoice.**

Local / Location (07/23) or Local / Location Bundle (07/88)

- Designates the number of locations at which a local service customer is using local service. This transaction is necessary to return location-based taxes. The taxable amount for the 07/23 transactions is irrelevant and must be populated with a zero dollar amount. Only the locations data should be populated with the total number of locations to be taxed.

Not all of 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 our line transactions. These line transactions fall into 4 basic categories:

Required transactions to return per-line charges:

1. Local / Lines or bundle
2. Local / High Capacity Trunk and Local / High Capacity Extension and Local / High Capacity Outbound Channels or bundle
3. Local / PBX Trunk and Local / PBX Extensions and Local / PBX Outbound Channels or bundle
4. Local / Centrex Trunk and Local / Centrex DID Extension and Local / Centrex Outbound Channels or bundle

It is necessary to select one of the above choices depending on your customer. Each choice is described below. **For all Lines Transactions, the taxable amount of the transaction is irrelevant and must be populated with the total number of Lines, or Trunks, Outbound Channels and Extensions.** (In all instances a corresponding Bundle charge is provided for service that includes local service bundled with long distance as defined in IRS Notice 2006-50.)

Local / Lines (07/21) or Local / Lines Bundle (07/87)

- Designates the number of lines a local service customer is using. This can be for either a residential or business customer who has a simple wire line connection into the premises.

For all customers using trunks (High Capacity, PBX or Centrex), three transactions must be passed to provide the proper per line taxes. This is because some jurisdictions assess per-line taxes, such as E911, on the number of Trunks used, while others assess on the number of Outbound Channels and still others assess based on the number of Extensions. In some cases tax could be assessed on more than one transaction. For example, the jurisdiction may assess TRS on the trunk and E911 on the Outbound Channels.

For High Capacity Trunks the transactions are as shown below:

Local / High Capacity Trunk (07/45) or Local / High Capacity Trunk Bundle (07/95)

- Designates the number of High Capacity Trunks a customer is using. High Capacity Trunks are usually defined as T1 or greater. **The Lines field of this transaction should be populated with the number of Trunks to be taxed.**

Local / High Capacity Outbound Channel (07/582) or Local / High Capacity Outbound Channel Bundle (07/583)

- Designates the number of outbound channels a local service customer is using on a High Capacity Trunk. **The Lines field of this transaction should be populated with the number of Outbound Channels to be taxed.**

Local / High Capacity Extension (07/580) or Local / High Capacity Extension Bundle (07/581)

- Designates the number of extensions a local customer is using on a High Capacity Trunk. **The Lines field of this transaction should be populated with the number of Extensions to be taxed.**

For PBX Trunks, the transactions are as shown below:

Local / PBX Trunk (07/24) or Local / PBX Trunk Bundle (07/89)

- Designates the number of PBX Trunks a customer is using. **The Lines field of this transaction should be populated with the number of Trunks to be taxed.**

Local / PBX Outbound Channel (07/566) or Local / PBX Outbound Channel Bundle (07/567)

- Designates the number of outbound channels a local service customer is using on a PBX Trunk. **The Lines field of this transaction should be populated with the number of Outbound Channels to be taxed.**

Local / PBX Extension (07/41) or Local / PBX Extension Bundle (07/92)

- Designates the number of extensions a local customer is using on a PBX Trunk. **The Lines field of this transaction should be populated with the number of Extensions to be taxed.**

For Centrex Trunks, the transactions are as shown below:

Local / Centrex Trunk (07/42) or Local / Centrex Trunk Bundle (07/93)

- Designates the number of Centrex Trunks a customer is using. **The Lines field of this transaction should be populated with the number of Trunks to be taxed.**

Local / Centrex Outbound Channel (07/587) or Local / Centrex Outbound Channel Bundle (07/588)

- Designates the number of outbound channels a local service customer is using on a Centrex Trunk. **The Lines field of this transaction should be populated with the number of Outbound Channels to be taxed.**

Local / Centrex Extension (07/40) or Local / Centrex Extension Bundle (07/91)

- Designates the number of extensions a local customer is using on a Centrex Trunk. **The Lines field of this transaction should be populated with the number of Extensions to be taxed.**

In addition to the transaction/service combinations which are required to return rated and per-line charges, there are other additional transaction/service combinations that may be needed. Some jurisdictions distinguish these charges from other local charges for taxation.

Optional for further accuracy:

- Local / Local Features or bundle
- Local / Late Charge or bundle
- Other / PICC or bundle
- Other / No Pick PICC or bundle

Local / Local Features (07/30) or Local / Local Feature Charge Bundle (07/90)

- Charges and fees for additional feature charges of local exchange services. Includes services such as call waiting, caller ID, call blocking, call forwarding, etc.

Local / Late Charge (07/14) or Local / Late Charge Bundle (07/84)

- Charges assessed for late payment of local exchange services are passed using this transaction/service combination.

Other / PICC (03/46) or Other / PICC Bundle (03/97)

- This combination should be used for the charge assessed by either a LEC or LD company for maintaining record of an end user's choice of LD carrier.

Other / No Pick PICC or Other / No Pick PICC Bundle (03/96)

- 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. It is important to distinguish this transaction from 03/46 or 03/97 because No Pick PICC's are not subject to FUSF.

All of these transactions should be sent into the system with corresponding charge. The lines and locations fields should both be set to zero.

An example of a simple residential invoice is shown below. This customer subscribes to a \$15.00 calling plan and has chosen some features. This customer receives one invoice.

Service	Charge	Transaction/Service
Cool Basic Local Plan	\$15.00	Local/Local Exchange (07/05)
Cool Feature Plan	\$6.00	Local/Local Feature (07/30)
Call Waiting		
Caller ID		
3-Way Calling		
Subscriber Line Charge	\$6.50	Local/FCC Subscriber Line Charge (07/20)
Local Number Portability Fee	\$0.37	Local/Local Number Portability (07/20)

In addition, the following transaction/service combinations are required:

Local/Invoice (07/43)

Local/Location (07/23)

Local/Lines (07/21) **

*** This transaction would change if PBX, Centrex, or High Capacity Trunks were used.*

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