

CHAPTER 295

COMPANIES SUBJECT TO GROSS EARNINGS
TAXES

295.01 Definitions.

295.367 Tax on 900 pay-per-call services.

295.01 DEFINITIONS.*[For text of subds 1 and 9, see M.S.1990]*

Subd. 10. **Telephone company.** The term "telephone company" as used in this chapter means any person, firm, association or corporation, excluding municipal telephone companies, owning or operating any telephone line or telephone exchange for hire wholly or partly within this state, including radio and other advancements in the art of telephony and sellers of telephone services, but excluding resellers. "Resellers of telephone services" as used in this chapter means any person, firm, association, or corporation that:

- (1) resells telecommunications services purchased from telephone companies as defined in this chapter;
- (2) does not own, operate, manage, or control transmission facilities that have the technological capability to provide telecommunication services; and
- (3) incurs costs equal to at least 50 percent of its gross revenues for the telephone services purchased from telephone companies that own, operate, manage, or control transmission facilities.

History: 1991 c 291 art 9 s 6

295.367 TAX ON 900 PAY-PER-CALL SERVICES.

Subdivision 1. **Tax imposed.** A tax at a rate of 7.5 percent is imposed on the gross earnings of a billing agency from providing the services described in subdivision 2, paragraph (c), for calls placed to 900 services after August 31, 1991.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "900 service" means pay-per-call 900 information services provided through a telephone exchange, commonly accessed by dialing 1-900, 1-960, 1-976, or other similar prefix.

(c) "Billing agency" means the person or entity responsible for billing and collection of the charges for 900 services from the purchaser of the service.

Subd. 3. **Payment; administration.** (a) If the billing agency is a telephone company, the tax must be paid, collected, and administered at the times and in the manner provided for the gross earnings tax, and the tax shall be considered a tax imposed under sections 295.34 to 295.366.

(b) If the billing agency is not a telephone company, the tax shall be paid, collected, and administered as if the tax were a sales tax imposed under section 297A.02 and all the rules applicable under chapters 270B, 289A, and 297A apply to the tax.

History: 1991 c 291 art 9 s 7