

CITY OF LOS ALAMITOS



January 22, 2013

NOTICE TO TELECOMMUNICATIONS SERVICE PROVIDERS

RE: TELECOMMUNICATIONS USERS TAX (TUT)

On November 6, 2012, the voters of the City of Los Alamitos approved Measure DD-Telecommunications Users Tax. This ordinance is effective, in its entirety, on December 27, 2012. According to State law, affected companies will have 60 days from the date of this notice to comply.

The ordinance requires communications service providers engaged in business or providing communication services in the City of Los Alamitos to initiate compliance with all of its provisions. To facilitate the required compliance, the Telecommunications Users Tax ordinance sections addressed in Measure DD can be accessed on the City's website at http://cityoflosalamitos.org/?wpfb_dl=403. For your reference, listed below are some of the significant provisions of the ordinance.

- Tax rate is reduced from 6% to 5%
- Monthly reporting and remitting is required by service providers
- Charges for non-taxable services billed together with taxable services are taxable
- Private communications services are subject to taxation
- VoIP services are subject to taxation
- Text and instant messaging services are subject to taxation

The above items are not intended to be an exhaustive list; the full extent and application of the ordinance is determined by the text of the referenced ordinance and any sections of the Los Alamitos Municipal Code that were not amended by Measure DD. This new ordinance may require substantial changes to your current practices and you are responsible for collecting the tax on all covered services. This letter constitutes notice under the California Public Utilities Code Section 799(a).

Companies will be able to continue submitting payment with their current Telecommunications Users Tax remittance format. A sample form is available on the City's website at www.cityoflosalamitos.org. If your business is not registered with the City of Los Alamitos, registration information is available at www.cityoflosalamitos.org.

All service providers, whether or not registered with the City of Los Alamitos, may email the Office of Finance at kengel@cityoflosalamitos.org regarding Telecommunications User Tax questions.

Sincerely,

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Disclaimer:

Advice on tax matters is only binding if issued by the Director of Finance or the Mayor and City Council in writing. Oral and/or unauthorized advice on tax matters is not binding upon the City.