

TAXES AND SURCHARGES

1 Federal Universal Service Fund.

Type: Government

The Federal Universal Service Fund charge is a monthly, percentage-based charge assessed on customers' interstate and international telecommunications services. This charge has been established by the Federal Communications Commission (FCC) and supports telecommunications and information services in schools, public libraries and rural health care facilities; and subsidizes local service for consumers with low incomes and who live in areas where the costs of providing telephone service is high. The charge percentage changes quarterly. The applicable quarterly contribution factor can be found [here](#).

2 Federal Telecommunications Relay Services (TRS) Fund.

Type: Government

The Telecommunications Relay Services ("TRS") Fund was established by the FCC in 1993 to reimburse TRS providers for the cost of providing interstate TRS services. TRS services are telephone transmission services that provide hearing or speech challenged individuals with the ability to use a traditional telephone.

3 Federal Regulatory Recovery Fee.

Type: Government

The Federal Regulatory Fee is an aggregated monthly, percentage based charge assessed on customers' interstate and international telecommunications services charges, (including Voice-over-Internet-Protocol (VOIP) service) to recover amounts remitted by 46 Labs Communications to comply with federally imposed regulatory requirements. These amounts include funds remitted by 46 Labs Communications to support Telecommunications Relay Services (TRS) for the hearing-and speech-impaired, administration of the North American Numbering Plan (NANPA), and shared industry costs of local number portability administration (LNPA), as well as Interstate Telecommunications Service Provider fees remitted by 46 Labs Communications annually to the Federal Communications Commission.

4 Cost Recovery Fee (5.85%) Property Tax and Excise.

Type: Recovery

The Cost Recovery Fee is an aggregated monthly, percentage based charge assessed on customers' telecommunications services charges, (including Voice-over-Internet-Protocol (VOIP) service) assessed by the Company to recover costs incurred by 46 Labs

Communications to comply with federally-imposed requirements including, but not limited to, compliance and reporting obligations associated with network outages, revenue reporting, customer proprietary network information (CPNI) requirements, unrecompensed law enforcement intercept obligations, and company-specific local number portability; and state-imposed requirements related to tangible personal property taxes (not including the taxes themselves). This fee is 5.85%.

5 Regulatory Recovery Fee (2.9%) Federal Excise Tax.

Type: Recovery

Local, State and Federal agencies require 46 Labs to make various payments throughout the year. This particular fee was established to help 46 Labs recover the cost of these assessments and administrative expenses.

6 Property Tax and Excise.

Type: Recovery

The Property Tax Allotment Fee is an aggregated monthly charge assessed on Customer's telecommunications (including Voice-over-Internet-Protocol (VOIP) service) charges and non-telecommunications services to recover the taxes imposed on tangible personal property used by 46 Labs Communications to provide interstate and international services paid by 46 Labs Communications directly, or indirectly through third parties, to the state and local government authorities imposing such taxes.

7 Federal Excise Tax.

Type: Government

The Federal Excise Tax is imposed by the I.R.S. and applied as a percentage of standalone local telephone service and related features.

8 E911 Interconnect Fee (\$0.25 per number).

Type: Recovery

The Cost Recovery Fee is an aggregated monthly, percentage based charge assessed on customers' telecommunications services charges, (including Voice-over-Internet-Protocol (VOIP) service) assessed by the Company to recover costs incurred by 46 Labs Communications to comply with federally-imposed requirements including, but not limited to, compliance and reporting obligations associated with network outages, revenue reporting, customer proprietary network information (CPNI) requirements, unrecompensed law enforcement intercept obligations, and company-specific local number portability; and state-imposed requirements related to tangible personal property taxes (not including the taxes themselves). This fee is 5.85%

9 E911 Off-Net Fee (\$100/occurrence).

Type: Company

This fee is a flat charge that is billed on a per-call basis which allows 46 Labs Communications to recover administration and system costs associated with providing E911 services for phone numbers not managed by 46 Labs Communications (Off-Net Numbering).

State Surcharges & Taxes (vary depending on location)

10 State Universal Service Fund or High Cost Fund Surcharge.

Type: Government

Similar to the Federal Universal Service Fund, this fund is assessed on a state level by a number of states. The funding from the charge helps support services to low income customers, customers with communication disabilities, and customers who reside in rural areas served by small or rural telecom providers where costs of providing telephone service is high. The contribution factor varies by state, as does the name of the fund.

11 P.U.C. Tax/Fees.

Type: Government

The Public Utility Commission (PUC) tax/fee is a charge imposed on users of regulated services. It finances the operational costs of the state regulatory body.

12 Municipal Franchise Fee.

Type: Government

The municipal franchise fee is, sometimes called a "Right-of-Way" fee, is a monthly charge imposed by local jurisdictions and paid by the customer to help recover the costs associated with providing telephone service, to include installation of underground conduit, outside telephone wires, and telephone poles. This fee varies by location and is often based upon an agreement between the local jurisdiction and 46 Labs Communications or upon local or state law.

13 Telecommunications Relay Service (TRS) Surcharge.

Type: Government

Telecommunications Relay Service surcharge is imposed on telecommunications providers, and can be passed on to customers for the purpose of providing telecommunication relay services.

14 E911 Emergency System.

Type: Government

This surcharge is imposed by local jurisdictions to fund their 911 Emergency Systems.

15 State and Local Sales Tax.

Type: Government

The State and Local Sales tax is a tax imposed by states, counties, cities and/or districts, on the sale of various goods and services for use or consumption. The applicability of the tax, as well as the rates, varies by each jurisdiction's constitutional provisions.

16 Utility Users Tax.

Type: Government

The Utility Users Tax is a tax imposed on the consumer for using a utility (telecommunication) service. The tax is commonly based on a percentage of the amount billed to each customer for the service.

17 Business & Occupation (B&O).

Type: Government

The Business & Occupation Tax is a privilege tax imposed on a company for the privilege of doing business in the taxing jurisdiction. B&O taxes are typically imposed on the telecommunication provider. Some states allow the telecommunication provider to pass on these taxes to the consumer identified either as a tax or a surcharge.

18 Statutory Gross Receipts Tax.

Type: Government

The Statutory Gross Receipts Tax is a tax on the privilege of doing business in the state measured by gross receipts received from business done in the state. This tax is typically imposed on the telecommunication provider; however, some states allow the provider to pass on the tax to the consumer.

19 License Tax.

Type: Government

License tax is a tax levied on the service provider for the privilege of soliciting and conducting business in a jurisdiction. Generally, a license tax is a flat, annual fee, but in some cases it is measured by gross receipts.

20 Service Tax.

Type: Government

Service tax is a tax imposed on the privilege of making sales of services.

21 District Tax.

Type: Government

District Tax is a tax imposed on the privilege of making sales within a special district (e.g. a rapid transit authority, school district, development zone, etc.).

22 DEAF Tax Surcharge.

Type: Government

This is a surcharge imposed on telecommunication providers and that may be passed on to customers to provide telecommunication service to hearing and speech impaired individuals.

23 Poison Control Surcharge.

Type: Government

The Poison Control Surcharge is a surcharge imposed on telecommunication providers that may be passed on to customers to provide funding for Poison Control Centers.

24 Excise Tax.

Type: Government

Excise tax is a tax imposed on payments received for the privilege of sending or receiving telecommunication messages.

25 California Teleconnect Fund.

Type: Government

This is a monthly charge imposed by California on all of its end users of telecommunications services to provide support for selected telecommunications services to qualifying schools, libraries, government-owned and operated hospitals and health clinics, and community-based organizations.

Other Charges

26 Administrative Service Charge (\$4.00/invoice).

Type: Company

This is a flat monthly charge that is billed on a per-invoice basis which allows 46 Labs Communications to recover administration and system support costs associated with providing,

27 Administrative Service Fee (1.5%).

Type: Company

This fee is calculated as a percentage of total monthly recurring charges and allows 46 Labs Communications to recover administration and system support costs associated with providing, maintaining, and ensuring quality of service.