

Non-Taxable Communications Services

The charges for the following services are not subject to the communications sales tax:

- Information services (including electronic publishing services, web hosting services, 900 number services, alarm monitoring services, check guaranty services, credit card guaranty services and database search services);
- Live operator answering services;
- Installation or maintenance of wiring or equipment on a customer's premises and wire maintenance fees;
- The sale or rental of tangible personal property and any sales tax resulting from the sale or rental of tangible personal property;
- The sale of advertising, including but not limited to, directory advertising;
- Security deposits.
- Bad check and late payment charges;
- Billing and collection services;
- Internet access service, electronic mail service, electronic bulletin board service, or similar services that are incidental to Internet access, such as voice-capable e-mail or instant messaging (however, charges for connection, reconnection, termination, movement, or change of such services are subject to the tax);
- Digital products delivered electronically, such as software, downloaded music, ring tones and reading materials;
- Over-the-air radio and television service broadcast without charge by an entity licensed for such purposes by the Federal Communications Commission; and
- Communications services purchased by and billed to transients by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other place in which rooms, lodging, space, or accommodations are regularly furnished to transients for a consideration. This does not relieve the obligation of the facility to pay communications sales tax to its provider (or to remit communications use tax if services are purchased from a provider who lacks nexus and is not registered for the collection of the tax) on its purchases of communications services.
- Communications services purchased by and billed to tenants by their landlord. This does not relieve the obligation of the landlord to pay communications sales tax to its provider (or to remit communications use tax if services are purchased from a provider who lacks nexus and is not registered for the collection of the tax) on its purchases of communications services.

Nontaxable Amounts

For purposes of the communications sales tax, the sales price will not include the following amounts:

- Excise, sales or similar taxes levied by the United States or any state or local government on the purchase, sale, use or consumption of any communications services that are permitted or required to be added to the sales price of such service, if the tax is stated separately (including the federal excise tax on telephone service);
- A fee or assessment levied by the United States or any state or local government, including but not limited to, regulatory fees and emergency telephone surcharges, that is required to be added to the price of service if the fee or assessment is separately stated (including E-911 fees and public rights-of-way fees);
- Coin-operated communications services;
- Sale or recharge of a prepaid calling service (including prepaid wireless telephone service);
- Provision of air-to-ground radiotelephone services, as that term is defined in 47 C.F.R. § 22.99;
- A provider's internal use of communications services in connection with its business of providing communications services;
- Charges for property or other services that are not part of the sale of communications services, if the charges are stated separately from the charges for communications services;
- Sales for resale; and
- Charges for communications services to the Commonwealth, any political subdivision of the Commonwealth, and the federal government and any agency or instrumentality of the federal government.

Exempt Entities

- Any entity that was exempted from the local consumer utility taxes (LCUT) by any city, county or town in Virginia on January 1, 2006 On January 1, 2006, under state law, localities had the option of providing exemptions for:
 - Public safety answering points;
 - Any subscriber to individual telephone service who resides in a nursing home or similar adult care facility;
 - Any utilities consumed on property designated or classified as exempt from property taxes pursuant to Article X, Section 6 a 2 of the Constitution of Virginia) (real estate and personal property owned and exclusively occupied or used by churches or religious bodies for religious worship or for the residences of their ministers) or Article X, Section 6 a 6 of the Constitution of Virginia (property used by its owner for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes, as may be provided by classification or designation by an ordinance adopted by the local governing body); and
 - The City of Manassas was authorized to provide an exemption for any church or religious body entitled to an exemption pursuant to Code of Va. § 58.1-3650 et seq.