

**ORDINANCE #67717**  
**Board Bill No. 230**  
**Committee Substitute**

An ordinance relating to taxes on telephone companies; amending Section Two of Ordinance 42529, approved December 29, 1942, as amended, currently codified as Section 23.34.020 of the Revised Code, City of St. Louis, 1994. Anno. by reducing the rate of tax on gross receipts imposed therein from ten percent (10%) to seven and one half percent (7 ½%); clarifying the meaning of the term “telephone company” for purposes of any City tax on telephone companies, and making certain provisions for determining the applicability of any such tax; repealing Sections Five, Six, Seven and Ten of Ordinance 42529, presently codified as Sections 23.34.050, 23.34.060, 23.34.070, and 23.34.090 of the Revised Code; with a non-waiver provision, a non-severability provision and an emergency provision..

**Whereas**, the City of St. Louis has for many years levied and collected a gross receipts tax on telephone companies doing business in the City; and

**Whereas**, the City is authorized to charge for business licenses based on gross receipts; and

**Whereas**, the City wishes to change the rate of its gross receipts tax on telephone companies and clarify the meaning of the term “telephone company” for purposes of the applicability of its gross receipts tax on telephone companies.

**BE IT ORDAINED BY THE CITY OF ST. LOUIS, AS FOLLOWS:**

**Section One.** Section Two of Ordinance 42529, approved December 29, 1942 , as amended, currently codified as Section 23.34.020 of the Revised Code of the City of St. Louis 1994, Anno. (the “Revised Code”) is hereby amended to be and to read as follows:

Every telephone company shall pay to the City a tax equaling seven and one half percent of the gross receipts of any such company obtained from its customers within the City for any services there provided, except such receipts as represent charges for message rate toll, or long distance, telephone service, charges for message rate interzone telephone service, charges for exclusive interstate service of any kind, charges for Morse, telegraph or radio program transmission facilities, or for other services furnished exclusively and permanently in connection with services extending beyond the boundaries of the City, charges for the billing and collecting for telegrams, charges for the sale of telephone directories, charges for Yellow Pages advertising, charges for the rental of plant facilities or other property not currently used by any such company in furnishing its telephone services, and charges which combine both receipts which are herein taxed and which are herein excepted in all cases in which the demonstrable cost to any such telephone company in making a separation between the revenues taxed and those excepted shall exceed the evident revenue to be derived therefrom by the City hereunder. "Gross receipts" does not include an amount equal to all discounts, credits, refunds, overcharges or overpayments, sales taxes and uncollectible accounts actually charged off, returned, or given credit for by such telephone company to its subscribers during the period for which the return is made, and all discounts, credits, refunds, overcharges or overpayments, sales taxes, and uncollectible accounts actually charged off, returned or given credit for by such telephone company to its subscribers in a prior return period but not previously claimed as a deduction from prior reported gross receipts.

**Section Two.** In determining the applicability of any tax of the City to telephone companies, the term “telephone company” means an entity providing telephone or telecommunications or similar services, whether through wire or wireless transmissions, to customers in the City of St. Louis for a fee directly to the public, or to such classes of users as to be effectively available directly to the public.

**Section Three.** In determining the applicability of any tax of the City to telephone companies:

(a) the term “gross receipts obtained from its customers within the City” means gross receipts derived from a service to the extent that service is charged to a service address in the City, unless otherwise provided by applicable Federal law;

(b) “telephone or telecommunications or similar services” does not include video service that is subject to a cable television franchise fee or video service provider fee;

(c) any such tax shall not be applicable to gross receipts from charges for Internet access, as that term is used in the Federal Internet Tax Freedom Act, P.L. 105-277, as amended.

**Section Four.** Neither this ordinance, nor any provision hereof, shall be deemed or construed as a waiver, relinquishment, creation, expansion, modification or termination of any rights which the City may already have with respect to any telephone company, nor shall it be deemed or construed to alter, amend or modify in any way the settlement agreement entered into between the City of St. Louis and Southwestern Bell Telephone Company and its successors on September 3, 1998.

**Section Five.** Sections Five, Six, Seven and Ten of Ordinance 42529, approved December 29, 1942, currently codified as Sections 23.34.050, 23.34.060, 23.34.070, and 23.34.090 of the Revised Code of the City of St. Louis, 1994 Anno. are hereby repealed.

**Section Six.** All provisions of this ordinance are so essentially and inseparably connected with, and so dependent upon, each other that no such provision would be enacted without the all others. If a court of competent jurisdiction enters a final judgment on the merits that is not subject to appeal that any provision hereof is invalid or unenforceable, then all provisions of this ordinance are invalid and shall have no legal effect as of the date of such judgment.

**Section Seven.** This being an ordinance fixing a business license tax rate, it is hereby declared to be an emergency ordinance pursuant to Sections 19 and 20 of Article IV of the City Charter.

**Approved: November 1, 2007**