

Credit for Federal Telephone Excise Tax Paid

▶ **Attach to your income tax return.**

Name as shown on your income tax return

Identifying number

Enter the federal telephone excise tax billed during each period as listed in column (a) of lines 1–14 below.

By filing this form, you are certifying that you (1) have not received from your service provider a credit or refund of the tax paid on long distance service or bundled service billed after February 28, 2003, and before August 1, 2006, and (2) will not ask your provider for a credit or refund or have withdrawn any request submitted to the provider for a credit or refund.

Caution. See the instructions for explanations of the services that qualify for a credit or refund of the federal telephone excise tax.

Amount of federal excise tax on long distance or bundled service only

(a) Bills dated during:	(b) Long distance service	(c) Bundled service	(d) Tax credit or refund (add columns (b) and (c))	(e) Interest (see instructions)
1 March, April, and May of 2003	\$	\$	\$	\$
2 June, July, and August of 2003				
3 September, October, and November of 2003				
4 December of 2003; January and February of 2004				
5 March, April, and May of 2004				
6 June, July, and August of 2004				
7 September, October, and November of 2004				
8 December of 2004; January and February of 2005				
9 March, April, and May of 2005				
10 June, July, and August of 2005				
11 September, October, and November of 2005				
12 December of 2005; January and February of 2006				
13 March, April, and May of 2006				
14 June and July of 2006				
15 Add lines 1–14 in columns (d) and (e)			\$	\$
16 Total credit or refund requested. Add columns (d) and (e) on line 15. Enter here and on Form 1040, line 71; Form 1040A, line 42; Form 1040EZ, line 9; Form 1040EZ-T, line 1a; Form 1040NR, line 69; Form 1040NR-EZ, line 21; Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23d; Form 1041, line 24f; Form 1065, line 23; Form 990-T, line 44f; or the proper line of other returns ▶				\$

Instructions

Purpose of Form

Form 8913 is used to request a credit or refund of the excise tax paid on nontaxable telephone service that was billed after February 28, 2003, and before August 1, 2006. You cannot request a refund for local only service or for charges in connection with local only service. See *Definitions* below. See the table below to determine those telephone charges that are allowed to figure the credit amount.

You may request a credit or refund if you:

- Have not received from the collector a credit or refund of the tax paid on long distance or bundled service billed after February 28, 2003, and before August 1, 2006, and
- Will not ask the collector for a credit or refund and have withdrawn any request submitted to the collector for a credit or refund.

Caution: *Claims can no longer be filed on Form 8849, Form 720, or Form 843 for nontaxable telephone service; the IRS will not process these claims. If you filed a claim prior to May 25, 2006, you or your representative should have received a letter from the IRS explaining how your claim will be processed. If you or your representative have not received a letter or an IRS agent has not contacted you about your claim, call toll-free 1-866-699-4096 for assistance.*

Additional Information

- Notice 2006-50 that is available on page 1141 of Internal Revenue Bulletin 2006-25 at www.irs.gov/pub/irs-irbs/irb06-25.pdf.
- Notice 2006-xx that is available on page xxxx of Internal Revenue Bulletin 2006-xx at www.irs.gov/pub/irs-irbs/irb06-xx.pdf.

Who Must File

All entities other than individuals must file Form 8913 to claim the telephone excise tax credit (TETC). Individual taxpayers may use a standard amount instead of calculating their actual credit or refund on Form 8913. See *Special Rules for Individuals* below.

Credit or refund requests by collectors (carriers). A collector is the person responsible for paying over the tax to the government. This is generally the telecommunications company that provides communications services to the taxpayer. A collector cannot use Form 8913 to request a credit or refund for nontaxable service billed to customers of the collector. See the Instructions for Form 720.

Collectors may request a credit or refund on Form 8913 for nontaxable telephone service billed to the collector.

Special Rules for Individuals

Standard amounts are available for individuals to claim the TETC instead of determining the actual amount of the TETC on Form 8913. See the 2006 Instructions for Form 1040, Form 1040A, or Form 1040EZ; or new Form 1040EZ-T, Claim for Refund of Federal Telephone Excise Tax. However, individuals who want to claim a TETC greater than the standard amount must file Form 8913. Individual taxpayers cannot claim a standard amount and file Form 8913 to claim the actual amount of the TETC.

Tip: The IRS has developed Form 1040EZ-T for use by individuals who are otherwise not required to file a tax return. Individuals who are eligible to file Form 1040EZ-T can claim a standard amount or use Form 8913 to claim the TETC. Form 1040EZ-T is available on the IRS website at www.irs.gov.

Communications Service

This table lists the various types of communications service (defined below) and if a credit can be claimed for the federal telephone excise tax paid on that service.

Communication Service	Credit Allowed
Local-only service	No
Charges in connection with local-only service (for example, line charges, Universal Service Fund, if separately stated)	No
Bundled service	Yes
Long distance service	Yes
Pre-paid telephone cards	Yes, by the transferee only
Pre-paid cellular telephones	Yes, by the transferee only

How To File

Attach Form 8913 to your 2006 income tax return or to the return for the first tax year that includes December 31, 2006.

Documentation

You do not have to attach any phone bills or other records to Form 8913. However, all taxpayers must have in their possession the appropriate documentation to support the credit or refund request.

Note. Telecommunications companies are not obligated to provide billing records to their customers.

Definitions

Local service. Local service means (a) access to a local telephone system (but not private communications service) and the privilege of telephonic quality communication with substantially all persons having telephone or radio telephone stations constituting a part of such local telephone system, and (b) any facility or service provided in connection with such a service.

Local-only service includes the charges for the following services, even though they may be connected with long-distance service.

- Telephone amplifier.
- Automatic call distributing equipment.
- Special telephone.
- Subscriber line charge (or access charge if separately stated).

A universal service fee charge is considered local-only service if it is separately stated on the bill for local-only service.

If local and long distance service is billed to a customer on a single bill, but the charges for local-only service and long-distance service are separately stated, then the amount for local-only service is subject to the three percent communications excise tax.

Nontaxable service. Nontaxable service means bundled service and long distance service. Nontaxable service also includes pre-paid telephone cards and pre-paid cellular service as defined below.

Bundled service. Bundled service is local and long distance service provided under a plan that does not separately state the charge for the local telephone service. Bundled service includes plans that provide both local and long distance service for either a flat monthly fee or a charge that varies

with the elapsed transmission time for which the service is used. Telecommunications companies provide bundled service for both landlines and wireless (cellular) service. If Voice over Internet Protocol service provides both local and long distance service and the charges are not separately stated, such service is bundled service.

The method for sending or receiving a call, such as on a landline telephone, wireless (cellular), or some other method, does not affect whether a service is local-only or bundled.

Long distance service. Long distance service is telephonic quality communication with persons whose telephones are outside the local telephone system of the caller.

Pre-paid telephone cards (PTC). A PTC will be treated as nontaxable service unless a PTC expressly states it is for local-only service. Generally, the person responsible for collecting the tax is the carrier who transfers the PTC to the transferee. The transferee is the first person that is not a carrier to whom a PTC is transferred by the carrier. The transferee is the person liable for the tax and is eligible to request a credit or refund.

The holder is the person that purchases a PTC for purposes other than resale. Holders are not liable for the tax and cannot request a credit or refund.

Example 1. A purchases a PTC from S. A uses the PTC to place telephone calls. A is a holder and cannot request a credit or refund.

Example 2. S purchased the PTC from O. O is a transferee that purchased the card from R. R is the carrier. O is eligible to request a credit or refund. S cannot request a credit or refund because S did not purchase the PTC from the carrier.

Pre-paid cellular telephones. Rules similar to the PTC rules described above apply to pre-paid cellular telephones. The transferee is the person eligible to request the credit or refund.

Carrier refunds. Carriers may request a credit or refund for PTC or pre-paid cellular telephone nontaxable service only if they establish that they repaid the amount of tax to the transferee, or the carrier obtains the written consent of the transferee to the allowance of the credit or refund. For more information, see the Instructions for Form 720.

How To Complete Lines 1–14, Columns (b) and (c)

Taxpayers must have records for each month a credit or refund is requested unless the estimation method is used (see below). Combine the amount of tax for the months as indicated on lines 1-14. Include the tax on pre-paid telephone cards and pre-paid cellular service with long distance service in column (b). Do not include the tax on separately stated local-only service.

Business Estimation Methodology

~~An estimation method is available for all taxpayers who do not have their telecommunications bills or payment records from March 2003 through July 2006. This method will allow taxpayers to make a reasonable estimate of their credit or refund for the entire period. To use the estimation method a taxpayer must have their telecommunications records for any six consecutive months from March 2003 through July 2006, and~~

- ~~• If you are a business entity, you must have been in existence at all times after February 28, 2003, and before August 1, 2006.~~
- ~~• If you are an individual, you must have paid the federal telephone excise tax for all months from March 2003 through July 2006.~~

Estimation Worksheet

~~Use the following worksheet to estimate your credit or refund.~~

See attached worksheet.

- ~~1. Enter the total amount of tax you paid to all telecommunications providers for nontaxable service for any six consecutive months (March 2003 through July 2006) 1. _____~~
- ~~2. Divide line 1 by 6 2. _____~~
- ~~3. Multiply line 2 by 41. Enter here and on Form 8913, line 15, column (d). 3. _____~~

Interest Calculation, Lines 1–14, column (e)

All taxpayers must calculate the interest that is due on the credit or refund. Multiply the amount of tax on lines 1–14, column (d), by the appropriate interest factor. If you determined your actual expense for each line, you must calculate interest separately for each line.

Form 8913	Interest Start Date	Interest Factor
Line 1	August 1, 2003	.260351534
Line 2	November 1, 2003	.245625748
Line 3	February 1, 2004	.233142333
Line 4	May 1, 2004	.220072830
Line 5	August 1, 2004	.205856372
Line 6	November 1, 2004	.192782735
Line 7	February 1, 2005	.177872638
Line 8	May 1, 2005	.162644581
Line 9	August 1, 2005	.145195285
Line 10	November 1, 2005	.127050416
Line 11	February 1, 2006	.107341197
Line 12	May 1, 2006	.088602722
Line 13	August 1, 2006	.068658029
Line 14	November 1, 2006	.047327319

Amended Returns. (Reserved)