

### 3.40.020 – Definitions

For the purposes of the taxes authorized by this section:

- A. “Amount paid” means the amount charged to the taxpayer’s service address in the city of St. Charles regardless of where such amount is billed or paid.
- B. “Gross charge” means the amount paid for the act or privilege of originating or receiving telecommunications in the city of St. Charles and for all services rendered in connection therewith, valued in money whether paid in money or otherwise, including cash, credits, services and property of every kind or nature, and shall be determined without deduction on account of the cost of such telecommunications, the cost of the materials used, labor or service costs, or any other expense whatsoever. In case credit is extended, the amount thereof shall be included only as and when paid.

However, “gross charge” shall not include:

- 1. Any amounts added to a purchaser’s bill because of a charge made pursuant to (i) the tax imposed by this section; (ii) additional charges added to a purchaser’s bill pursuant to Section 9-222 of the Public Utilities Act; (iii) the tax imposed by the Telecommunications Excise Tax Act; or (iv) the tax imposed by Section 4251 of the Internal Revenue Code;
  - 2. Charges for a sent collect telecommunications received outside municipal boundaries of the city of St. Charles.
  - 3. Charges for leased time on equipment or charges for the storage of data or information or subsequent retrieval or the processing of data or information intended to change its form or content. Such equipment includes, but is not limited to, the use of calculators, computers, data processing equipment, tabulating equipment, or accounting equipment and also includes the usage of computers under a time-sharing agreement;
  - 4. Charges for customer equipment, including such equipment that is leased or rented by the customer from any source, wherein such charges are segregated and separately identified from other charges;
  - 5. Charges to business enterprises certified under Section 9-222.1 of the Public Utilities Act to the extent of such exemption and during the period of time specified by the Department of Commerce and Community Affairs;
  - 6. Charges for telecommunications and all services and equipment provided in connection therewith between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries when the tax imposed under this section has already been paid to a retailer and only to the extent that the charges between the parent corporation and wholly owned subsidiaries or between wholly owned subsidiaries represent expense allocation between the corporation and not the generation of profit for the corporation rendering such service;
  - 7. Bad debts (“bad debt” means any portion of a debt that is related to a sale at retail for which gross charges are not otherwise deductible or excludable that has become worthless or uncollectible, as determined under applicable federal income tax standards; if the portion of the debt deemed to be bad is subsequently paid, the retailer shall report and pay the tax on that portion during the reporting period in which the payment is made); or
  - 8. Charges paid by inserting coins in coin-operated telecommunication devices.
- C. “Interstate telecommunications” means all telecommunications that either originate or terminate outside this State.
  - D. “Intrastate telecommunications” means all telecommunications that originate and terminate within this State.
  - E. “Person” means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, or a receiver, trustee, guardian, or other representative appointed by order of any court, the Federal and State governments, including State universities created by statute, or any city, town, county or other political subdivision of this State.
  - F. “Purchase at retail” means the acquisition, consumption or use of telecommunications through a sale at retail.
  - G. “Retailer” means and includes every person engaged in the business of making sales at retail as defined in this Section. The city of St. Charles may, upon application, authorize the collection of the tax hereby imposed by any retailer not maintaining a place of business within this State, who to the satisfaction of the city, furnishes adequate security to insure collection and payment of the tax. Such retailer shall be issued, without charge, a permit to collect such tax. When so authorized, it shall be the duty of such retailer to collect the tax upon all of the gross charges for telecommunications in the city in the same manner and subject to the same requirements as a retailer maintaining a place of business within the city.
  - H. “Retailer maintaining a place of business in this State,” or any like term, means and includes any retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution facilities, transmission facilities, sales office, warehouse or other place of business, or any agent or other

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representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State.

- I. "Sale at retail" means the transmitting, supplying or furnishing of telecommunications and all services rendered in connection therewith for a consideration, to persons other than the Federal and State governments, and State universities created by statute and other political subdivisions of this State, and between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries, when the tax has already been paid to a retailer and the gross charges made by one such corporation to another corporation is not greater than the gross charge paid to the retailer for their use or consumption and not for resale.
- J. "Service address" means the location of telecommunications equipment from which telecommunications services are originated or at which telecommunications services are received by a taxpayer. If this is not a defined location, as in the case of mobile phones, paging systems, maritime systems, air-to-ground systems, and the like, "service address" shall mean the location of a taxpayer's primary use of the telecommunications equipment as defined by telephone number, authorization code or location in Illinois where bills are sent.
- K. "Taxpayer" means a person who individually or through his agents, employees or permittees, engages in an act or privilege of originating in the city of St. Charles or receiving in the city of St. Charles telecommunications and who incurs a tax liability under any ordinance authorized by this Section.
- L. "Telecommunications," in the addition to the usual and popular meaning includes, but is not limited to, messages or information transmitted through use of local, toll and wide area telephone service, channel services, telegraph services, telewriter services, computer exchange services, cellular mobile telecommunications service, specialized mobile radio services, paging service, or any other form of mobile and portable one-way or two-way communications, or any other transmission of messages or information by electronic or similar means, between or among points by wire, cable, fiber optics, laser, microwave, radio, satellite, or similar facilities. The definition of "telecommunications" shall not include value added services in which computer processing applications are used to act on the form, content, code and protocol of the information for purposes other than transmission. "Telecommunications" shall not include purchase of telecommunications by a telecommunications service provider for use as a component part of the service provided by him to the ultimate retail consumer who originates or terminates the taxable end-to-end communications. Carrier access charges, right of access charges, charges for use of inter-company facilities, and all telecommunications resold in the subsequent provision used as a component of, or integrated into, end-to-end telecommunications service shall be non-taxable as sales for resale.
- M. "City" means the city of St. Charles, Illinois, a municipal corporation.

(1998-M-37 : § 1)