

**New Hampshire Department of Revenue Administration
45 Chenell Drive, Concord, NH 03301**

**TECHNICAL INFORMATION RELEASE
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A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions should be directed to Customer Service at (603) 271-2191.

**Update on Communication Services Tax
And the Internet Tax Freedom Act, as Amended**

The purpose of this bulletin is to provide notice of the affect of the Internet Tax Freedom Act, and its several amendments, on the imposition of the Communication Services Tax, RSA 82-A, on telecommunication charges to consumers imposed by Internet service providers providing Internet access.

In 1998, Congress enacted the Internet Tax Freedom Act ("ITFA") that imposed a temporary moratorium on certain state taxes of Internet Access. The original ITFA was amended in November of 2001 to extend the original moratorium to November 2003. On December 3, 2004, the President signed into law the Internet Tax Nondiscrimination Act ("Nondiscrimination Act") (P.L. 108-435), which put in place a moratorium of certain state taxes and amended and clarified certain sections of the ITFA. Effective November 1, 2007, the Internet Tax Freedom Act Amendments Act of 2007 (ITFA 2007) (P.L. 110-108), further amended sections of the IFTA. The Department has adopted the following position with respect to the ITFA, its several amendments and their affect on New Hampshire:

The Nondiscrimination Act extended the moratorium for imposing tax on Internet Access originally put in place by the ITFA (P.L. 105-277, amended by P.L. 107-75), and also made clear that the definitions of Internet access and Internet access service include telecommunications services that are purchased, used or sold by a provider of Internet access to provide Internet access. The Nondiscrimination Act provided two grandfather provisions that allow states to continue to impose taxes up to November 1, 2005 or November 1, 2007, based on certain requirements. New Hampshire fell under the November 1, 2007 provision and continued to impose communication services tax on telecommunications charges to consumers imposed by an Internet service provider providing Internet access. ITFA 2007 extends the grandfather provision applicable to New Hampshire through November 1, 2014. (P.L. 110-108). New Hampshire will continue to impose communications services tax on telecommunication charges to consumers imposed by Internet service providers providing Internet access.

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the N.H. Department of Revenue Administration, 45 Chenell Drive, Concord, NH 03301 or by contacting them at (603) 271-2318.