

This document offers explanations of all possible taxes, fees, and surcharges; some of which may not apply to every product or client. Refer to your proposal or invoice to know which of these apply to your products/account.

## **Frequently Asked Questions**

### **What are prorated charges?**

Prorated charges occur any time you make changes to local products and services that you receive from your phone company. All local recurring charges are billed one month in advance. When you add a new service or make changes to an existing service, your next invoice will reflect these new charges for the current month (partial month of service) and a full month of charges for the following month of service.

Your former service provider/s must reimburse you for all charges you paid in advance. Be sure to verify that the reimbursement is on your last invoice/s.

### **What are one-time charges?**

One-time charges are generally charges incurred during the installation and/or configuration of your new services. They will not occur more than one time unless additional services are set up at a later date.

### **What is a Public Internet Access Fee?**

The Public Internet Access Fee (\$6.95) is the non-taxable data transmission fee associated with internet products that have a bundled voice component (e.g., DSL).

### **What is a Telecommunications Transmission Fee?**

The Telecommunications Transmission Fee (\$6.95) is the taxable data transmission fee associated with internet-only products that do not have a bundled voice component (e.g., Internet T-1).

### **How do I verify that POPP is my long distance carrier?**

Dial 1-700-555-4141 from each of your telephone lines. If POPP is programmed as your long distance carrier on that line, you will hear the following message:

"Thank you for choosing POPP Communications as your 1+ carrier. We suggest you test each of your lines to ensure the proper changeover has occurred. Again, thank you for choosing POPP Communications."

If you do not hear the message, call 763-797-7900 to speak to a technical assistance specialist.

### **After reviewing my first invoice, I want to change some of the reports that I receive. How do I make changes?**

POPP offers a number of reports from which clients may choose. If you would like to receive different reports, simply call 763-797-7900. An account advisor will discuss the different options with you and help you determine the reports that best fit your business needs.

### **What else must I do now that I'm a POPP client?**

Contact your former telecom and Internet provider/s to cancel services that have moved to POPP. Once you have moved all of your services to POPP, contact your former provider/s to close your account/s. You must provide them with the confirmation number and due date that the POPP representative gave you during your conversion process.

If you no longer have this information, please call 763-797-7900 to speak with your account advisor. POPP is not authorized to help you close accounts with your former provider/s.

### **How can I pay my invoice?**

Go to [www.popp.com](http://www.popp.com) and log on to POPP's Manage My Account at the top right corner. Securely make one-time payments or sign up for Automatic Bill Pay using a checking, savings, or credit card account. POPP accepts Visa®, MasterCard®, American Express®, and Discover®. Enroll in Paperless Billing for greater convenience.

## **Explanation of Taxes**

Information on taxes and surcharges is offered only as an explanation and not offered as or intended to be tax advice. Please contact your company's tax advisor for specific advice.

Certain organizations are exempt from some or all taxes listed below. POPP requires specific documentation.

### **Federal Excise Tax (FET) – 3%**

A tax imposed directly on the client for certain communications services and is intended to tax services that allow the client the ability to communicate with all subscribers to the telecommunications network. Congress determines the tax rate and the services to which it applies.

*Only a limited number of organizations are eligible for FET exemption. To learn more, visit [www.irs.gov](http://www.irs.gov) and search for publication 510. POPP's Form 104 is required for exemption.*

### **State Sales Tax – 6.875%**

A tax imposed on the sale, lease, or rental of products and services defined as taxable by the state of Minnesota.

*State Sales Tax does not apply to monthly charges for Internet services such as Public Internet Access, Static Public IP Addresses, Domain Name Hosting, E-mail Hosting, Web Site Hosting, FTP Site Hosting, and Spam, Virus and E-mail Backup Protection.*

*Local governments are not required to pay local sales taxes. To learn more on MN state tax exemption, visit [www.taxes.state.mn.us](http://www.taxes.state.mn.us). Form ST-3 or ST-17 is required for MN exemption.*

### **County, City and Other Local Municipalities Sales Tax – Vary**

In some instances, a county, city or other municipality will impose a tax in the sale, lease or rental of products and services defined as taxable by the state of Minnesota.

*Clients who provide documentation of state exemption are automatically exempt from county and city tax.*

### **Transit Improvement Tax – Varies**

Administered by the Minnesota Department of Revenue, this tax is used to fund improvements to the transit system, including light rail, commuter rail and bus rapid transit.

*A completed certificate of Exempt Status for state sales tax also serves as proof of exemption from the Transit Improvement Sales Tax.*

*Local governments are not required to pay local sales taxes and no exemption certificate is necessary for the Transit Improvement Sales and Use Tax. Clients who are exempted from city tax are also exempt from the Transit Improvement tax.*



**Explanation of Taxable Surcharges**

Certain organizations are exempt from the taxes on taxable surcharges, but not exempt from the surcharges themselves.

**Extended Area Service (EAS) – \$0.73**

Extended Area Service makes the local calling area larger. Instead of paying a charge for each Intralata long distance call to a certain area, clients pay for these calls as part of their local service.

**Federal Access**

Central Office Lines and Voice over IP Lines – \$5.68

T-1s – \$28.45 per T-1

VoIP versions 1,2 – \$23.50

The Federal Access charge is authorized by the Federal Communications Commission (FCC) to help cover the costs of providing access.

**Primary Interexchange Carrier Charge (PICC) – Varies**

PICC is a per connection charge reflective of costs incurred to provide long distance service.

**Federal Cost Recovery – 1.778% interstate & International / 0.653% intrastate**

This surcharge allows for recovery of money paid to the federal government for regulatory costs and telecommunication services for the hearing-impaired. The charge is a percentage of intrastate, interstate and international charges.

**Universal Service Fund (USF) – 29%**

The USF changes quarterly. It helps make telephone service affordable and available to consumers in high-cost areas, low-income households, schools, libraries and rural health care providers.

The USF applies to interstate and international long distance calls and Federal Access, and PICC surcharges.

The USF charge appears on POPP's inventory and some detail report pages as a single line item. To learn more, including how funds are collected and disbursed, visit [www.universalservice.org](http://www.universalservice.org).

**Explanation of Untaxed Surcharges**

**TAM / TAP / 911 – \$0.87** Combines three surcharges

**1. Telecommunications Access Minnesota (TAM) – \$0.04**

Formerly Telephone Access for Communication Impaired Persons (TACIP). This surcharge provides telephone service accessibility to communications disabled persons. It is mandated by the state legislature and applies to all clients physically located in the state. The Minnesota Public Utility Commission (PUC) annually reviews the surcharge amount.

**2. Telecommunications Assistance Plan (TAP) – \$0.03**

The TAP surcharge funds state programs that provide telecommunication services to low-income, elderly or disabled clients at a reduced monthly rate or as a monthly credit. The Minnesota Public Utility Commission (PUC) annually reviews the surcharge amount.

**3. 911 – \$0.80**

CenturyLink collects 911 surcharges each month for states, counties and/or cities and uses this money to fund their emergency services communications systems (E911 or 911).

The surcharge is imposed upon each access line within a jurisdiction's 911 service area.

