

**INDUSTRY GUIDANCE**

<b>Category:</b>	Telecommunications	<b>Tax Type:</b>	Sales & Use Tax
<b>Brief Description:</b>	Telecommunications Tax Matrix	<b>Issuance Date:</b>	10-24-2022
		<b>Revision Date:</b>	12-30-2025

The taxability of sales and purchases of tangible personal property and labor services by telecommunication providers are summarized below. While this document provides general information as to the taxability of sales and purchases of tangible personal property and labor services by businesses in the telecommunications industry, it may not necessarily cover every situation as the taxability may depend on facts and circumstances around the specific transaction. Should a more definitive determination be desired, businesses may request a letter ruling from the Department. [MODOR Letter Ruling Page](#)

***This list is not all-inclusive.***

Missouri sales or use tax applies to those purchases identified or designated as taxable in the chart below. The applicable Missouri sales or Missouri consumer's use tax must be paid to the vendor or accrued and remitted directly to the Missouri Department of Revenue. Purchases from Missouri vendors should be reported using the retailer's sales tax return. Purchases from outside this state which are delivered to this state are to be reported on the Missouri consumer's use tax return.

<b>Sales by Telecommunication Providers:</b>	<b>Taxable/Exempt</b>
Basic rate charged for telecommunication services	Taxable
Interstate phone calls	Exempt
Intrastate phone calls	Taxable
Charges to access the internet	Exempt
Cable TV & satellite service	Exempt
Sales of cellular or landline phones	Taxable
Bundled charges (when telecommunications provider can provide books and records breaking out taxable from non-taxable charges)	Taxable (on taxable charges)
Bundled charges (when telecommunications provider cannot provide books and records breaking out taxable from non-taxable charges)	Taxable (on entire amount)
Private mobile radio service	Exempt
Streaming services	Exempt
Missouri Public Service Commission (PSC) assessment	Taxable
Missouri E911 surcharge	Exempt

<b>Sales by Telecommunication Providers (continued):</b>	<b>Taxable/Exempt</b>
Prepaid telephone cards	Taxable
Sales of telephone service to related companies	Taxable
Hotels sales of telephone calls	Taxable
Telecommunication connection services	Taxable
Live chat telecommunication services	Taxable
Charges for data transmission	Taxable
Customer premise equipment charge	Taxable
Managed service charges	Taxable
Dedicated access charges	Taxable
IP port charges	Exempt
Service activation and termination	Taxable
Warranty and service agreements	Taxable
VOIP (voice over internet protocol) services	Taxable
Billing components associated with VOIP	Taxable
Photographs downloaded over Internet	Exempt
Regulatory cost recovery charge	Taxable
Municipal gross receipts recovery charge	Taxable
Airtime charges related to GPS tracking	Taxable
Charge for federal universal service fund (FUSF)	Taxable
Late fees	Exempt
Service fees for calling 900 numbers	Taxable
Text messaging	Taxable
Missouri relay assessment	Exempt
Missouri Universal Service Fund (USF)	Taxable

<b>Purchases by Telecommunication Providers:</b>	<b>Taxable/Exempt</b>
Equipment, utilities, and materials to generate telephone signals	Exempt
Equipment, utilities, and materials to transmit telephone signals	Exempt
Machinery and equipment used to provide broadband communication services including but not limited to, wires, cables, fiberoptics, WiFi equipment, modems, customer premise equipment, routers, diagnostic equipment, monitoring and testing equipment etc.	Exempt
Equipment to provide cable TV service	Taxable
Equipment used to generate telephone calls, provide television services and access to the internet, where the equipment is not used in either the production of phone calls or broadband access	Taxable
Equipment used to generate telephone calls, provide television services and access to the internet, where the equipment is used in the production of phone calls or broadband access	Exempt
Charges to repair customers telephone lines	Taxable
Telephone directory advertising	Exempt
Prepaid telephone cards	Exempt
Cell phone to be given to customers who purchase telecommunication services	Exempt
Specialty advertising	Taxable
Media advertising	Exempt