



Tax and Licensing Division  
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## Tax Compliance Guide

### Telecommunications

(12/2022)

THIS GUIDANCE IS A SUMMARY IN LAYMEN'S TERMS OF THE RELEVANT AURORA TAX LAW FOR THIS TOPIC, INDUSTRY, OR BUSINESS SEGMENT. IT IS PROVIDED FOR THE CONVENIENCE OF TAXPAYERS AND IS NOT BINDING UPON THE CITY. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE AURORA MUNICIPAL CODE AND APPLICABLE RULES AND REGULATIONS. THIS GUIDE DOES NOT CONSTITUTE A CITY TAX POLICY.

[Auroragov.org/tax](http://Auroragov.org/tax)

Aurora sales/use tax is imposed upon the purchase price paid for telecommunications services except interstate telecommunications. Charges for all telecommunications services originating from or received on telecommunications equipment in the City are taxable when the charges for the services are billed for an apparatus or telephone account in the City, to an account or customer location in the City, or to a person residing in the City, without regard to where the bill for such services is actually received. These charges are taxable whether billed on a flat or metered basis.

"Telecommunications services" are defined as the service of which the objects is the transmission of any two-way interactive or electromagnetic communications including but not limited to voice, image, data and any other information, by the use of any means, but not limited to wire, cable, fiber optical cable, microwave, radio wave, voice over internet protocol (VoIP), or any combination of such media, including any form of mobile two-way communication. Examples of telecommunications services include basic local exchange telephone service, toll telephone service, teletypewriter service, directory assistance, cellular mobile telephone or telecommunication service, specialized mobile radio, and two-way pagers and paging service, including any form of mobile two-way communication.

If a telecommunications service provider elects to "bundle" taxable and non-taxable services or items, the entire purchase price becomes subject to Aurora sales/use tax. In order to avoid taxation of non-taxable services or items, the charges for such items must be separately stated from the charges for taxable items.

City sales tax is also imposed on the sale, lease, or rental of telecommunications equipment such as: mobile phones, telephones, modems, routers, or any other equipment charges invoiced to the subscriber.

Telecommunications services do not include separately stated non-transmission services that constitute computer processing applications used to act on the information to be transmitted.

Specific telecommunications services which are subject to Aurora sales/use tax, include, but are not limited to, charges for the following:

- ❖ T1, T3, DSL, frame relay and similar services
- ❖ Private Data Line and Network services
- ❖ Voice over Internet Protocol (VoIP) based telecommunications

- ❖ Phone cards
- ❖ Fax request, broadcast fax, fax mail, and never-busy fax
- ❖ Call completion, call forwarding, call waiting, conference calling, caller ID, and related services
- ❖ Voice messaging or voice mail
- ❖ Pay-per-use services such as continuous redial, last call return, and directory assistance
- ❖ Two-way radio communications
- ❖ Mobile telecommunications, provided the customer's place of primary use is in Aurora

The determination of whether the City sales tax is applicable is based on the apparatus or equipment location, not on the billing address.

### Indirect Taxes and Fees

Fees and indirect taxes, such as business and occupation taxes and Universal Service Fund charges, which are passed on to the purchaser by the telecommunications service provider are part of the taxable purchase price.

Government fees or charges which constitute a fee on the purchaser only, rather than the provider, are not subject to Aurora sales tax. For example, the E911 surcharge or Colorado Retail Delivery Fee.

### Mobile Telecommunications

Pursuant to the Mobile Telecommunications Sourcing Act (4 U.S.C. §§ 116 to 126, as amended), charges for mobile telecommunication service, as defined in the act, are taxed according to the customer's place of primary use. This will usually be the customer's residence or business location. For taxpayers with multiple locations, it is important to notify home service providers of which location each unit will be used at to avoid being improperly assessed tax based upon an incorrect service address.

### Interstate Telecommunications

Non-taxable interstate telecommunications services are defined as follows: "Monthly or other periodic usage charges that represent varying amounts billed to accounts for a subscribers actual use of interstate services provided by a long-distance telecommunications company and charged to the subscriber by or on behalf of a long-distance telecommunications company."

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## Related Topics

Leased and Rented Property  
Mixed Transactions

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## Citations

*Aurora Municipal Code*  
§ 130-31. Definitions  
§ 130-33. Legislative Intent  
§ 130-156. Taxable Items  
§ 130-157. Items Exempt From Taxation  
§ 130-160. Responsibility for payment  
§ 130-161. Schedule of Taxes  
§ 130-196. Levy

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## Contact Us

For additional assistance, please contact us:

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