

136.605 Sourcing of communications services -- Definitions.

- (1) For purposes of KRS 136.600 to 136.660 the retailer shall source communications services as follows:
 - (a) A sale of mobile telecommunications services, other than air-to-ground radiotelephone service and prepaid wireless calling service, shall be sourced to the customer's or other purchaser's place of primary use;
 - (b) A sale of postpaid calling service shall be sourced to the origination point of the telecommunications signal as first identified by either the retailer's telecommunications system or information received by the retailer from its service provider, where the system used to transport the signal is not that of the retailer;
 - (c) A sale of prepaid calling service or a sale of a prepaid wireless calling service shall be sourced as follows:
 1. Over the counter. The sale is sourced to the business location of the seller;
 2. Delivery to a specified address. The sale is sourced to the specified address when a purchaser or purchaser's donee receives the service at a location specified by the purchaser; or
 3. Delivery address unknown. When the retailer does not know the address where the service is received, the sale is sourced to the first address listed in this paragraph that is known to the retailer:
 - a. The address of the purchaser available from the business records of the retailer;
 - b. The billing address of the purchaser;
 - c. The address from which the service was provided; or
 - d. In the case of a sale of prepaid wireless calling service, the location associated with the mobile telephone number;
 - (d) A sale of a private communications service shall be sourced as follows:
 1. Service for a separate charge related to a customer channel termination point shall be sourced to each level of jurisdiction in which the customer channel termination point is located.
 2. Service where all customer termination points are located entirely within one (1) jurisdiction or levels of jurisdiction is sourced in the jurisdiction in which the customer channel termination points are located.
 3. Service for segments of a channel between two (2) customer channel termination points located in different jurisdictions and which segments of channel are separately charged shall be sourced fifty percent (50%) in each level of jurisdiction in which the customer channel termination points are located.
 4. Service for segments of a channel located in more than one (1) jurisdiction or levels of jurisdiction and which segments are not separately billed shall be sourced in each jurisdiction based on the

percentage determined by dividing the number of customer channel termination points in the jurisdiction by the total number of customer channel termination points; and

- (e) A sale of other communications services:
 - 1. Sold on a call-by-call basis shall be sourced based on the taxing jurisdiction where the call either originates or terminates and in which the service address is also located; or
 - 2. Sold on a basis other than a call-by-call basis shall be sourced to the customer's or other purchaser's place of primary use.
- (2) For purposes of this section:
 - (a) "Air-to-ground radiotelephone service" has the same meaning as in KRS 139.195;
 - (b) "Call-by-call basis" means any method of charging for communications services where the price is measured by individual calls;
 - (c) "Communications channel" has the same meaning as in KRS 139.195;
 - (d) "Customer" has the same meaning as in KRS 139.195;
 - (e) "Customer channel termination point" has the same meaning as in KRS 139.195;
 - (f) "Home service provider" has the same meaning as in KRS 139.195;
 - (g) "Postpaid calling service" means a communications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a telephone number not associated with the origination or termination of the communications service. A postpaid calling service includes a communications service, except a prepaid wireless calling service, that would be a prepaid service except that it is not exclusively a communications service;
 - (h) "Prepaid calling service" means the right to access exclusively communications services, which are paid for in advance and which enable the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount;
 - (i) "Prepaid wireless calling service" means a communications service that:
 - 1. Provides the right to utilize mobile wireless service as well as other nontelecommunications services, including the download of digital products delivered electronically, content, and ancillary services;
 - 2. Must be paid for in advance; and
 - 3. Is sold in predetermined units of dollars of which the number declines with use in a known amount;
 - (j) "Private communications service" means a communications service that entitles the customer or other purchaser to exclusive or priority use of a communications channel or group of channels between or among termination

points, regardless of the manner in which the channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of a channel or channels; and

- (k) "Service address" has the same meaning as in KRS 139.195.

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