

STATE & LOCAL REGULATORY SURCHARGES

All states, with limited exceptions, and many local jurisdictions impose some form of regulatory tax and/or surcharge on services subject to direct regulation by the FCC and/or Public Utility Commissions. These taxes are intended to be passed on to the end user/consumer.

Marco Technologies, LLC (“Marco”) collects regulatory taxes and/or surcharges as required by state and/or local law.

State Universal Service Fund (USF)

Marco may be required to contribute to State Universal Service Funds (“SUSF”). The funds may be used to assist in providing universal service and to support a variety of other programs at the state level. Marco collects applicable charges from its end-user customers. These charges are permissible pass-through surcharges but are not taxes or charges mandated by the government.

Telecommunications Relay Services Fund

Some states also require contributions to State Telecommunications Relay Services (“TRS”) Funds to offset the cost of providing local transmission services that provide hearing or speech challenged individuals with the ability to use certain communications services. Many states require Marco to remit this fee to the governing authority. Marco collects applicable fees from customers and remits them to the relevant authorities.

Communications Services Tax

Some state and local jurisdictions impose communications specific taxes on communications services in addition to or in lieu of sales or use tax. The communications services tax is intended to be passed on to the end user/consumer. The rates for communications services taxes are usually different than the sales and use tax rates and vary by jurisdiction.

Certain exemptions apply for sales for resale, and sales to certain types of entities (e.g., the federal government, state and local governments, non-profit entities, etc.).

Marco collects communications services taxes as required by applicable state and/or local law.

Gross Receipts Taxes

A number of states impose a gross receipts tax on communications service providers. In some states, gross receipts taxes are intended to be passed on to the end user/consumer. In other states, the gross receipts tax is the responsibility of the seller, and there is no pass-through to the end user.

Certain exemptions may exist for gross receipts taxes that are intended to be passed on to the customer, based on the type of entity making the purchase (e.g., the federal government, state and local governments, non-profit entities, etc.).

Marco pays gross receipts taxes and collects them from customers when required (or permitted) by applicable state and/or local law.

Local Utility Taxes

Local utility taxes are imposed by cities and counties in a select number of states.

Certain exemptions apply for sales for resale, and sales to certain types of entities (e.g., the federal government, state and local governments, non-profit entities, etc.).

Marco pays local utility taxes and collects them from customers when required (or permitted) by applicable state and/or local law.

Local License Taxes

Local license taxes are imposed by cities and counties in a limited number of states.

Certain exemptions apply for sales for resale, and sales to certain types of entities (e.g., the federal government, state and local governments, non-profit entities, etc.).

Marco pays local license taxes and collects them from customers when required (or permitted) by applicable state and/or local law.

E911 Fees

In order to fund the provision of 911 emergency telephone service, state and local jurisdictions impose E911 fees on certain communications services. These fees are sometimes administered by the state department of revenue, but the majority of E911 fees are assessed and administered by local jurisdictions. E911 fees are intended to be passed on to the customer on the invoice. Sales for resale are generally exempt from E911 fees. Non-profit organizations are generally subject to E911 fees, whereas they might be exempt from taxes or other fees.

Marco collects E911 fees from customers when required by applicable state and/or local law.

Effective: September 24, 2019

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Local license taxes are imposed by cities and counties in a limited number of states.

Certain exemptions apply for sales for resale, and sales to certain types of entities (e.g., the federal government, state and local governments, non-profit entities, etc.).

Marco pays local license taxes and collects them from customers when required (or permitted) by applicable state and/or local law.

Effective: September 24, 2019