

## Internal Revenue Service, Treasury

## § 49.4252-6

sections 4253, 4292, 4293, and 4294, and the regulations thereunder contained in this part.

### § 49.4252-5 Teletypewriter exchange service.

(a) *In general.* The term “teletypewriter exchange service” means any service where a teletypewriter (or similar device) may be connected, directly or indirectly, to an exchange operated by a person engaged in the business of furnishing communication service, if by means of such connection communication may be established with any other teletypewriter (or similar device). If the teletypewriter or similar device used in conjunction with such service may be connected to such an exchange, the service constitutes teletypewriter exchange service whether or not it is the practice of the subscriber to the service to make such connection, and whether or not the person engaged in the business of furnishing communication service permits the subscriber to make such connection.

(b) *Amounts paid.* In determining the amount of tax due, the amount paid for the service shall include all charges made in connection with the furnishing of any teletypewriter exchange service, such as salaries of operators, if in the employ of the person furnishing such service, charges for equipment, instruments, and other apparatus. In cases where a person leases lines or channels, equipment, and other facilities used in conjunction with teletypewriter exchange service, the amounts paid by such person for such lines or channels, equipment, and other facilities constitute amounts paid for teletypewriter exchange service, notwithstanding the fact that the lines or channels, equipment, and other facilities used in conjunction with such service are supplied by different persons or in part by the user of such service.

(c) *Exemptions.* For exemptions from the tax imposed on amounts paid for teletypewriter exchange service, see sections 4253, 4292, 4293, and 4294, and the regulations thereunder contained in this part.

### § 49.4252-6 Wire mileage service.

(a) *In general.* The meaning of the term “wire mileage service” differs de-

pending upon the date on which the service is furnished. For services furnished on or after January 1, 1963, the term means any telephone or radiotelephone service not used in the conduct of a trade or business, and any other wire or radio circuit service not used in the conduct of a trade or business, which is not included in §§ 49.4252-1 through 49.4252-3, 49.4252-5, and 49.4252-7. The term “trade or business” as used in this section includes activities of organizations which are conducted with no purpose of gain or profit. For services furnished before January 1, 1963, the term means any telephone or radiotelephone service, and any other wire or radio circuit service, which is not included in §§ 49.4252-1 through 49.4252-3, 49.4252-5, and 49.4252-7. However, regardless of the date on which the service is furnished, any service which is exempt from tax for any reason specified in section 4253 is not included in wire mileage service. In general, the term means (except as qualified by the preceding sentences of this paragraph) any telephone or radiotelephone service, and any other wire or radio circuit service, which may not be connected, directly or indirectly, to an exchange operated by a person engaged in the business of furnishing communication service. Wire mileage service ordinarily relates to private line or private channel service where lines or channels, equipment, and other facilities are furnished (usually but not necessarily, on a contractual basis) to enable users to communicate between specified locations continuously or for specified periods, as distinguished from the sending of single dispatches, messages, and conversations by telephone, radiotelephone, telegraph, cable, or radio, for which tolls are charged by the carrier. The communications may be telephonic or in code, or may be reproduced at the terminating end in the form of a typewritten page or tape, or picture facsimile. The term “wire mileage service” does not include any service which is used exclusively in furnishing wire and equipment service.

(b) *Examples.* The following are examples of wire mileage service (except that in the case of services furnished on or after January 1, 1963, wire mileage service does not include any such

services used in the conduct of a trade or business):

(1) Channels and equipment for private telephone service,

(2) Channels and equipment for private code service,

(3) Channels and equipment for private teletypewriter or teleprinter service,

(4) Channels and equipment for program transmission, and

(5) Channels and equipment for photograph, picture or facsimile transmission, etc.

(c) *Amounts paid.* In determining the amount of tax due, the amount paid for the service shall include all charges made in connection with the furnishing of any wire mileage service, such as salaries of operators, if in the employ of the person furnishing such service, charges for equipment, instruments, and other apparatus other than station terminal equipment. In cases where a person leases lines or channels, equipment, and other facilities used in conjunction with wire mileage service, the amounts paid by such person for such lines or channels, equipment, and other facilities constitute amounts paid for wire mileage service, notwithstanding the fact that the lines or channels, equipment, and other facilities used in conjunction with such service are supplied by different persons or in part by the user of such service.

(d) *Exemptions.* For exemptions from the tax imposed on amounts paid for wire mileage service, see sections 4253, 4292, 4293, and 4294, and the regulations thereunder contained in this part.

**§ 49.4252-7 Wire and equipment service.**

(a) *In general.* The term “wire and equipment service” includes stock quotation and information services, burglar alarm or fire alarm service, and all other similar services (whether or not oral transmission is involved). In general, the term relates to wire lines or channels and equipment by means of which information or services are furnished to the subscriber. The phrase “all other similar services” includes innovations in the wire and equipment field. The term does not include teletypewriter exchange service or any service furnished by any means

other than wire communication. Tax is imposed on the amounts paid for such wire lines or channels, equipment, and information or services.

(b) *Examples.* The following are examples of wire and equipment service:

(1) Burglar, fire, or other alarm service where the service consists of wire lines or channels furnished between a remote point and the subscriber’s premises, or a police or fire station, or a central station, and over which a signal is transmitted in the case of illegal entry, fire, leakage, etc.

(2) Wire lines or channels furnished between a point of origin and the subscriber’s premises over which are given stock and bond market quotations and reports, racing results, baseball scores, and other sporting results, news items, musical programs, weather reports, the time, etc.

(3) Metering services, including wire lines or channels and equipment, furnished between a remote point and the subscriber’s premises, over which signals are transmitted so that the subscriber may obtain information as to a given condition at the remote point, such as water level, water pressure, gas pressure, etc.

(4) Remote control wire lines or channels furnished between a remote point and the subscriber’s premises over which signals are transmitted which will actuate an instrument at the remote point.

(c) *Amounts paid.* In determining the amount of tax due, the amount paid for the service shall include all charges made in connection with the furnishing of any wire and equipment services, such as salaries of operators, if in the employ of the person furnishing such service, charges for equipment, instruments, and other apparatus. Where the service rendered includes the furnishing of information or programs such as stock market quotations, baseball scores, racing results, weather reports, or musical programs, etc., any amounts charged for information or programs furnished shall also be included, whether or not individual items are charged or billed separately. In cases where a person leases lines or channels, equipment, and other facilities used in conjunction with wire and equipment service, the amounts paid