

(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 by such person for such lines or channels, equipment, and other facilities constitute amounts paid for wire and equipment 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) *Relationship to wire mileage service.* The tax on wire mileage service does not apply in respect of any service which is used exclusively in furnishing wire and equipment service. See § 49.4252-6.

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

§ 49.4253-1 Exemption for certain coin-operated service.

(a) *In general.* Except as provided in paragraph (b) of this section, the tax imposed on amounts paid for general telephone service is not applicable to a single telephone conversation paid for by inserting coins in a public coin-operated telephone. The tax imposed on amounts paid for toll telephone service or telegraph service is not applicable to a single telephone conversation for which a toll charge is made (see paragraph (a) of § 49.4252-2), or to a telegraph message, if the charge for such toll telephone service (including any additional charge for overtime) or telegraph service is less than 25 cents and is paid for by inserting coins in a public coin-operated telephone.

(b) *Exception where service furnished for a guaranteed amount.* Where a coin-operated telephone service is furnished for a guaranteed amount, the amount paid under such guarantee plus any fixed monthly or other periodic charge is subject to the tax imposed on amounts paid for general telephone service. The tax applies to the full amount of the guarantee whether such amount is paid out of receipts from the coin-box of the telephone or from funds of the subscriber.

§ 49.4253-2 Exemption for news services.

(a) *In general.* The exemption for news services provided by section 4253(b) is applicable to payments for services of the kind listed in section 4251, except general telephone service. The exemption will apply only with respect to payments for services which are utilized exclusively:

(1) In the collection of news for the public press or radio or television broadcasting or in the dissemination of news through the public press or by means of radio or television broadcasting; or

(2) In the collection or dissemination of news by a news ticker service furnishing a general news service similar to that of the public press.

For the exemption to apply, the charge for the services must be billed in writing to the person paying for the services and such person must certify in

§ 49.4253-3

26 CFR Ch. I (4-1-02 Edition)

writing that the services are so utilized.

(b) Scope of the exemption. (1) The exemption applies to amounts charged for messages from any newspaper, press association, radio or television news broadcasting agency, or news ticker service, to any other newspaper, press association, radio or television news broadcasting agency, or news ticker service or to or from their bona fide correspondents, which messages deal exclusively with the collection of news items for, or the dissemination of news items through, the public press, radio or television broadcasting, or a news ticker service furnishing a general news service similar to that of the public press. The exemption does not extend to messages of an administrative nature such as messages transmitting funds to correspondents, messages to correspondents relating to assignments or hotel accommodations, etc.

(2) The exemption does not extend to the collection and dissemination of information or matters for publication in magazines, periodicals, and trade and scientific publications issued to supply information on certain subjects of interest to particular groups; or to amounts paid by newspapers, press associations, radio or television news broadcasting agencies or networks, or news ticker services, for general telephone service taxable under section 4251.

§ 49.4253-3 Exemption for certain organizations.

(a) The American National Red Cross. The taxes imposed by section 4251 do not apply to amounts paid for services furnished to the American National Red Cross.

(b) International organizations. The taxes imposed by section 4251 do not apply to amounts paid for services furnished to an international organization. See section 7701(a) (18) for the definition of "international organization". An international organization is designated as such by the President of the United States through an Executive order or orders. When an organization has been designated by the President as entitled to enjoy the privileges, exemptions, and immunities conferred by the International Organizations Im-

munities Act, or part thereof, including exemption from tax, the exemption applies to the taxes imposed by section 4251 on amounts paid for services unless the President otherwise provides. The exemptions is subject to withdrawal or revocation by the President. In case of withdrawal or revocation, unless otherwise provided by the President, the exemption is inapplicable to payments made on or after the date of issuance of the order of withdrawal or the date of revocation.

(c) Exemption certificate. (1) No exemption certificate is required under this section where the payment for the services furnished is made by the American National Red Cross direct to the person furnishing the services. In all other cases the right to exemption under section 4253(c) shall be evidenced by properly executed exemption certificates in substantially the following form:

EXEMPTION OF CERTIFICATE

(Date) _____ 19____
I certify that _____ (Name of service)
have been furnished by _____
(Telephone, telegraph company, etc.)
to _____ (International Organization, etc.); that the charges of \$ _____ will be paid from _____ (International Organization, etc.) funds; and that the charges are exempt from tax under section 4253(c) of the Internal Revenue Code.
(Signature of officer or employee)
(Address)
(Title)

NOTE: Penalty for fraudulent use, \$10,000 or imprisonment or both.

§ 49.4253-4 Exemption for servicemen in combat zone.

(a) In general. The exemption provided by section 4253(d) is applicable to any payment received for any telephone or radio telephone message or call which originates within a combat zone, as defined in section 112, from a member of the Armed Forces of the United States performing service in such combat zone, if a properly executed certificate of exemption substantially in the form shown in paragraph (c) of this section is furnished to the person receiving such payment.