

§ 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.

(b) *Service in combat zone.* Service is performed in a combat zone only if it is performed in an area which the President of the United States has designated by Executive order, for the purpose of section 112, as an area in which Armed Forces of the United States are or have engaged in combat, and only if it is performed on or after the date designated by the President by Executive order as the date of the commencing of combatant activities in such zone and on or before the date designated by the President by Executive order as the date of the termination of combatant activities in such zone.

(c) *Exemption certificate.* (1) The exemption certificate shall be in substantially the following form:

EXEMPTION CERTIFICATE

(Overseas Telephone Calls)

(Date) _____ 19__

I certify that the toll charges of \$ _____ are for telephone or radio telephone messages originating at _____

(Point of origin)

within a combat zone from _____

(Name)

a member of the Armed Forces of the United States performing service in such combat zone; that the transmission facilities were furnished by _____ (Name of carrier); and that the charges are exempt from tax under section 4253(d) of the Internal Revenue Code.

(Signature of subscriber)_____
(Address)

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

(2) See § 49.4253-11 for further provisions relating to exemption certificates.

§ 49.4253-5 Exemption for items otherwise taxed.

A dispatch, message, or conversation transmitted by toll telephone, telegraph, or teletypewriter exchange over the combined facilities of several lines or stations of one or more persons is considered to be one dispatch, message, or conversation, and is subject to only one payment of tax under section 4251.

§ 49.4253-6 Exemption for common carriers and communications companies.

(a) *In general.* (1) The taxes imposed by section 4251 on amounts paid for wire mileage service and wire and equipment service do not apply to amounts paid for any such services to the extent that the amounts paid are for services utilized by a common carrier, telephone or telegraph company, or television or radio broadcasting station or network in the conduct of its business as such.

(2) The tax imposed by section 4251 on amounts paid for general telephone service does not apply to amounts paid for the use of a continuous telephone or radio telephone line or channel to the extent that the amounts paid are for use by a common carrier, telephone or telegraph company, or television or radio broadcasting station or network in the conduct of its business as such, if such line or channel connects stations between any two of which there would otherwise be a toll charge. A line or channel connects stations between which there would otherwise be a toll charge if the telephone company makes a toll charge for a single message transmitted between the two stations in the case of the ordinary residential and business or commercial telephone service. A line or channel connecting two stations is considered a continuous line or channel if such line or channel does not connect with any switchboard interposed between the two stations, which makes it possible to carry on two or more independent conversations simultaneously. Where a line or channel connects with such a switchboard, the exemption is inapplicable to so much of the amount paid as is attributable to the portion of the line or channel which extends from a station to a switchboard located in the same local service area.

(b) *Exemption inapplicable.* This particular exemption is not applicable in the case of the taxes imposed on amounts paid for other services by section 4251, even though such services are utilized by the companies described in the conduct of their business as such.