

Telephone Excise Tax Refund for Tribal Governments

The IRS stated in IR 2006-82 and Notice 2006-50 that it would stop collecting the excise tax on long-distance telephone service, and make refunds of tax paid available. Procedures were established to allow refunds within the statute of limitations to all individuals and organizations that had paid the tax. It was initially indicated that exempt organizations (including tribal governments) would request the refund on Form 990-T, making the calculation of the refund on new Form 8913. The Internal Revenue Service has now clarified the procedure for requests for refund of telephone excise taxes by tribal government entities.

Since tribal government entities are exempt from all federal telephone excise taxes for their governmental functions under section 4253(i) and section 7871 of the Internal Revenue Code, their refund requests are not covered by the provisions of Notice 2006-50. Any request for refund of telephone excise tax (whether local or long-distance) should be requested on Form 8849, Claim for Refund of Excise Taxes. Tribal government entities should not use Form 990-T to request a refund of telephone tax.

You may request the refund directly from your telephone service provider. If you want to request the refund from the IRS, use the following procedure:

- Fill out Form 8849 Schedule 6 with the amount to be refunded. Complete a line for each period requesting a refund.
- Annotate the top of Form 8849 in red “Not a Notice 2006-50 Claim”. Complete the identifying information at the top, check the box for “Section 6,” and sign and date the return.
- Indicate on the form that the request is filed pursuant to IRC section 4253(i). Attach Schedule 6 to Form 8849 and mail to:

Internal Revenue Service
Cincinnati, OH 45999-0002

- Indicate that the telephone service provider erroneously imposed communications excise tax on the tribal government entity.

Note: Disregard the “Caution” on page 2 of the Form 8849 instructions. This does not apply to 4253(i) refunds to tribal and other governmental and exempt organizations.

A tribal government entity may request a refund for Federal excise taxes on long distance service billed after February 28, 2003, and for all local Federal telephone excise taxes billed after December 31, 2003 for essential government services. You should request a refund for the entire period on one form; the return should be filed during calendar year 2007. In addition, there are statutory deadlines applicable to requests for calendar year 2004. The refund requests for the calendar quarters shown below must be filed by the due date shown:

<u>2004 Calendar Year Quarter</u>	<u>Refund Request must be filed by:</u>
<u>January-March, 2004</u>	<u>April 30, 2007</u>
<u>April-June, 2004</u>	<u>July 31, 2007</u>
<u>July-September, 2004</u>	<u>October 31, 2007</u>

<u>October-December, 2004</u>	<u>January 31, 2008</u>
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