



City of Pflugerville

Legislation Details (With Text)

File #: ORD-0588 **Version:** 2 **Name:**
Type: Ordinance **Status:** Approved
File created: 5/13/2021 **In control:** Finance
On agenda: 6/8/2021 **Final action:**

Title: Approving an ordinance on second reading with the caption reading: An ordinance of the City of Pflugerville, Texas, amending the City's Code of Ordinances, Chapter 33 Finance and Taxation by adding a new Section 32.23, Telecommunication Services Tax relating to taxation of Telecommunications Services; repealing the application of the exemption provided for in Section 321.210 of the Texas Tax Code; providing for notification to the Comptroller of the State of Texas; providing that no such tax provided for hereunder shall serve as an offset to or to reduce any amount payable by any provider of Telecommunications Services pursuant to any franchise, street use ordinance, statute or any other imposition of the City of Pflugerville; providing for incorporation of premises; providing for findings; providing a cumulative repealer clause; providing for savings, providing for severability; providing for engrossment and enrollment; and providing an effective date.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Telecom Tax ordinance (clean) (4843-4590-2825.pdf)

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|----------------------------|--------|
| 6/8/2021 | 2 | City Council | Approved on Second Reading | Pass |
| 5/25/2021 | 1 | City Council | Approved on First Reading | Pass |

Approving an ordinance on second reading with the caption reading: An ordinance of the City of Pflugerville, Texas, amending the City's Code of Ordinances, Chapter 33 Finance and Taxation by adding a new Section 32.23, Telecommunication Services Tax relating to taxation of Telecommunications Services; repealing the application of the exemption provided for in Section 321.210 of the Texas Tax Code; providing for notification to the Comptroller of the State of Texas; providing that no such tax provided for hereunder shall serve as an offset to or to reduce any amount payable by any provider of Telecommunications Services pursuant to any franchise, street use ordinance, statute or any other imposition of the City of Pflugerville; providing for incorporation of premises; providing for findings; providing a cumulative repealer clause; providing for savings, providing for severability; providing for engrossment and enrollment; and providing an effective date.

Pursuant to Chapter 33 Finance and Taxation, section 32.23, telecommunication services are exempt from local sale/use tax, unless a city repeals the tax exemption by local ordinance and then provides a copy of the ordinance to the Comptroller's office. The tax applies to residential and commercial customers alike that utilize the applicable services.

The additional Telecom Sales Includes:

- Land line telephone service
- Long distance calls within Texas
- VOIP (voice over IP)
- All calls not itemized (e.g. unlimited long distance)

- Mobile phone service (taxes based on billing addresses)
- Does Not Include (*these taxes are already being collected and paid*):**
- Long distance calls from Texas to other US states
 - Equipment/Fees charged by another provider
 - Internet services

Prior City Council Action

This ordinance was approved on first reading on May 25, 2021.

Deadline for City Council Action

N/A

Funding Expected: Revenue Expenditure N/A

Budgeted Item: Yes No N/A

Amount: Not available

1295 Form Required? Yes No

Legal Review Required: N/A Required Date Completed: 05/14/2021

Supporting documents attached:

Ordinance

Recommended Action

Staff recommends approval of ordinance as presented.