

**CITY OF COACHELLA  
ADMINISTRATIVE RULING AND INTERPRETATION (3.0)  
(Surcharges)**

**Authority.** Pursuant to Section 4.30.200(B) of the City of Coachella Utility Users Tax Ordinance, the Tax Administrator hereby adopts the following administrative ruling and administrative interpretation of Section 4.30.040 regarding the taxation of surcharges, regulatory fees, and similar fees and charges imposed by or remitted to state or federal regulatory agencies (whether imposed on the customer or service supplier), which appear on the customer's bill and must be paid to receive the utility service:

**"Telecommunication services"** shall include, and are not limited to, the following charges, which have been historically subject to the utility users tax:

State

California PUC User fee  
Universal Lifeline Telephone Service (ULTS)  
California Telenet Fund (CWTF);  
California Deaf and Disabled Telecommunications Program (DDTP);  
California High Cost Fund-A (CHCF-A);  
California High Cost Fund-B (CHCF-B);  
California Advance Service Fund (CASF)

Federal

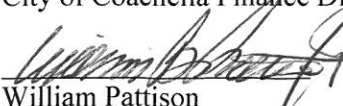
Universal Service Fee or Universal Connectivity Fee (USF)  
Federal Regulatory or Cost Recovery Fee, which may include cost recovery charges for: Federal Regulatory Fee; Telecommunications Relay Service; Number Portability and Number Pooling, among others.

"Telecommunication service" shall not include charges for the federal excise tax (FET) or the state 911 Surcharge, which is defined by statute to be a tax (Calif. Rev. and Tax Code Sec. 41013), and historically have not been subject to the utility users tax.

**Limitation.** This Ruling is intended to give general guidance and should not be viewed as providing a definite answer to all factual situations, as the exact application of the tax will depend on the nature of the service, the manner in which it is billed (e.g., bundled or unbundled), and other factors that could bear on whether the utility users tax is applied or not applied.

**Effective and Expiration Dates.** This Ruling shall automatically expire on January 1, 2020, so that the conditions then existing may be reviewed, and the Administrative Ruling may be thereafter revised, as appropriate, and then re-adopted. Nothing herein, however, shall preclude the Tax Administrator from revising or rescinding this Administrative Ruling at any time.

City of Coachella Finance Director and UUT Tax Administrator

  
William Pattison

Date: November 1, 2016