

**CITY OF SACRAMENTO UTILITY USER TAX**  
**SOURCING RULE AND ADMINISTRATIVE RULING (1.2)**

**Communications User Tax**  
**Sacramento City Code § 3.32.030**

**Authority.** Pursuant to Section 3.32.030(E) of the Sacramento City Code, the Tax Administrator adopts the following sourcing rule addressing the application of the Communications User Tax to “private communications services” (**Subsection A**) and the following administrative ruling addressing the application of the Communications User Tax to “prepaid telecommunications services” (**Subsection B**).

**A. Sourcing Rule (Private Communications Services).**

1. A charge for the use of “private communications services” shall be included in the measure of the Communications User Tax if the charge is sourced to the City. Charges shall be sourced to the City as follows:

- a. When a charge is collected for service to one customer channel termination point that is located in the City, the charge shall be sourced to the City.
- b. When a charge is collected for service to multiple customer channel termination points that are all located in the City, the charge shall be sourced to the City.
- c. When a charge is collected for service to two customer channel termination points, one located in the City and one located outside the City, fifty percent of the charge shall be sourced to the City.
- d. When a charge is collected for service to three or more customer channel termination points, a percentage of the charge shall be sourced to the City. The percentage of the charge sourced to the City shall be determined by dividing the number of customer channel termination points in the City by the total number of customer channel termination points.

2. The phrase “customer channel termination point,” as used in this rule, means the location where the customer either inputs or receives communications.

**B. Administrative Ruling (Prepaid Telecommunications Services).**

1. As used in Section 3.32.030(B)(2) of the Sacramento City Code, the term “prepaid telecommunications services” shall include prepaid mobile telephony services.


2. The phrase “prepaid mobile telephony services,” as used in this ruling, means the right to use a mobile device for mobile telecommunications services or information services, including the download of digital products delivered electronically, content, and ancillary

services, or both telecommunications services and information services, that must be purchased in advance of usage in predetermined units or dollars. For these purposes, “telecommunications service” and “information service” have the same meanings as defined in Section 153 of Title 47 of the United States Code.

3. The Communications User Tax shall be paid by and/or collected from users of prepaid mobile telephony services in conformity with the Local Prepaid Mobile Telephony Services Collection Act (Rev. & Tax. Code § 42100 *et seq.*) until that act sunsets or is repealed.

**Limitation.** This Sourcing Rule and Administrative Ruling are intended to give general guidance and should not be viewed as providing a definitive answer to all factual situations. The exact application of the Communications User Tax will depend on the nature of the service, the way the service is billed, and other factors.

**Issued by the Finance Director and  
Tax Administrator of the City of Sacramento**

  
Leyne Milstein (Apr 18, 2023 12:59 PDT)

**Leyne Milstein**

**Date:** Apr 18, 2023