

**CITY OF SANTA CRUZ
UTILITY USERS TAX ADMINISTRATIVE RULING**

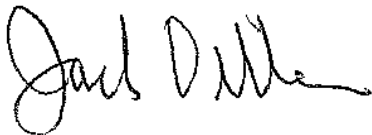
Authority. Pursuant to Chapter 3.29 of the City of Santa Cruz Utility Users Tax Ordinance, the Tax Administrator hereby adopts the following administrative ruling:

A. Administrative Ruling (Private Communication Services). The sourcing of charges for the use of private communication services shall be as follows:

- 1. Service for a separate charge related to a customer channel termination point is sourced to each level of jurisdiction in which such customer channel termination point is located.*
- 2. Service where all customer termination points are located entirely within one jurisdiction or levels of jurisdiction is sourced in such jurisdiction in which the customer channel termination points are located.*
- 3. Service for segments of a channel between two customer channel termination points located in different jurisdictions and which segment of channel are separately charged is sourced fifty percent in each level of jurisdiction in which the customer channel termination points are located.*
- 4. Service for segments of a channel located in more than one jurisdiction or levels of jurisdiction and which segments are not separately billed is sourced in each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in such jurisdiction by the total number of customer channel termination points.*

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 communications tax is applied or not applied.

Effective and Expiration Dates. This Ruling shall automatically expire on January 1, 2012, 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.



Jack Dilles
City of Santa Cruz Director of Finance/UUT Tax Administrator

Date: December 16, 2010