

Shariff Ingram

DV.6749

SCI. Fayette

Box.9999

LaBelle, Pa 15450 2017 JAN 30 AM 10:29

RECEIVED

Date:1/25/17

PA P.U.C.
SECRETARY'S BUREAU

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2ND Floor North
P.O.Box 3265
Harrisburgh, PA 17105-3265

RE:Shariff Ingram (DV.6749) V. Securus Technology INC. Docket No.
C-2016-2573790

AMENDMENT TO THE APPLICATION FOR SUBPOENA

Dear Secretary:

The purpose of this letter is to amend the application for subpoena in the above referenced matter:

In the first sentence of paragraph 5 of the application for subpoena, complainant requested that Matthew Salkowski be subpoena for the hearing set forth on February 16, 2017. It is stated that Mr. Salkowski can explain the procedures in which the Department Of Revenue collects taxes from Securus technologies and the Department Of Corrections from inmates. Complainant is amending that argument with the letter from Matthew Salkowski Dated January 13, 2017 as Exhibit (C).

Enclosed with this letter is an executed verification from complainant attesting to the truthfulness and aPuracy of the amendment.

Thank you for your time and attention in this matter. Please contact me if you have any questions or concerns,

Respectfully Submitted,

Shariff Ingram



c.c Honorable Judge Dennis J. Buckley
Per Certificate Of service

Verification

I Shariif Ingram, the complainant, hereby state that the facts set forth above are true and correct to the best of my knowledge information and belief and that I expect to be able to prove the same at a hearing in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa c.s. 4904 (relating to unsworn falsification to authorities)

Date: 1/25/17

Signature Shariif Ingram

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pennsylvania
DEPARTMENT OF REVENUE

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PA P.U.C.
SECRETARY'S BUREAU

January 13, 2017

Shariff Ingram
SCI - Fayette
DV#6749
PO Box 9999
LaBelle, PA 15450

Re: Prepaid Telephone Calling Cards
Pennsylvania Sales & Use Tax

Dear Mr. Ingram:

This letter is in response to your correspondence dated December 12, 2016, regarding the tax you pay when you purchase and use prepaid telephone calling cards at the State Correctional Institution at Fayette. You requested the Department's clarification as to what tax is properly imposed when you purchase and use a prepaid telephone calling card.

You stated in your correspondence that you pay a six percent (6%) sales tax when you purchase the card, and then an additional five percent (5%) "use tax" that is "collected by the vendor and remitted to the Department of Revenue" when you use the card. Based on the information you provided in your request, I am unable to provide clarification as to whether these payments are to satisfy a tax liability, or for which taxes these payments are being made. However, please accept the following general guidance on the taxability of prepaid telephone calling cards.

Pennsylvania's Tax Reform Code of 1971 ("TRC") imposes a tax of six percent (6%) of the purchase price on the sale at retail of tangible personal property or certain taxable services within this Commonwealth. 72 P.S. § 7202(a). This Sales Tax must be collected by the vendor from the purchaser and remitted to the Department. *Id.* §§ 7202(a), 7237(b)(1). Effective July 1, 2002, the sale of prepaid telecommunications is subject to Sales Tax. *Id.* § 7202(e). "Prepaid telecommunications" is defined as a tangible item, such as a telephone calling card, containing a prepaid authorization number that can be used solely to obtain telecommunications service, including any renewal or increases in the prepaid amount. *See id.* § 7201(uu).

The Pennsylvania Gross Receipts Tax is imposed upon companies engaged in providing telephone or electric energy services. *See id.* § 8101(a). It is not a transaction tax like the Sales Tax, but a tax on the privilege of doing business in Pennsylvania that is measured by gross receipts from telephone or electric energy services. The Pennsylvania Public Utility Commission has authorized companies under its jurisdiction to recover portions of their Gross Receipts Tax liability through a surcharge on rates charged to customers, whether itemized or bundled in one charge on the invoice. *See* 52 Pa. Code §§ 69.51-69.56.

Shariff Ingram
January 13, 2017
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Therefore, since telephone companies may include a surcharge on their customer's bill to recover the cost of the Gross Receipts Tax, the telephone company is authorized to pass along its Gross Receipts Tax costs to its customers who purchase prepaid telephone calling cards. This Gross Receipts Tax is in addition to the Sales Tax, since the individual who purchases and uses the prepaid calling card is considered the taxpayer for purposes of the Sales Tax, but not for purposes of the Gross Receipts Tax.

I trust this is a sufficient response to your request. If you need any further assistance regarding this matter, please do not hesitate to contact me.

Sincerely,



Matthew S. Salkowski
Assistant Counsel

MSS:mec
#72201

Certificate Of Service

I hereby certify that I have this day served a true copy of the foregoing correspondence RE: Amendment to the application for subpoena, upon the parties listed below, in accordance with the requirements of 52 Pa 154

(3) Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone building
400 North Street, 2ND Floor North
PO.Box. 3265
Harrisburg, PA 17105-3265

(1) Cozen O' Connor
David P. Zambito, ESQ.
17 North Street
Suite 1410
Harrisburg, PA 17101

Double check

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Inmate Mail- Pa
Department of Corrections



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Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
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