

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE OF REPEAL**

Repeal applicable with respect to admissions, services, or uses after noon, December 31, 1965, see section 701(b)(1) of Pub. L. 89-44, set out as an Effective Date of 1965 Amendment note under section 4291 of this title.

[§§ 4241 to 4243. Repealed. Pub. L. 89-44, title III, § 301, June 21, 1965, 79 Stat. 145]

Section 4241, acts Aug. 16, 1954, ch. 736, 68A Stat. 501; Sept. 2, 1958, Pub. L. 85-859, title I, § 132(a), 72 Stat. 1288; Sept. 21, 1959, Pub. L. 86-344, § 3(b), 73 Stat. 618, imposed a tax on dues or membership fees, initiation, fees, and life memberships in social, athletic, or sporting clubs or organizations.

Section 4242, act Aug. 16, 1954, ch. 736, 68A Stat. 501, defined dues and initiation fees as used in section 4241.

Section 4243, acts Aug. 16, 1954, ch. 736, 68A Stat. 502; Sept. 2, 1958, Pub. L. 85-859, title I, § 132(b), 72 Stat. 1288; Sept. 21, 1959, Pub. L. 86-344, § 3(a), 73 Stat. 618, granted exemptions to fraternal organizations, payments for capital improvements, and nonprofit swimming or skating facilities.

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE OF REPEAL**

Repeal applicable with respect to dues and membership fees attributable to periods beginning on or after January 1, 1966, initiation fees and amounts paid for life memberships attributable to memberships beginning on or after January 1, 1966, initiation fees paid on or after July 1, 1965, to a new club or organization first making its facilities available to members on or after such a date, and, in the case of amounts described in section 4243(b) of this title, 3-year periods beginning on or after January 1, 1966, see section 701(b)(1) of Pub. L. 89-44, set out as an Effective Date of 1965 Amendment note under section 4291 of this title.

Subchapter B—Communications

Sec.	
4251.	Imposition of tax.
4252.	Definitions.
4253.	Exemptions.
4254.	Computation of tax.

REPEAL

This subchapter, relating to the tax on communication, was repealed by Pub. L. 90-364, title I, § 105(b)(3), June 28, 1968, 82 Stat. 266, as amended by Pub. L. 91-172, title VII, § 702(b)(3), Dec. 30, 1969, 83 Stat. 660; Pub. L. 91-614, title II, § 201(b)(3), Dec. 31, 1970, 84 Stat. 1843, effective with respect to amounts paid pursuant to bills first rendered on or after Jan. 1, 1982. In the case of communications services rendered before Nov. 1, 1981, for which a bill has not been rendered before Jan. 1, 1982, a bill shall be treated as having been first rendered on Dec. 31, 1981. Repeal of this subchapter was not executed in view of the amendments to section 4251 of this title by Pub. L. 96-499, Pub. L. 97-34, Pub. L. 97-248, Pub. L. 98-369, Pub. L. 99-514, Pub. L. 100-203, and Pub. L. 101-508, extending the date in (and finally eliminating) provisions which had reduced the tax to zero after a specified date.

§ 4251. Imposition of tax**(a) Tax imposed****(1) In general**

There is hereby imposed on amounts paid for communications services a tax equal to the applicable percentage of amounts so paid.

(2) Payment of tax

The tax imposed by this section shall be paid by the person paying for such services.

(b) Definitions

For purposes of subsection (a)—

(1) Communications services

The term “communications services” means—

- (A) local telephone service;
- (B) toll telephone service; and
- (C) teletypewriter exchange service.

(2) Applicable percentage

The term “applicable percentage” means 3 percent.

(c) Special rule

For purposes of subsections (a) and (b), in the case of communications services rendered before November 1 of a calendar year for which a bill has not been rendered before the close of such year, a bill shall be treated as having been first rendered on December 31 of such year.

(d) Treatment of prepaid telephone cards**(1) In general**

For purposes of this subchapter, in the case of communications services acquired by means of a prepaid telephone card—

(A) the face amount of such card shall be treated as the amount paid for such communications services, and

(B) that amount shall be treated as paid when the card is transferred by any telecommunications carrier to any person who is not such a carrier.

(2) Determination of face amount in absence of specified dollar amount

In the case of any prepaid telephone card which entitles the user other than to a specified dollar amount of use, the face amount shall be determined under regulations prescribed by the Secretary.

(3) Prepaid telephone card

For purposes of this subsection, the term “prepaid telephone card” means any card or any other similar arrangement which permits its holder to obtain communications services and pay for such services in advance.

(Aug. 16, 1954, ch. 736, 68A Stat. 503; Pub. L. 85-859, title I, § 133(a), Sept. 2, 1958, 72 Stat. 1289; Pub. L. 86-75, § 5, June 30, 1959, 73 Stat. 158; Pub. L. 86-564, title II, § 202(a)(2), June 30, 1960, 74 Stat. 290; Pub. L. 87-72, § 3(a)(2), June 30, 1961, 75 Stat. 193; Pub. L. 87-508, § 3(a)(2), June 28, 1962, 76 Stat. 114; Pub. L. 88-52, § 3(a)(2), June 29, 1963, 77 Stat. 72; Pub. L. 88-348, § 2(a)(2), June 30, 1964, 78 Stat. 237; Pub. L. 89-44, title III, § 302, title VII, § 701(b)(2)(B), June 21, 1965, 79 Stat. 145, 156; Pub. L. 89-368, title II, § 202(a), Mar. 15, 1966, 80 Stat. 66; Pub. L. 90-285, § 1(a)(3), Apr. 12, 1968, 82 Stat. 92; Pub. L. 90-364, title I, § 105(b)(1), (2), June 28, 1968, 82 Stat. 265; Pub. L. 91-172, title VII, § 702(b)(1), (2), Dec. 30, 1969, 83 Stat. 660; Pub. L. 91-614, title II, § 201(b)(1), (2), Dec. 31, 1970, 84 Stat. 1843; Pub. L. 96-499, title XI, § 1151, Dec. 5, 1980, 94 Stat. 2694; Pub. L. 97-34, title VIII, § 821, Aug. 13, 1981, 95 Stat. 351; Pub. L. 97-248, title II,