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**PUBLIC ADVOCATE ADVISORY**

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**Attorney General/Public Advocate Advises Telephone Customers of 2006  
Tax Refund**

(Anchorage) – Acting Attorney General Craig Tillery advises all Alaska telephone customers of their eligibility to claim a telephone tax refund on their 2006 tax return. As a result of recent federal court decisions, the telephone tax refund is a one-time payment designed to refund previously collected excise taxes assessed on long-distance telephone usage.

By statute, Alaska's Attorney General serves as the public advocate for regulatory affairs, including regulated utility matters. The long-distance excise tax was originally created in 1898 to fund the Spanish American War. The IRS has collected a 3% excise tax since 1990 but a series of federal court decisions ruled that the tax has been unlawfully collected.

Individuals, businesses, and nonprofit organizations are entitled to receive the one-time refund but must make the claim on their regular 2006 income tax return. Individual taxpayers can claim a standard refund amount, or can determine their refund amount by figuring the actual amount of tax paid if they review their phone bills for the period between February 28, 2003 to August 1, 2006. Businesses and nonprofits must claim their refund based upon the actual amount of tax paid.

The standard refund amount for individuals depends upon the number of exemptions they claim on their tax return but varies between thirty dollars (\$30.00) for a single taxpayer up to sixty dollars (\$60.00) for a family of four. Economists at the U.S. Department of the Treasury estimate that the total amount refunded to individuals will be about \$10 billion.

For more information go to the IRS website:  
<http://www.irs.gov/newsroom/article/0,,id=161506,00.html>

For additional information on this topic please contact Chief Assistant Attorney General for Regulatory Affairs & Public Advocacy Section Daniel Patrick O'Tierney at (907) 269-5200.

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