

ARIZONA**Phoenix**

| Cable Taxes | Statutory Rate | Tax Per Subscriber | Effective Rate |
|--------------------------------------|-----------------------|---------------------------|-----------------------|
| Video | | | |
| Franchise Fee | 5.00% | \$2.14 | 4.09% |
| FCC User Fee | \$0.06 | \$0.06 | 0.11% |
| Privilege License Sales Tax (county) | 0.70% | \$0.37 | 0.70% |
| Privilege License Sales Tax (local) | 1.80% | \$0.94 | 1.80% |
| Privilege License Sales Tax (state) | 5.60% | \$2.93 | 5.60% |
| public service advertising | \$20,000 | \$0.01 | 0.01% |
| Subscribers | 313,355 | | |
| Average Bill | \$52.37 | | |
| <i>Subtotal</i> | | \$6.45 | 12.32% |

Data

Average Bill \$41.00

| Wireline | Statutory Rate | Tax Per Subscriber | Effective Rate |
|----------------------------|-----------------------|---------------------------|-----------------------|
| Voice | | | |
| 911 Tax | \$0.37 | \$0.37 | 0.75% |
| City Telecomm. | 4.70% | \$2.32 | 4.70% |
| TDD (deaf tax) | 1.10% | \$0.54 | 1.10% |
| USF | 0.18% | \$0.09 | 0.18% |
| State Trans. Privilege | 5.60% | \$2.76 | 5.60% |
| County Trans. Privilege | 0.70% | \$0.35 | 0.70% |
| City Retail Sales | 1.80% | \$0.89 | 1.80% |
| PUC Fee | 0.20% | \$0.10 | 0.20% |
| Federal Excise Tax | 3.00% | \$1.17 | 3.00% |
| Federal USF | 1.00% | \$0.49 | 1.00% |
| Subscribers | 499,000 | | |
| Local service average bill | \$39.12 | | |
| Average Monthly Bill | \$49.31 | | |
| <i>Subtotal</i> | | \$9.08 | 18.41% |

Data

Average Bill \$32.00

| Wireless | Statutory Rate | Tax Per Subscriber | Effective Rate |
|-------------------------|-----------------------|---------------------------|-----------------------|
| Voice | | | |
| 911 Tax | \$0.37 | \$0.37 | 0.74% |
| City Telecomm. | 4.70% | \$2.35 | 4.70% |
| State Trans. Privilege | 5.60% | \$2.80 | 5.60% |
| County Trans. Privilege | 0.70% | \$0.35 | 0.70% |
| Federal USF | 2.48% | \$1.24 | 2.48% |
| Subscribers | 843,617 | | |
| Average Bill | \$49.98 | | |
| <i>Subtotal</i> | | \$7.11 | 14.23% |

| Total Taxes | Statutory Rate | Tax Per Subscriber | Effective Rate |
|--------------------|-----------------------|---------------------------|-----------------------|
| Cable Video | na | \$6.45 | 12.32% |
| Wireline Voice | na | \$9.08 | 18.41% |
| Wireless Voice | na | \$7.11 | 14.23% |
| Average Internet | na | na | na |
| Total Average Bill | \$188.16 | | |

| | | | |
|----------------------------|--|----------------|---------------|
| Total Average Taxes | | \$22.64 | 12.03% |
|----------------------------|--|----------------|---------------|