NETWORK ELEMENTS

18. Certain State and Local Taxes

Each Party purchasing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transactions or similar taxes, fees or surcharges levied against or upon such purchasing Party (or the providing Party when such providing Party is permitted to pass along to the purchasing Party such taxes, fees or surcharges), except for any tax on either Party's corporate existence, status or income (other than income taxes included in rates through the computation of carrying charge factors). Whenever possible, these amounts shall be billed as a separate item on the invoice.

18.1 Surcharge for State Excise Tax on Telecommunications Services and Gross Earnings Tax
A surcharge to recover the State Excise Tax on Telecommunications Services and Gross Earnings Tax (Gross Revenue Tax), applies to all rates and charges for services in this section.

The surcharge applies on a bill period basis.

Any changes to these rates will be filed on 15 days' notice to the Commission, and as directed by the Commission. TCs will be notified of such changes on the first bill following the rate change. Whenever the state levies a new tax on the Telephone Company's gross revenues, repeals such a tax, or changes the rate of such tax, the Commission may approve new surcharge factors, and the Telephone Company will file revised surcharges as directed by the Commission.

18.1.1 Types of Gross Revenue Tax Surcharges
There are two Gross Revenue Tax surcharges. One surcharge is applied to telecommunications services purchased for resale by a reseller as defined in PSC NY No. 8--COMMUNICATIONS Tariff. The second surcharge will apply to all other services.

18.1.2 Metropolitan Commuter Transportation District Tax Surcharge
In the counties listed following, a surcharge to recover the additional expense related to the Temporary Metropolitan Transportation Authority Business Tax Surcharge (MTA Tax) applies to all rates and charges for services in this Tariff.

The surcharge is applicable to service furnished in the following counties:

New York City Counties
- Bronx County
- Kings County
- New York County
- Queens County
- Richmond County

- Dutchess County
- Nassau County
- Orange County
- Putnam County
- Rockland County
- Suffolk County
- Westchester County

NETWORK ELEMENTS

18. Certain State and Local Taxes (Cont'd)

18.1 Surcharge for State Excise Tax on Telecommunications Services and Gross Earnings Tax (Cont'd)

18.1.2 Metropolitan Commuter Transportation District Tax Surcharge (Cont'd)

Any changes to this rate will be filed on 15 days' notice to the Commission, and as directed by the Commission. TCs will be notified of such changes on the first bill following the rate change. Whenever the state or municipalities levy a new tax on the Telephone Company's gross revenues, repeals such a tax, or changes the rate of such tax, the Commission may approve new surcharge factors, and the Telephone Company will file a revised surcharge as directed by the Commission.

(A) Types of MTA Tax Surcharges

There are two MTA Tax surcharges. One surcharge is applied to telecommunications services purchased for resale by a reseller as defined in PSC NY No. 8--COMMMUNICATIONS Tariff. The second surcharge will apply to all other services.

18.1.3 Other Taxes

In the event other Federal, State or Local Taxes are charged to the Telephone Company associated with the provision of Local Services or other services described herein, the Telephone Company will pass them through to the TC.

18.1.4 Application and Exemptions

TCs exempt from specific taxes must present the Telephone Company with a valid certificate of exemption from the taxing authority, otherwise all taxes will be added to customer bills in addition to rates and charges herein.

18.1.5 Other Miscellaneous Services

Other miscellaneous charges from State tariffs for services such as additional cooperative testing and maintenance will apply as appropriate