

**ROCHELLE CITY COUNCIL  
AGENDA ITEM MEMO  
REGULAR MEETING**

**SUBJECT:** Reciprocal Agreement on Exchange of Information with the Illinois Department of Revenue for Telecommunications Tax

**Staff Contact:** Chris Cardott, Finance Director

**Summary:** The City of Rochelle receives telecommunications tax each month from the State of Illinois. The tax is imposed intrastate messages as well as interstate messages (i.e. those that originate or terminate in Illinois and are billed to a service address in Illinois). The types of telecommunications which are taxable include but are not limited to, messages or information transmitted through use of local, toll, or wide area telephone services; private line services; channel services; telegraph services; teletypewriter; computer exchange services; cellular mobile telecommunication services; specialized mobile radio; stationary two-way radio; paging services; any other form of mobile and portable one-way or two-way communications; and any other transmission of messages or information by electronic or similar means. By signing the Reciprocal Agreement, it will allow staff to view telecommunications tax for specific retailers. The Agreement includes a confidentiality clause so the information received will not be shared outside the organization. Staff will be able to analyze the data and have a better understanding of the telecommunications tax receipts.

**Funding Sources:**

| Source: | Budgeted Amount: | Proposed Expenditure: |
|---------|------------------|-----------------------|
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**Strategic Plan Goal Application:** Maintain Fiscal Stability & Balanced Budget – Short Term Routine, Cre

**Recommendation:** Authorize the City Manager to execute a Reciprocal Agreement on Exchange of Information with the Illinois Department of Revenue for Telecommunications Tax