



# BUSYLINE

McDonough Telephone Cooperative • Colchester, Illinois

Volume 32, Number 7 • July 2006 • www.mdtc.net

## Excise Tax on Long Distance Ended

In 1898, America entered into the Spanish-American War. To help fund the war, the government levied an excise tax on toll calls – a luxury at the time that could only be afforded by wealthy Americans.

The Spanish-American War lasted less than 100 days. Now, 108 years later, the U.S. Treasury Department has finally abolished the tax on long distance calls.

The announcement of the repeal of excise tax on toll calls was made on May 25, 2006 and will be effective for any charges billed after

July 31, 2006. Starting August 1, 2006, the Internal Revenue Service (IRS) will stop collecting the three per cent tax on long distance telephone service. The IRS will also issue refunds of tax on long distance service for the past three years. Taxpayers will be able to apply for refunds on their 2006 tax forms, to be filed in 2007.

Estimates are that these refunds will total \$15 billion. An average consumer might expect to get \$16 back. Consumers with wireless phone service as well will receive approximately an additional \$54. Big businesses with large long distance bills will receive the lion's share of the refunds.

Treasury Secretary John Snow stated, "Today is a good day for American taxpayers; it marks the beginning of the end of an outdated, antiquated tax that has survived a century beyond its original purpose, and by now should have been ancient history."

"The Federal Appeals courts have spoken across the board. It's time to 'disconnect' this tax and put it on the permanent 'do not call' list."



This action does not mean that the line on your phone bill labeled "Federal Tax" will disappear completely. The excise tax will continue to be levied on the local service portion of your bill. For someone with basic service and no calling features, the tax will run around 90 cents per month.

Secretary Snow remarked, "I would call on Congress to terminate the remainder of this antique tax by repealing the excise tax on local service as well."

A number of lawmakers are working to make the total abolition of the excise tax on telecommunications a reality.

Here are the key points regarding tax refunds:

- No immediate action is required by taxpayers.
- Refunds will be a part of 2006 tax returns filed in 2007.
- Refund claims will cover all excise tax paid on long distance service over the last three years. Interest will be paid on refunds.
- The IRS is working on a simplified method for individuals to use to claim a refund on their 2006 tax returns.
- Refunds will not include tax paid on local telephone service.

Originally established in 1898 as a "luxury" tax on wealthy Americans who owned telephones, the federal excise tax on telephone calls is not compatible with today's modern information-age society.

At the time of this writing, the IRS simplified method for computing refunds has not been released. We will keep you posted as new information becomes available.



## Happy 4th of July

All of us at McDonough Telephone Cooperative wish you a safe and happy 4th of July. As you gather with family and friends this year, we hope you celebrate the many freedoms we enjoy in the USA.

McDonough Telephone Cooperative is proud to help you enjoy the daily freedoms that come from using today's communications services. Choose McDonough Telephone Cooperative's High Speed Internet for faster online work. Keep the conversations going with our money saving long distance plans. And manage calls more efficiently with calling features like voice mail, call waiting, and caller ID.

**Our office will be closed July 4th, in observance of Independence Day.**



## We're Coming To YOU!

**McDonough Telephone Morning Exchange**

The Lunch Box Café

112 E. State • Smithshire

Wed., July 12th • 7 a.m. to 9 a.m.

**WE'LL BUY THE COFFEE!**

**Free Breakfast from 7 a.m. to 8 a.m.**



## Friday Named Safety Administrator

Troy Friday recently accepted the added duties of Safety Administrator for the cooperative. As such, Troy will be responsible for keeping up on OSHA requirements, conducting monthly plant department safety meetings, scheduling CPR/First Aid training and hearing tests for co-op employees and tracking on-the-job injuries.

Troy has been a member of the construction crew since his hire in May 2000 and will continue in this capacity as well as overseeing cooperative safety issues.



## Allocation Ratio for 2005 Announced

Each year, according to its bylaws, the cooperative allocates all member revenue in excess of operating costs and expenses to the membership. The allocation figure is arrived at by dividing member operating margins by total payments received. For 2005, the ratio is .820574. To determine each member's capital credit allocation, the dollar amount the member paid to McDonough Telephone for services in 2005 has been multiplied by the allocation ratio. Notices were mailed in June. If you didn't receive your notice, contact our office. Please read the brochure with your allocation notice for an explanation of the cooperative system of capital credits.

## Directory Cover Coloring Contest

For the past ten years the cooperative directory cover has displayed one or more of the wonderful photos submitted for our directory cover photo contest. We're going to change the usual routine for the 2007 Directory Cover Contest. This year, the cooperative's kids will get a chance to show off their talents in a coloring contest for the cover.

The theme of the contest is "How McDonough Telephone Helps My Family." The artwork can portray any of our services – telephone (landline-not cellular), calling features, internet and video – as they are used and enjoyed by your family.

The contest is open to students from kindergarten through 4th grade whose parents or legal guardians are members of McDonough Telephone Cooperative.

Relatives of McDonough Telephone employees or board members are not eligible to enter.

Entries must appear on a plain white sheet of 8 1/2" x 11" paper. Paint, crayons, markers and other non-smearing media may be used to create the drawing. Drawings and entry forms must be submitted to our office by mail or in person by November 3, 2006. Each student may submit up to three entries.

Prizes will be awarded to the top three drawings: First Prize - \$100; Second Prize - \$75; Third Prize - \$50.

If you have any questions, call Karen or Pam at 776-3211. Entry forms are available in our office.

So, kids – start drawing!

## Attention Lifeline & Monitor Users

If you are a Lifeline user or are monitoring an at-risk baby, please notify Tracey Parks, our plant records clerk, by dialing 611. In the event of an outage, persons with Lifeline or a monitoring system are given priority status in having their service restored so it is vital our subscribers keep us informed of such special circumstances. Our records will then accurately indicate the households where an outage might result in an emergency situation. New Lifeline and monitor users will be asked for certification from a physician.

We also request you inform us when a Lifeline or baby monitor is taken out of service so we can update our records. Thank you!



**REMINDER:** The McDonough Telephone business office will be closed July 4th. In the event of service problems, members should dial 611. If calling from outside the McDonough Telephone service area or from a cell phone, dial 309-776-3214.



## Announcing Lomax \$25 Bill Credit Winners

Winners of the Lomax office drawing for a \$25 bill credit are:

- Cindy Logan
- Lomax Ambulance Service
- Randy May
- Randy Gibb

Thanks to all who stopped in to visit!

### Lomax Office Schedule JULY 2006

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Days Open in Red • Hours: 8:00 a.m. - 4:00 p.m.  
July 17 - Bills Due • July 25 - Disconnect

### Directory Additions

Bedwell, Sean	254-3534
Behymer, Conrad	653-2598
Brown, Bryan	755-4410
Campbell, Terry & Donna	776-4663
Carpenter, Caleb	776-3612
Cooper, Betty	776-3535
Country Side Auto Sales	776-4100
Country Side Homes	776-3176
Crombie, E.M.	652-3678
Mason, Tyler	776-3556
Scheetz, Jim & Mary Jo	755-4351
Sheckler, Evan & Veronica	652-3881
The Source	776-4600