

P.S.C. NO. 40 - TELEPHONE

FRONTIER COMMUNICATIONS OF NEW YORK, INC.

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ACCESS SERVICE

Statement of Surcharge for State Gross Income and Earnings Taxes.

The State Gross Income and Earning Taxes Surcharge rates are as follows:

<u>Period</u>	<u>Gross Revenue Tax Surcharge</u>	
<u>Services Provided for Resale*</u>		
January 1, 1996 - December 31, 1996	.77%	
January 1, 1997 - June 30, 2000	.76%	(C)
July 1, 2000 and beyond	.38%	(N)
<u>All Other Services</u>		
January 1, 1996 - December 31, 1996	4.55%	
January 1, 1997 - September 30, 1998	4.44%	
October 1, 1998 - December 31, 1999	4.23%	
January 1, 2000 - June 30, 2000	3.40%	(C)
July 1, 2000 and beyond	3.00%	(N)

\* To qualify for this rate, resellers must possess a Certificate of Public Convenience and Necessity from the New York State Public Service Commission, or must be designated as eligible for sale-for-resale exclusion from the New York State Department of Taxation and Finance.

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Issued in compliance with New York Public Service Commission's order in Case 98-M-0489.

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