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Director, Income Tax Division  
P.O. Box 871  
Raleigh, NC 27602

Email: [MBSRulesNotification@ncdor.gov](mailto:MBSRulesNotification@ncdor.gov)

RE: Market Sourcing Rules

To: Director, Income Tax Division

Thanks for providing interested parties the opportunity to comment on the proposed Market-Based Sourcing for Apportionment of Income rules. AT&T does not have specific comments related to the proposed rules, but has comments related to apportionment for the communications industry. The communications industry is transforming rapidly and divisions in the provision of service that existed among members of the communications industry no longer exist. Network infrastructure is now multi-functional capable of providing multiple services once deemed unrelated. However, apportionment rules focus solely on the type of service provided without consideration of the underlying assets used to provide the service. While outside the scope of the rule making authority set-forth in House Bill 1030, S.L. 2016-94, it is our position that any apportionment method used to attribute receipts for the communication's industry should also consider the investment used to provide service.

Thanks in advance for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Jean Russell".

Jean Russell  
AT&T External Tax Policy Advocate