New!! VAT-Free (Landline) TKS Phone Services On a Month-to-Month Basis

by Joerg Moddelmog

In August, a landmark breakthrough for US NATO SOFA personnel and their dependents stationed in Germany was finally achieved, after years of frustration and countless customer complaints. USAREUR reached an agreement with Telepost Kabel-Services (TKS), a phone carrier providing phone and internet services to NATO personnel and their dependents on and off post. Under the terms of that agreement, you may be able to have the 19% value-added tax (VAT) taken off your monthly bill for landline telephone and internet services. There are, however, some limitations to the agreement that you should know about. Those limitations are addressed in the Frequently-Asked Questions below.

(1) Why is the agreement only with TKS?

So far, TKS is the only carrier willing to accept a month-to-month contract as opposed to the standard one-year or two-year contracts. TKS also accepted a €500 cap, meaning that notice must be given to the customer once their monthly phone bill has reached that figure.

(2) What about cell phones? Are cell phone contracts covered under the agreement?

Sorry, the agreement does **not** apply to cell phone services. TKS will continue to charge you VAT on your cell phone bills. For more information on how to control costs on cell phone contracts, see page 10 of the Winter 2010 edition of this newsletter: http://www.21tsc.army.mil/aerja/LegalAssist/Legal%20Assistance-New2.htm

(3) Can I switch my current phone carrier and become a TKS customer?

Yes, but only after giving your current phone carrier a proper termination notice. Moreover, you will have to serve out the remaining contractual period under your existing contract. There is no extraordinary termination allowed for the purpose of switching to TKS VAT-free phone contracts. Also remember that, at this point, the agreement is exclusively with TKS. If TKS is not available in your area, you cannot participate in the program. Therefore, don't forget to inquire up front whether TKS services are technically feasible in your area.

(4) Will TKS continue to charge VAT in some cases?

Yes. TKS will continue to offer certain contracts for phone and internet services **WITH** VAT. These contracts will have different terms and conditions than the VAT-free contracts. Make sure you sign up for the kind of contract you want. Additionally, even the VAT-free contracts will trigger VAT **unless** a tax relief form (AE Form 215-6B) is provided to TKS on or before the 1st of the month to which the bill pertains. Forms submitted late will automatically be applied towards the following month's bill. Since there is no umbrella coverage and a single VAT form is used per month, you may want to submit more than one VAT form at a time (*e.g.*, three VAT forms = VAT relief on your next three monthly TKS bills).

(5) Are there other situations in which VAT will still be billed?

Yes. Calls to special services (directory assistance, voting surveys, donation calls, certain "customer friendly" numbers, etc.) will always be billed with VAT – even under landline VAT-free contracts that run month-to-month. VAT-free billing only applies to the basic monthly fee from TKS and the charges resulting from regular phone calls to friends, family, etc.

For more information about this new agreement, contact your local Tax Relief Office.

Editor's note: we congratulate Joerg and Marie on the birth of their daughter, Martha Marie Moddelmog, on September 1, 2011, just in time to be announced in the summer edition of this newsletter!