

# Judge upholds NY tax suit against Sprint Nextel

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A New York judge has refused to dismiss the state attorney general's lawsuit claiming back sales taxes and triple damages from Sprint.

State Supreme Court Justice O. Peter Sherwood says the state has a valid basis for claims under state tax law, which imposes a 4 percent tax on aggregated mobile communications services.

The suit seeks \$100 million in unpaid taxes since 2005 and the damages. Attorney General Eric Schneiderman says Sprint Nextel Corp. has improperly withheld about 25 percent of its monthly access fees for mobile calling plans from taxation based on the theory it doesn't owe taxes on the interstate portion.

Sprint said Monday that it will appeal and fight for New York consumers already paying some of the nation's highest wireless taxes.

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