

Briefs: Telecoms challenge Kentucky tax changes

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An overhaul of Kentucky's tax code has resulted in a legal challenge from major wireless phone companies.

Five nationwide companies have filed suit in federal court arguing that a new tax on gross revenues violates federal law because it prohibits them from passing the 1.3-percent levy on to their customers.

They contend that they will have to raise rates because the law bars them from itemizing the tax on customer bills -- a change that allegedly clashes with communications law that give the feds exclusive jurisdiction over cell-phone rates.

Gov. Ernie Fletcher told the Lexington Herald-Leader Monday he had not seen the lawsuit but stood by the tax overhaul that goes into effect Jan. 1.

The plaintiffs in the suit include Cingular, Verizon, Sprint, T-Mobile and NPCR.

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