



STATE BOARD OF EQUALIZATION  
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No. 2025/040

November 20, 2025

TO COUNTY ASSESSORS:

**RE: STATE ASSESSMENT JURISDICTION OF VOICE OVER INTERNET  
PROTOCOL (VoIP)**

Section 19 of article XIII of the California Constitution requires the California State Board of Equalization (Board) to annually assess certain described property types. The first paragraph of section 19 divides this property into two categories:

The Board shall annually assess (1) pipelines, flumes, canals, ditches, and aqueducts lying within 2 or more counties and (2) property, except franchises, owned or used by regulated railway, telegraph, or telephone companies, car companies operating on railways in the State, and companies transmitting or selling gas or electricity.

Through the January 1, 2025 lien date, the Board's jurisdiction did not encompass Voice over Internet Protocol (VoIP) companies, as they were not regulated by the California Public Utilities Commission (CPUC).<sup>1</sup> However, as of January 1, 2026, the Board's jurisdiction will extend to VoIP companies, consistent with the CPUC's recent decision to regulate VoIP companies as telephone companies.

***CPUC Decision 24-11-003***

On November 12, 2024, the California Public Utilities Commission issued Decision 24-11-003<sup>2</sup>, "*Establishing a Regulatory Framework for Telephone Corporations Providing Interconnected Voice over Internet Protocol Service*" (the VoIP Licensing Decision or Decision), as a part of its ongoing rulemaking proceeding.<sup>3</sup> The VoIP Licensing Decision was the culmination of the first phase of the CPUC's rulemaking proceeding, finding, in relevant part, that "All of these voice [VoIP] providers are in the public utility telephone business and we find no reasonable basis to find otherwise". (24-11-003 Decision, p. 19.)

The Decision shifts how VoIP providers will be licensed and what regulatory obligations apply, stating for the first time that "as 'telephone corporations,' interconnected VoIP service providers

<sup>1</sup> Telephone companies, including other regulated local exchange, interexchange, and wireless companies, are collectively referred to as telecommunications or telecom companies for Board state assessment purposes.

<sup>2</sup> Cal.P.U.C., Ruling No. 24-11-003 (November 12, 2024).

<<https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=546367929>> Hereinafter "24-11-003 Decision".

<sup>3</sup> Cal.P.U.C., Rulemaking No. 22-08-008 (Initiated August 25, 2022)

<[https://apps.cpuc.ca.gov/apex/f?p=401:56:::RP,57,RIR:P5\\_PROCEEDING\\_SELECT:R2208008](https://apps.cpuc.ca.gov/apex/f?p=401:56:::RP,57,RIR:P5_PROCEEDING_SELECT:R2208008)>

are subject to laws and regulations applicable to other wireline and wireless telephone corporations, unless otherwise exempt by the CPUC, state law, or federal law...” [ Emphasis added; internal citations omitted] (24-11-003 Decision, p. 19.) As a direct result, the CPUC’s VoIP Licensing Decision added a fourth category of voice services to the telecommunication service categories: (i) local exchange service, (ii) interexchange service; (iii) wireless service; and now, (iv) interconnected VoIP service. (24-11-003 Decision, pp. 34-35.)

Prior to this decision, interconnected VoIP service providers were issued a non-telecommunication service category identifier, Digital Voice Service (DVS), when registered with the CPUC. Now, instead of this unique identifier, VoIP companies will instead be classified under one of the two following subcategories: Digital Voice Fixed (DVF) or Digital Voice Nomadic (DVN), under the “interconnected VoIP service” telecommunication service category (above). Interconnected VoIP service providers will be assigned a DVF utility type unless they attest to providing nomadic-only services; those who attest to providing nomadic-only interconnected VoIP Service will be assigned a DVN utility type. (Decision, p. 37.) Among other requirements, DVN utility types will attest under penalty of perjury that their services do not have the ability to track intrastate and interstate calls. (Decision p. 40.)

### **Implementation and Effect of the CPUC Decision**

As a part of the Decision, a 180-day implementation grace period was provided to all interconnected VoIP carriers.<sup>4</sup> To facilitate implementation, the CPUC notified companies there would be an automatic migration to the new filing licensing and registration framework within 45 days or that companies could elect to opt out of the automatic migration by taking action prior to December 27, 2024.<sup>5</sup> Additionally, all migrated carriers from DVS to DVF or DVN utility filing obligations were provided notice on February 3, 2025, with a CPUC compliance schedule.<sup>6</sup>

As such, the CPUC’s changed requirements and addition of DVF and DVN to telecommunications classifications will be in full effect for VoIP service providers as of the January 1, 2026 lien date.

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<sup>4</sup> See Decision at p. 42; see also <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/licensing-compliance/licensing-and-registration/faq-general-final.pdf>

<sup>5</sup> <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/licensing-compliance/licensing-and-registration/faq-automatic-migration-final.pdf>

<sup>6</sup> <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/licensing-compliance/licensing-and-registration/02-03-2025-reporting-requirement-letter-for-dvf-and-dvn.pdf> ; See also <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/licensing-compliance/licensing-and-registration/d2411003factsheet.pdf>.

**The Board's Assessment Jurisdiction**

The Board has the fundamental authority and responsibility to determine its own jurisdiction. (*U.S. v. Superior Court* (1941) 19 Cal. 2d. 189; *Midstate Theatres, Inc. v. Bd of Sups.* (1975) 46 Cal.App.3d 204, 212; *Focus Cable of Oakland v. County of Alameda* (1985) 173 Cal.App.3d 519, 525). As previously mentioned, the authority for the Board's assessment jurisdiction in section 19 of article XIII of the California Constitution explicitly extends to regulated telephone companies. With Decision 24-11-003 the CPUC has asserted jurisdiction over VoIP providers and will regulate such companies as telecommunication companies. Therefore, consistent with the Board's authority and responsibility, the Board asserts its assessment jurisdiction over VoIP companies, which now are classified as telephone companies by the CPUC.<sup>7</sup>

While the CPUC noted that its implementation will create a distinction for DVF and DVN companies, this distinction is immaterial for property assessment and the Board's assumption of jurisdiction and state assessment is appropriate for all VoIP providers.

Accordingly, beginning with lien date January 1, 2026, VoIP service providers, whether designated DVF or DVN, now classified as telecommunications companies by the CPUC, are subject to state assessment and must file a property tax statement with the California State Board of Equalization annually, by the March 1st deadline. (Rev. & Tax. Code §§ 830 and 830.1.)

If you have any questions related to this information, please contact the State-Assessed Properties Division at 1-916-274-3270.

Sincerely,

/s/ David Yeung

David Yeung  
Deputy Director  
Property Tax Department

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<sup>7</sup> Taxable property owned by VoIP service providers may have previously been reported to the appropriate California County Assessor.