Verizon Communications Inc.
EIN: 23-2259884
Date of Action: December 15, 2017
Attachment to Internal Revenue Service Form 8937

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended, and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Exchange (as defined below) on the tax basis of the new notes issued by Verizon Communications Inc. ("Verizon") to holders of thirteen series of existing notes or debentures of certain of its wholly-owned subsidiaries in exchange therefor. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of holders. Verizon does not provide tax advice to holders of its debt obligations and the examples provided below are based on certain assumptions and are merely illustrative. Holders should consult their own tax advisers regarding the particular tax consequences of the Exchange to them, including the applicability and effect of all U.S. federal, state and local and foreign tax laws.

Line 10 – CUSIP Numbers:

Old Notes:	New Notes:
020039AJ2	92343VEJ9 and U9221ABC1
362320BA0	92343VEL4 and U9221ABD9
650094CJ2	
07786DAA4	
165069AP0	
078167AZ6	
165069AQ8	
078167BA0	
020039DC4	
645767AW4	
644239AY1	
92344XAB5	
92344WAB7	

14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On December 15, 2017, holders of thirteen series of existing notes or debentures of certain Verizon wholly-owned subsidiaries listed below (collectively, the "Old Notes") exchanged their Old Notes for newly issued 6.800% notes due 2029 and 7.875% notes due 2032 of Verizon (the "New Notes") and, in the case of certain series, cash (the "Exchange").

Exchange of the following series of Old Notes for 6.800% notes due 2029 ("New Notes due 2029") and, in the case of certain series, cash in the amounts listed below per $1,000 face amount of such Old Notes:

Old Notes		**Cash Amount**
1.	6.800% debentures due 2029 of Alltel Corporation	N/A
2.	6.940% debentures due 2028 of GTE LLC	$208
3.	6.500% debentures due 2028 of Verizon New York Inc.	N/A
4.	6.000% debentures due 2028 of Verizon Pennsylvania LLC	$195
5.	8.000% debentures due 2029 of Verizon Maryland LLC	$153
6.	8.350% debentures due 2030 of Verizon Pennsylvania LLC	$119
7.	8.300% debentures due 2031 of Verizon Maryland LLC	$99
8.	8.750% debentures due 2031 of Verizon Pennsylvania LLC	$99

Exchange of the following series of Old Notes for 7.875% notes due 2032 ("New Notes due 2032") and, in the case of the 5.125% debentures due 2033, cash in the amount of $289 per $1,000 face amount of such Old Notes:

Old Notes		**Cash Amount**
9.	7.875% senior notes due 2032 of Alltel Corporation	N/A
10.	7.850% debentures due 2029 of Verizon New Jersey Inc.	N/A
11.	7.875% debentures due 2029 of Verizon New England Inc.	N/A
12.	7.375% debentures due 2032 of Verizon New York Inc.	N/A
13.	5.125% debentures due 2033 of Verizon Maryland LLC	$289

For more information, see the press release for the final results of the Exchange, available on the SEC website:
https://www.sec.gov/Archives/edgar/data/732712/000119312517368890/d501041dex991.htm.

15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

<u>Exchanges of Old Notes for New Notes due 2032</u>

Verizon believes that the series of Old Notes (other than Verizon Maryland LLC 5.125% debentures due 2033) exchanged for New Notes due 2032 should not be treated as securities issued by the same corporate issuer as the New Notes due 2032 and therefore the exchange of these Old Notes for New Notes was a taxable transaction for U.S. federal income tax purposes. Accordingly, a holder would have recognized capital gain or loss (other than with respect to accrued market discount, which would be treated as ordinary gain) in an amount equal to the difference between the amount realized in the Exchange and the holder's adjusted tax basis in these Old Notes, as applicable, tendered, or the allocable portion thereof in the case of any fractional portion of New Notes. The amount realized in the disposition of the Old Notes will be the issue price of the New Notes plus any cash amount received (other than with respect to an accrued coupon payment). A holder's initial tax basis in New Notes received in exchange for these Old Notes is the issue price of the New Notes.

While not free from doubt, Verizon intends to treat the exchange of Verizon Maryland LLC 5.125% debentures due 2033 for New Notes due 2032 as described below in "Exchanges of Old Notes for New Notes due 2029."

<u>Exchanges of Old Notes for New Notes due 2029</u>

While not free from doubt, Verizon intends to treat the New Notes due 2029 and the Old Notes exchanged therefor as securities issued by the same corporate issuer, and to treat the exchange of such series of Old Notes for New Notes as recapitalizations, except as follows. Verizon intends to treat the exchanges of Alltel Corporation 6.800% debentures due 2029 and Verizon New York Inc. 6.500% debentures due 2028 for New Notes as described above in "Exchanges of Old Notes for New Notes due 2032" and therefore as ineligible for recapitalization treatment. However, it is possible that the IRS could take a different position.

Recapitalizations generally do not result in the recognition of gain or loss, subject to certain exceptions. However, under the rules applicable to recapitalizations, a holder recognizes gain equal to the lesser of (i) the cash amount received (not including any accrued coupon payment) plus the fair market value of the "excess principal" amount received (collectively, "boot"), or (ii) the gain realized by the holder. The excess principal amount is the excess of the principal amount of New Notes received for a given series of Old Notes over the principal amount of such series of Old Notes surrendered for those New Notes. The gain realized by a holder is equal to the excess of (i) the issue price of the New Notes received in exchange for Old Notes of a given series, plus any cash received (not including any accrued coupon payment) with respect to such series of Old Notes over (ii) the holder's adjusted tax basis in such series of Old Notes that are surrendered in the exchange.

A holder's initial tax basis in the portion of New Notes that are not treated as boot is the same as the holder's tax basis in the Old Notes allocated thereto, increased by the amount of gain recognized by the holder in the exchange, if any, and decreased by the amount of boot that is received by the holder. The portion of the New Notes treated as boot has an initial tax basis in a holder's hands equal to the fair market value of those New Notes.

If the Old Notes that are exchanged for New Notes are treated as securities issued by the same corporate issuer as those New Notes, as described above, gain would be recognized, in whole or part, on the exchanges of the Old Notes for New Notes, but loss would not be recognized. If the Old Notes and the New Notes are treated as securities issued by different corporate issuers or otherwise as ineligible for recapitalization treatment, the exchanges of those Old Notes for New Notes would be taxed as described above in "Exchanges of Old Notes for New Notes due 2032."

16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

As described in line 15 above, a holder's initial tax basis in New Notes received in a taxable exchange will equal the issue price of the New Notes on the date of the exchange. See line 19 regarding the issue prices of the New Notes.

For New Notes received in an exchange treated as a recapitalization, as described in line 15 above, a holder's initial tax basis in the portion of New Notes that is not treated as boot will be the same as the holder's tax basis in the Old Notes allocated thereto, increased by the amount of gain recognized by the holder in the exchange, if any, and decreased by the amount of boot that is received by the holder. The portion of the New Notes treated as boot will have an initial tax basis in a holder's hands equal to the fair market value of those New Notes.

The following simplified examples (which include fractional portions of New Notes for purposes of the examples) illustrate a hypothetical U.S. holder's calculation of its adjusted tax basis in the New Notes received on the exchange date. Given our determination that the issue price of the New Notes is greater than the face amount of the New Notes (see line 19 below), the examples assume that the fair market value and the issue price of the New Notes is greater than their face amount. The examples below use simplified numbers and assumptions, are for illustrative purposes only, and do not purport to fully describe the actual facts or tax consequences that may apply to a particular holder. Holders should consult their own tax advisers regarding the particular tax consequences of the Exchange to them.

Assumptions for Example 1 (consideration is equal to the principal amount of Old Notes):

- Investor A exchanged $1,000 principal amount of a given series of Old Notes for a **total consideration of $1,000**, consisting of New Notes with a principal amount of $1,000. Alternatively, assume A exchanged the Old Notes for $800 principal amount of New Notes and cash of $200.

- The excess principal amount of New Notes received is generally equal to the principal amount of the New Notes minus the principal amount of the Old Notes exchanged therefor; for Example 1, the excess principal amount is 0.

- The cash amount received does not include any accrued coupon payment.

- The New Notes were issued at a fair market value ("FMV") and issue price of $1,260 per face amount of $1,000, or 126.00%. Thus, the issue price of New Notes received in exchange for $1,000 principal amount of Old Notes is:

    - $1,260 for New Notes with a principal amount of $1,000 (i.e., $1,000 x 126.00%), or
    - $1,008 for New Notes with a principal amount of $800 (i.e., $800 x 126.00%).

Example 1(a) (A's basis in the Old Notes is equal to their face amount):

Example 1(a)

Old Notes:

- Principal Amount (*pa*): $1,000
- Tax Basis (*tb*): $1,000

Exchanged for:	*Exchange Terms*			*Gain on the Exchange*			*New Notes Received*	
	Principal Amount (A)	Issue Price[1] (B)	Cash Amount (C)	Boot[2] (D) = (C) + FMV of ((A) – (*pa*))	Gain Realized (E) = (B) + (C) - (*tb*)	Gain Recognized (F) = Lesser of (D) or (E)	Tax Basis (portion not boot) (G) = (*tb*) + (F) - (D)	Tax Basis (boot portion) (H) = FMV of ((A) – (*pa*))
New Notes of $1,000	$1,000	$1,260	$0	$0	$260	$0	$1,000	N/A
New Notes of $800 plus cash of $200	$800	$1,008	$200	$200	$208	$200	$1,000	N/A

[1] *See* assumptions. Represents the issue price of the New Notes (126.00%) received in exchange for $1,000 principal amount of Old Notes.

[2] *See* assumptions. Boot includes the FMV of the excess principal amount; for Example 1, the excess principal amount is 0.

Example 1(b) (A's basis in the Old Notes is less than their face amount):

Example 1(b)

Old Notes:

- Principal Amount (*pa*): $1,000
- Tax Basis (*tb*): $900

Exchanged for:	*Exchange Terms*			*Gain on the Exchange*			*New Notes Received*	
	Principal Amount (A)	Issue Price[3] (B)	Cash Amount (C)	Boot[4] (D) = (C) + FMV of ((A) – (*pa*))	Gain Realized (E) = (B) + (C) - (*tb*)	Gain Recognized (F) = Lesser of (D) or (E)	Tax Basis (portion not boot) (G) = (*tb*) + (F) - (D)	Tax Basis (boot portion) (H) = FMV of ((A) – (*pa*))
New Notes of $1,000	$1,000	$1,260	$0	$0	$360	$0	$900	N/A
New Notes of $800 plus cash of $200	$800	$1,008	$200	$200	$308	$200	$900	N/A

[3] *See* assumptions. Represents the issue price of the New Notes (126.00%) received in exchange for $1,000 principal amount of Old Notes.

[4] *See* assumptions. Boot includes the FMV of the excess principal amount; for Example 1, the excess principal amount is 0.

Example 1(c) (A's basis in the Old Notes is greater than their face amount):

Example 1(c)

Old Notes:

- Principal Amount (*pa*): $1,000
- Tax Basis (*tb*): $1,100

Exchanged for:	*Exchange Terms*			*Gain on the Exchange*			*New Notes Received*	
	Principal Amount (A)	Issue Price[5] (B)	Cash Amount (C)	Boot[6] (D) = (C) + FMV of ((A) – (*pa*))	Gain Realized (E) = (B) + (C) - (*tb*)	Gain Recognized (F) = Lesser of (D) or (E)	Tax Basis (portion not boot) (G) = (*tb*) + (F) - (D)	Tax Basis (boot portion) (H) = FMV of ((A) – (*pa*))
New Notes of $1,000	$1,000	$1,260	$0	$0	$160	$0	$1,100	N/A
New Notes of $800 plus cash of $200	$800	$1,008	$200	$200	$108	$108	$1,008	N/A

[5] *See* assumptions. Represents the issue price of the New Notes (126.00%) received in exchange for $1,000 principal amount of Old Notes.

[6] *See* assumptions. Boot includes the FMV of the excess principal amount; for Example 1, the excess principal amount is 0.

<u>Assumptions for Example 2 (total consideration is less than the principal amount of Old Notes):</u>

- Investor A exchanged $1,000 principal amount of a given series of Old Notes for a **total consideration of $950**, consisting of New Notes with a principal amount of $950. Alternatively, assume A exchanged the Old Notes for $800 principal amount of New Notes and cash of $150.

- The excess principal amount of New Notes received is generally equal to the principal amount of the New Notes minus the principal amount of the Old Notes exchanged therefor; for Example 2, the excess principal amount is 0.

- The cash amount received does not include any accrued coupon payment.

- The New Notes were issued at a fair market value ("FMV") and issue price of $1,260 per face amount of $1,000, or 126.00%. Thus, the issue price of New Notes received in exchange for $1,000 principal amount of Old Notes is:

    - $1,197 for New Notes with a principal amount of $950 (i.e., $950 x 126.00%), or
    - $1,008 for New Notes with a principal amount of $800 (i.e., $800 x 126.00%).

Example 2 (A's basis in the Old Notes is equal to their face amount):

Example 2

Old Notes:

- Principal Amount (*pa*): $1,000
- Tax Basis (*tb*): $1,000

Exchanged for:	*Exchange Terms*			*Gain on the Exchange*			*New Notes Received*	
	Principal Amount (A)	Issue Price[1] (B)	Cash Amount (C)	Boot[2] (D) = (C) + FMV of ((A) – (*pa*))	Gain Realized (E) = (B) + (C) - (*tb*)	Gain Recognized (F) = Lesser of (D) or (E)	Tax Basis (portion not boot) (G) = (*tb*) + (F) - (D)	Tax Basis (boot portion) (H) = FMV of ((A) – (*pa*))
New Notes of $950	$950	$1,197	$0	$0	$197	$0	$1,000	N/A
New Notes of $800 plus cash of $150	$800	$1,008	$150	$150	$158	$150	$1,000	N/A

[1] *See* assumptions. Represents the issue price of the New Notes (126.00%) received in exchange for $1,000 principal amount of Old Notes.

[2] *See* assumptions. Boot includes the FMV of the excess principal amount; for Example 2, the excess principal amount is 0.

<u>Assumptions for Example 3 (total consideration is greater than the principal amount of Old Notes):</u>

- Investor A exchanged $1,000 principal amount of a given series of Old Notes for a **total consideration of $1,150**, consisting of New Notes with a principal amount of $1,150. Alternatively, assume A exchanged the Old Notes for $1,050 principal amount of New Notes and cash of $100.

- The excess principal amount of New Notes received is generally equal to the principal amount of the New Notes minus the principal amount of the Old Notes exchanged therefor; for Example 3, the excess principal amount for $1,150 principal amount of New Notes received is $150 ($1,150 – 1,000 = $150), and the excess principal amount for $1,050 principal amount of New Notes received is $50 ($1,050 – $1,000 = $50).

- The cash amount received does not include any accrued coupon payment.

- The New Notes were issued at a fair market value ("FMV") and issue price of $1,260 per face amount of $1,000, or 126.00%. Thus, the issue price of New Notes received in exchange for $1,000 principal amount of Old Notes is:

  - $1,449 for New Notes with a principal amount of $1,150 (i.e., $1,150 x 126.00%), or
  - $1,323 for New Notes with a principal amount of $1,050 (i.e., $1,050 x 126.00%).

Example 3 (A's basis in the Old Notes is equal to their face amount):

Example 3

Old Notes:

- Principal Amount (*pa*): $1,000
- Tax Basis (*tb*): $1,000

Exchanged for:	*Exchange Terms*			*Gain on the Exchange*			*New Notes Received*	
	Principal Amount (A)	Issue Price[1] (B)	Cash Amount (C)	Boot[2] (D) = (C) + FMV of ((A) – (*pa*))	Gain Realized (E) = (B) + (C) - (*tb*)	Gain Recognized (F) = Lesser of (D) or (E)	Tax Basis (portion not boot) (G) = (*tb*) + (F) - (D)	Tax Basis (boot portion) (H) = FMV of ((A) – (*pa*))
New Notes of $1,150	$1,150	$1,449	$0	$189	$449	$189	$1,000	$189
New Notes of $1,050 plus cash of $100	$1,050	$1,323	$100	$163 (= $100 + $63)	$423	$163	$1,000	$63

[1] *See* assumptions. Represents the issue price of the New Notes (126.00%) received in exchange for $1,000 principal amount of Old Notes.

[2] *See* assumptions. Boot includes the FMV of the excess principal amount; for Example 3, the FMV of the excess principal amount of $150 is 189 ($150 x 126.00%); the FMV of the excess principal amount of $50 is $63 ($50 x 126.00%).

17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Section 1001; Section 368(a)(1)(E); Section 354; Section 356; Section 358; Treasury Regulation section 1.1273-2.

18. Can any resulting loss be recognized?

A holder that exchanges Old Notes for New Notes in an exchange treated as a recapitalization generally will not be permitted to recognize any loss on the exchange. However, a holder may recognize a loss on an exchange treated as a taxable sale or exchange of (i) the Old Notes (other than Verizon Maryland LLC 5.125% debentures due 2033) exchanged for New Notes due 2032, (ii) 6.800% debentures due 2029 and Verizon New York Inc. 6.500% debentures due 2028 exchanged for New Notes due 2029, and (iii) possibly other Old Notes exchanged for New Notes, as discussed above in line 15.

19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Exchange was consummated on December 15, 2017. For a holder whose taxable year is the calendar year, the reportable tax year is 2017.

Pursuant to U.S. Treasury Regulation section 1.1273-2(f)(9), Verizon has determined that, within the meaning of U.S. Treasury Regulation section 1.1273-2:

- The New Notes are “traded on an established market.”
- The issue price of New Notes due 2029 is $1,270.94 per $1,000 face amount of such New Notes, or 127.094%.
- The issue price of New Notes due 2032 is $1,406.96 per $1,000 face amount of such New Notes, or 140.696%.

More information relating to these determinations is available on Verizon’s Investor Relations web page: http://www.verizon.com/about/investors/tax-information.