



# CASE STUDY

## TELECOMMUNICATIONS

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### CUSTOMER PROFILE

Leading telecommunications provider boosts regulatory compliance while increasing customer trust

### Executive Summary

A major telecommunications provider is responsible for accurately calculating and applying taxes for more than 90 million customer accounts. Across the U.S., the company faces constantly changing tax jurisdictions and strict compliance mandates such as the federal Mobile Telecommunications Sourcing Act (MTSA).

To help manage this high profile task with the backdrop of an ever-dynamic environment, the provider turned to Pitney Bowes Software for a controlled, reliable, automated tax management solution. By integrating up-to-date jurisdictional boundaries with exact customer street addresses, the provider confidently applies accurate taxation which increases customer trust and decreases customer complaints.

### Business Challenge

The federal MTSA states that telecommunications providers must validate addresses on a quarterly basis. The telecommunications provider must account for each customer and location correctly for both billing and tax compliance. If the provider complies with MTSA, customers are satisfied, and court sanctions and federal audits are avoided.

Previously, assigning appropriate tax rate calculations required manual data entry of hundreds of thousands of address listings into the provider's system. While it was a one-time data entry exercise, it was a time-consuming process with a high risk for errors.

"The tax assessment process for telecommunications providers is extremely complex," said the executive director of tax for the provider. "We take this very seriously and knew we needed a solution that enables us to be confident that we are properly identifying our customer locations, and therefore ensuring compliance."

*"By leveraging the GeoTAX solution, we've been able to quickly reduce our overall financial risk and regulatory liability."*

**Tax Manager,  
Leading  
Telecommunications  
Provider**

## Solution

In the late 1990s, the provider realized a growing need for reliable address verification. In order to meet the needs of a rapidly growing market, they sought an online solution that would provide the speed and accuracy that would keep up with their bill processing.

They turned to Pitney Bowes Software's GeoTAX Enterprise Tax Management solution as the only system that integrates up-to-date jurisdictional boundaries with the exact street addresses in customer records. Now, they easily standardize addresses and append the correct tax district information to its records. This allows the company to keep up with today's constantly changing tax jurisdictions and new requirements mandated by state and local laws.

The Pitney Bowes Software national address database is also in compliance with U.S. Postal Service regulations. No addresses are inaccurately recorded in the system, and it is open and compatible with the provider's other software solutions for customer billing and tax invoices.

"By leveraging the GeoTAX solution, we've been able to quickly reduce our overall financial risk and regulatory liability," said the organization's tax manager. "We use a few different solutions to manage our tax correspondence with customers, and it was essential that our tax solution was compatible with each one."

## CASE STUDY

### TECHNOLOGY USED

- GeoTAX Enterprise Tax Management Solution

### Results and Benefits

**Provides the highest level of accurate customer tax specifications with confidence in tax jurisdiction data.**

**Decreases employee time, research and resources.**

**Meets compliance deadlines in a timely manner (within 30 days of quarter).**

**Maintains records for up to seven years for auditing purposes.**

**Receives data compatible with all other company billing and tax software.**

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**Executive Director of Tax,  
Leading  
Telecommunications  
Provider**

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