

Professional Services- FET case study

RadiusPoint's Support Desk was contracted to perform the Federal Excise Tax research needed for this Fortune 100 manufacturing company to recover excise taxes paid on their telecom invoices for a three year period. The recovery stemmed from the repeal of the Federal Excise Tax that was deemed invalid May 2006.

The tax, which was first created in 1898 to help finance the Spanish- American War, most recently was charged at a rate equal to 3% of the total spent on long distance, cellular and local calls. The tax law states that all toll charges are based on time and distance. Several years have passed since toll charges have been billed as both time and distance sensitive. In recent years, the charge has been based on the number or fraction of minutes used by the consumer.

OfficeMax among other large organizations filed a suit against the IRS regarding the collection of the excise tax, citing that their tax was not being levied against time and distance sensitive toll charges. This type of toll charge was assessed as time sensitive only and that the distance was no longer a factor. This change in the billing practices of the long distance carriers invalidated the 3% tax. After several years of battling, the IRS conceded and agreed to credit back the taxes billed for the past forty-one (41) months for all consumers.

Many organizations looked at this as a major win since the removal of the Excise tax against the toll charges would mean an instant three percent (3%) savings on future invoices. The potential of a recovery of the past forty-one (41) months was much more daunting since the invoices had to be reviewed manually to extract the necessary data to provide to the IRS for the refund.

results

This Fortune 100 client of RadiusPoint was provided the research by the Support Desk department to gather the necessary data and documents to submit to the IRS to obtain over \$1,087,000.00 in recoveries. The necessary data was readily available in the ExpenseLogic software system that RadiusPoint uses on a monthly basis to manage this client's invoices and expenses. RadiusPoint performed this work on a project or hourly basis to allow the client to retain as much of their recovery as possible.

what are your pain points?



lack of
RESOURCES



lack of
INVENTORY



lack of
AUTOMATION



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insufficient
EXPERTISE

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