

CASE STUDY

Taxware on the Line

Turning Complexity into Consistency

Verizon is one of the world's leading providers of communication services. A Fortune 10 company, it provides over 143 million access lines and wireless service to over 29 million customers in the United States. Verizon's Tax Transaction department has over fifty employees on staff and handles all of the company's tax transactions in the United States.

With that size comes complexity. Because Verizon has physical locations all over the country, the sheer volume of business that they generate demands a system flexible enough to handle their payables and buy-side needs.

Success Story: Verizon



Verizon needed a solution that could handle a variety of different systems, software, and locations without a lot of labor and customization. The ability to bring consistency and reliability to a complex tax environment was paramount.

Taxware's systems easily address these complexities, taking into consideration all related issues such as customer exemptions, product taxability, geographical jurisdictions and more. Having tried other tax systems and been dissatisfied, Verizon switched to Taxware.

"We tried other systems. There was no comparison because with the other solutions we had to build our own business rules; with Taxware, the intelligence is built in."

Key Benefit – Timely Content Equals Cost Reduction

Verizon needed a solution that would allow them to service virtually every major city in the country with a wide variety of products and services. Taxware's thorough research and automatic updates of global tax rate changes provided the solution. With 40 tax professionals on staff, Taxware not only has the ability to track more than 2,000 product/commodity codes, rates and taxability rules for more than 7,500 federal, state and local tax jurisdictions, but to make sense of them as well. With a simple monthly update, Verizon stays on top of any changes that might affect their business.



"Verizon is saving millions annually thanks to Taxware. It's the most powerful sales and use tax system we've ever seen,"

Clark Baker,
Manager

Of course, tax codes change not only based upon locality, but based on the type of product as well. While other tax software might handle tax changes based on locality, as Verizon discovered, no other product automatically determines the taxability of the product or service.

"Verizon is saving millions annually thanks to Taxware. It's the most powerful sales and use tax system we've ever seen," Barker remarked.

His unit's goal for implementing Taxware was to save roughly \$2,000 for every \$1 million dollars in business. That could translate into savings in the millions of dollars per year, based on Verizon's burgeoning business. Citing confidentiality reasons, Barker couldn't verify if that goal had been reached, but he did say that Taxware was one application Verizon simply could not live without.

Essential to Business

Verizon currently runs 16 implementations of Taxware on NT servers and has integrated it successfully with a variety of ERP systems. All integrate well and there haven't been any issues associated with the massive cross-database integrations.

Taxware helps Verizon reduce their financial exposure on the payables and buy-side by keeping staffing costs down, helping them avoid tax overpayment and by significantly reducing the penalties and interest of their audits.

About Taxware

Taxware, a division of govONE Solutions, is a leading developer of worldwide commercial tax compliance systems. Taxware's products simplify the tax calculation and compliance process with solutions for sales and use taxes, address verification, exemption and exception processing, automated returns, e-commerce transactions, and value added tax (VAT) for businesses around the globe.

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Breaking new ground in the field of taxation for over 25 years, Taxware's solutions combine the most current research and changes in legislation with the best available automated processes — resulting in comprehensive tax compliance solutions that offer protection against audits, obsolete data, and changing tax laws.



FAST FACTS

- 29 million customers
- 100 million to 200 million transactions per year
- \$1.5 million in tax calculations per month
- Taxware integrated with SAP, PeopleSoft, Oracle, and Gteams.
- 16 implementations of Taxware running on Windows NT
- Favorite feature: Ability to handle volume reliably
- Computations in all 50 states and every major city
- Over 50 employees in the tax transaction department
- Using Taxware since the early '90s



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