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Providers

A new survey shows that nearly three-quarters of respondents (73%) plan to merge or partner their solutions with other providers to offer increased service breadth over the next two years, and it further reveals concerns about the hidden complexity of ...

Apr. 30, 2020



A new survey shows that nearly three-quarters of respondents (73%) plan to merge or partner their solutions with other providers to offer increased service breadth over the next two years, and it further reveals concerns about the hidden complexity of communications tax compliance. The survey was commissioned by [Avalara, Inc.](#), a provider of cloud-based tax compliance automation for businesses of all sizes, in partnership with research group Aberdeen.

The survey shows that growing customer demand is driving a push to bundle a more

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types that are bundled together, the more they may be exposed to communications tax liability rather than just sales and use tax,” said Steve Lacoff, General Manager of Avalara for Communications. “Whether you are a wireless or cable provider, a technology or streaming company, you need to be aware that your business may be subject to communications taxes and must be proactive in being compliant. By following the best practices of communications tax compliance, a company can reduce its risk and help support its business’s longevity and sustainability.”

This need to be proactive is leading half (49%) of respondents to change their tax management process in the next two years. As part of this study, Aberdeen investigated business performance, highlighting that companies who are best-in-class performers feel more prepared with communications tax compliance even as their product mix changes, due to having a more dynamic model based on a SaaS solution.

“Companies are indicating that the demand for video and digital content along with 5G and IoT services is becoming increasingly important to their business,” said Michael Lock, SVP, Research, Aberdeen. “These emerging technologies go hand in hand as cord-cutting has continued to increase over the past few years. Our research demonstrates that these new bundled solutions are becoming a greater share of product offerings from communications companies, which leads to new challenges not just in retaining and growing customers, but also mitigating the risk stemming from new tax implications.”

The full research report is available [here](#), and includes business drivers for change in the communications industry and what these best-in-class organizations are doing to prepare for the associated compliance challenges. Avalara experts are also available for additional insights on industry convergence, tax complexity, and risk mitigation.

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