

Memorandum

To : Monte Williams, Chief
Excise Tax Division (MIC:56)

Date: July 21, 1997

From : Susan Scott *SS*
Tax Counsel

Subject: **Registration of Non-Service Supplying Billing Agents**

I have been asked to reply to your memo of June 12, 1997, requesting a legal opinion to be published as an annotation on the following question:

Is a billing agent required to register with the Board if it is not a service supplier but it coordinates the billing, collection and reporting of amounts due on behalf of a service supplier, reseller or billing aggregator?

Your request was apparently prompted by the Board's adoption of regulatory changes relating to third party billing agents. The new regulations only affect the tax liability of billing agents which are also service suppliers. Billing agents which are not service suppliers are not affected by the new regulations.

As always, a billing agent is not required to be registered with the Board unless it is a service supplier. Under §41021, only service suppliers are required to collect and remit the surcharge, and under §41040, only service suppliers are required to register with the Board. Billing agents that are not service suppliers are only **agents** of the service suppliers with which they contract. They are not required to register. However, with the authority of §41040, the Board could require a service supplier to include the name of its billing agent in its registration application.

SAS:es
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cc: Ms. Mary Armstrong
Ms. Janet Vining