



Business Phone Bill Taxes, 911 Fees and Surcharges

Get a business phone number with a simple auto attendant menu from Auto Attendant. A caller picks who they need and the call rings that person's own mobile, so nobody on your team has to publish a personal number.

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The short answer

The advertised price usually covers only the service. The bill adds three kinds of line, each with different rules:

1. **Government taxes**, such as state and local taxes in the US, or GST/HST and provincial taxes in Canada.
2. **Government-linked fees the provider collects or passes through**, such as a state 911 fee or the federal Universal Service Fund (USF) line.
3. **Charges the provider sets itself**, often named things like "regulatory recovery fee" or "administrative fee".

As of October 2026, the US federal USF line can be the largest. For the fourth quarter of 2026 the FCC announced a 42.0 percent contribution factor, so a USF line item may not exceed 42.0 percent of the interstate telecommunications portion of your bill ([FCC, DA 26-946](#)). It was published as a proposal and took effect under the FCC's 14-day rule (below). The average US 911 fee on VoIP service in 2024 was \$1.09 per line per month ([FCC, 17th Annual 911 Fee Report](#)). Provider-set fees vary the most and are the ones to compare before you sign.

This article is educational. It is not legal or tax advice.

Why the bill is higher than the quote

A per-line quote generally covers the plan. Taxes and fees depend on the service address, the type of service, how much of it the provider classifies as interstate, and what the provider recovers as separate lines, so they are often left off.

The FCC's own guide to phone bills tells customers to check whether "the rates and line items [are] consistent with the rates and line items that the company quoted to me" ([FCC, Understanding Your Telephone Bill](#)). In both countries, ask for an all-in monthly figure for your address and line count before you sign.

Three kinds of line on a phone bill

Type of line	Who sets the amount	Examples	Can you shop around for it?
Government tax	A state, province, county or city	State and local taxes, "gross receipts" taxes; GST/HST; Quebec's 9-1-1 tax	No. It follows your service address.
Government program fee passed through	A government sets the rate or program; the provider decides whether to show it as a line	Federal USF line, state 911 fee, Telecommunications Relay Service fee	Partly. The rate is fixed, but each provider decides what portion of the bill it applies to and whether to bill it separately.
Provider-set charge	The provider	"Regulatory recovery fee," "administrative fee," single-bill fee, number-portability fee	Yes. These differ between providers.

Labels blur. The FCC's guide says access charges "are not a government charge or tax", a "Single Bill Fee" "is not mandated by the FCC and is not an FCC charge", and number portability fees "may vary by company; some may not charge any fees. These fees are not taxes" ([FCC, Understanding Your Telephone Bill](#)). A charge with "federal" or "regulatory" in its name is not necessarily a government charge.

One federal tax you should not see on a VoIP bill: the 3 percent federal excise tax on telephone service now applies only to local-only service, and the IRS lists VoIP as bundled service, which is not taxed ([IRS Notice 2006-50](#)).

The federal Universal Service Fund line

What it pays for

The USF supports four programs: High Cost, Low Income, Rural Health Care, and Schools and Libraries ("E-Rate") ([FCC, Universal Service Fund](#)).

Why VoIP bills carry it

FCC rules list interconnected VoIP among the services whose providers "must contribute to the universal service support mechanisms" ([47 CFR 54.706\(a\)](#)). A business VoIP line that connects to the public phone network is therefore treated like other telephone service for USF purposes.

The quarterly factor

The FCC calculates the contribution factor every quarter. It is the ratio of projected USF program costs to contributors' projected end-user interstate and international telecommunications revenues ([FCC, DA 26-946](#)).

- **Q4 2026 (October to December):** On September 14, 2026, Public Notice DA 26-946 proposed a factor of **42.0 percent**. The unrounded figure was 0.419076 ([FCC, DA 26-946](#)).
- **How a proposal becomes final:** Under FCC rules, if the Commission "take[s] no action within fourteen (14) days" of the public notice, the projections and the contribution factor "shall be deemed approved" ([47 CFR 54.709\(a\)\(3\)](#)). The FCC does not usually issue a second notice. We found no FCC action

changing the Q4 2026 figure. USAC, which administers the fund, lists 42.0 percent for October to December 2026 under DA 26-946 ([USAC, Contribution Factors](#)).

- **Earlier 2026 quarters:** 37.6 percent (January to March), 37.0 percent (April to June) and 38.8 percent (July to September) ([USAC, Contribution Factors](#)).
- **Q1 2027:** Not yet announced as of October 28, 2026. The Q1 2026 notice was released on December 15, 2025 ([FCC, DA 25-1026](#)), so expect the Q1 2027 figure around mid-December.

The cap on what you can be billed

Providers may recover USF costs from customers, but a separate USF line item "may not exceed the interstate telecommunications portion of that customer's bill times the relevant contribution factor" ([47 CFR 54.712\(a\)](#)). The Q4 2026 notice applies that limit directly: carriers may not "recover through a federal universal service line item an amount that exceeds 42.0 percent of the interstate telecommunications charges on a customer's bill" ([FCC, DA 26-946](#)).

Two practical points:

- **The factor applies to the interstate portion, not the whole bill.** Hypothetically, if \$10.00 of a \$30.00 line is interstate telecommunications, the Q4 2026 USF line can be at most \$4.20, not \$12.60. Ask how the provider calculates the interstate portion.
- **The line is optional for the provider.** The FCC says it "does not require this charge to be passed on to you, but service providers are allowed to do so" ([FCC, Understanding Your Telephone Bill](#)). So two quotes with the same headline price can end with different totals.

911 fees

Who sets them

In the US, 911 fees are set by states and local jurisdictions, not by the FCC. The FCC's 17th annual report, released February 13, 2026, covers calendar year 2024 ([FCC, 17th Annual 911 Fee Report](#)):

- States and other reporting jurisdictions collected **\$4,300,366,407.35** in 911/E911 fees.
- They estimated the total cost of providing 911 service at **\$6,756,620,965.14**.
- For VoIP service, 32 jurisdictions reported a state-only fee, 11 a local-only fee and 6 both.
- The average VoIP 911 fee was **\$1.09 per line per month**. State averages ranged from \$0.20 (Arizona) to \$3.81 (West Virginia, averaged across its counties).

Because most are charged per line per month, ten lines pay ten times the amount.

What the money may be used for

Under FCC rules in 47 CFR Part 9, Subpart I, 911 fees may be spent only on "(1) the support and implementation of 911 services, and (2) operational expenses of Public Safety Answering Points" ([FCC, 911 Fee Reports](#)). In 2024, three states (Nevada, New Jersey and New York) were identified as diverting or transferring 911 fees to other purposes, for a total of \$225,209,717.59, about 5.24 percent of fees collected ([FCC, 17th Annual 911 Fee Report](#)).

For how 911 calls from a VoIP line reach the right dispatcher, see the [emergency calling guide](#).

"Regulatory recovery fee" and other company-set charges

No FCC rule we reviewed creates a charge called "regulatory recovery fee," "administrative fee" or "compliance fee". Providers choose these names, often to describe recovering their own costs. Unless the provider can point to a law requiring it, treat the amount as the provider's decision, not a government tax.

What the rules do require is a clear description. Under the FCC's Truth-in-Billing rule, charges on a telephone bill "must be accompanied by a brief, clear, non-misleading, plain language description of the service or services rendered". The description must be specific enough that customers can confirm "that the costs assessed for those services conform to their understanding of the price charged" ([47 CFR 64.2401\(b\)](#)).

When you see one of these lines, ask the provider in writing:

- Is this charge a tax or fee that a government requires you to collect? If so, which law or agency?
- If not, is it a charge you set? Was it in the quote or contract I signed?
- How is it calculated (flat per line, percentage of the bill, per account)?
- Can it go up during the contract term, and with how much notice?

How to read your bill and spot a line you did not agree to

The Truth-in-Billing rule gives you several things to check ([47 CFR 64.2401](#)):

- **(a) Provider names.** Each charge must identify the service provider. Charges from more than one carrier must be separated by provider.
- **(b) Plain-language descriptions.** If you cannot tell what a line is for, the description may not meet the standard.
- **(d) A dispute contact.** Carriers must prominently show "a toll-free number or numbers by which subscribers may inquire or dispute any charges on the bill". If you only receive bills by email or online, an email or website address can stand in for it.
- **(g) No unauthorized charges.** "Carriers shall not place or cause to be placed on any telephone bill charges that have not been authorized by the subscriber."

The FCC calls unauthorized charges "cramming". It warns that crammed charges often appear under vague labels such as "service fee," "service charge," "other fees" or "monthly fee", sometimes for only \$1 to \$3 a month ([FCC, Understanding Your Telephone Bill](#)).

Monthly review: match the line count to lines in use; match recurring charges to the quote; sort each fee into the three types above; check that any USF line reflects the quarter's factor applied to the interstate portion only; send anything unexplained to the dispute contact on the bill and keep the reply.

Canada: GST/HST, provincial taxes and 9-1-1

Sales taxes

Telecom services in Canada generally carry GST or HST. The rate depends on the province where the supply is made, as of October 2026: 5 percent GST, or HST of 13 percent (Ontario), 14 percent (Nova Scotia, since April 1, 2025) and 15 percent (New Brunswick, Newfoundland and Labrador, Prince Edward Island). Quebec adds 9.975 percent QST to the 5 percent GST ([CRA, GST/HST calculator and rates](#)).

Which province's rate applies follows the special place-of-supply rules for telecom. For example, a telecommunication service is made in a province if it is "both emitted and received in that province". It is also made there if it is "either emitted or received in that province and the billing location for the service is located in that province" ([CRA, GST/HST Memorandum 3-3-6-1](#)). Whether provincial sales tax also applies depends on the province; ask your accountant.

9-1-1

The CRTC has said that most providers "recover their own costs for providing 9-1-1 service through their revenues from retail telephone service (i.e. not as a separate item on the bill), and a few TSPs charge their subscribers a separate 9-1-1 fee". It has also said it "has forborne from regulating retail 9-1-1 fees in Canada except for the fees charged by incumbent local exchange carriers" ([CRTC, Telecom Regulatory Policy 2014-342-1](#), January 30, 2015).

A provincial 9-1-1 levy is separate from the provider's own 9-1-1 fee. Quebec is the clearest example. Providers must collect a municipal tax for 9-1-1 service, set "per telephone number (or per outgoing access line for a multiline service other than a Centrex service)". It is \$0.55 a month in 2026 and \$0.57 a month in 2027. The tax is included in the amount on which GST and QST are calculated ([Revenu Québec, Collecting the Municipal Tax for 9-1-1 Service](#)).

Canadian bills can still carry the provider-set charges described above.

A checklist to compare quotes

Ask every provider to answer in writing:

- ☐ **All-in monthly price** for your service address and line count, including taxes, government fees and provider fees. Ask for a sample first invoice if they offer one.
- ☐ **List of every fee** that will appear as a separate line, with the amount or formula.
- ☐ **USF (US)**: Is it billed as a line? What share of the plan is treated as interstate? Which quarter's factor is the quote based on?
- ☐ **911 fee**: The per-line amount for your state, county or city (US), or whether a separate 9-1-1 fee or provincial levy applies (Canada).
- ☐ **Provider-set fees**: Name, amount, whether they can rise during the term, and how much notice you get.
- ☐ **One-time charges**: Activation, number porting, equipment.
- ☐ **Per-line math**: How the total changes if you add or remove a line.

- [] **Dispute contact:** Where billing questions go.

Compare all-in figures, not headline prices. If you are leaving a current contract, the [contract renewal and exit cost worksheet](#) covers early-termination and auto-renewal terms. Unfamiliar terms are defined in the [glossary](#).

FAQ

Is the USF line a tax? No. It recovers a provider's required contribution to a federal program. The FCC says providers are allowed to pass it on but are not required to, and the line item is capped at the interstate portion of the bill times the quarter's factor ([FCC, Understanding Your Telephone Bill](#); [47 CFR 54.712](#)).

Will I pay fees on a line nobody uses? Often yes. The 911 fees in the FCC report are mostly flat amounts per line per month ([FCC, 17th Annual 911 Fee Report](#)). Quebec's 9-1-1 tax is charged per telephone number or outgoing access line ([Revenu Québec](#)). Provider-set fees are often per line too. Cancelling unused lines is the reliable way to stop them.

Who do I complain to? Start with the provider, using the dispute contact on the bill. In the US, the FCC says you can then file with the FCC about charges on your phone bill (at consumercomplaints.fcc.gov), or with your state public service commission for service within your state ([FCC, Understanding Your Telephone Bill](#)). In Canada, the CCTS takes complaints from small business customers whose "monthly bill for all telecommunications services is normally under \$2,500" ([CCTS, FAQ](#)).

Auto Attendant is \$29 USD per line per month; ask any provider, including us, what taxes and fees apply at your address before you sign.

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Source links

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About Auto Attendant

Auto Attendant gives a small business one phone number and a recorded menu that sends each caller to the right person. The call rings the mobile that person already carries, using their normal dialler and their normal mobile plan. Pricing is a single flat monthly fee for the whole company rather than a charge for each user, and there is no app, desk phone or hardware to install.

One number, one menu, the phones you already own

A caller dials the business number, hears a short greeting and chooses an option. Each option can ring one mobile, ring several at once so whoever is free answers first, or try people one after another in a set order. There is no limit on how many people sit on the receiving end, because nobody is billed per seat. Setup is done by the owner in a few minutes: pick a number, write the greeting, and point each option at a mobile.

What it deliberately is not

An auto attendant routes a call; it does not answer one. Nobody at Auto Attendant speaks to callers, and no AI stands in for a receptionist. A business that wants its calls handled, messages taken and appointments booked wants an answering service, which is a different product at a different price. A business that needs call recording, queues, agent dashboards or CRM integration wants a contact centre platform. Auto Attendant is for the case where the call should simply reach the right pocket.

Keeping personal numbers off the internet

The business number is the only number a caller ever sees. Personal mobile numbers are never displayed and never given out, which is what lets an owner put a number on a website, an invoice, a van or a Google Business Profile without handing a personal line to everyone who finds it. An existing advertised number can be ported across and kept, and the old line keeps working while the port is in progress.

Work with Auto Attendant

Visit [Auto Attendant](#) to see [how it works](#), [how it compares](#) to a personal mobile, Google Voice and a full phone platform, and the current [pricing](#).

Telephone number portability, emergency calling and caller-ID rules differ by country and change over time. Articles published here describe general practice and cite primary regulator and carrier sources; they are not a guarantee of any timeline, and they are not legal or regulatory advice for a specific business.

Website: <https://autoattendant.io>

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