



## Illinois Department of Revenue

### Tax System Project Overview

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## Illinois Department of Revenue

- Administers over 70 tax types
- \$27 billion in revenue – 16 million returns
- Distributes funds to 6,600 local governments
- 2,300 employees
  - Processing – 430
  - Collections – 211
  - Audit – 509
  - IT – 190

## Challenges

- 30-year old mainframe systems
- Outdated programming languages were difficult to change – fewer people knew them
- Separate systems for each tax
- Multiple add-ons and “work arounds” – over 200 applications in all
- Inconsistent operating procedures
- Difficult to understand taxpayers’ complete status and history

## Objectives

- Increase revenues without raising taxes
- Modernize computer platform
- Invest in “Commercial Off the Shelf” product
  - Lower cost, lower risk, continuously updated platform, benefits of best practices
- Reduce costs and increase efficiency
- Enhance taxpayer service



## i-STAR Project

- \$49 million over 5 years (not including equipment)
- SQL Server Platform
- 41 Taxes Implemented over 5 Phases
- 73 Dedicated Team Members
  - 36 FAST consultants
  - 19 Agency experts
  - 18 Agency IT staff
- Testing, Conversion & Training Teams



## i-STAR Project

- Kick-off – Nov 2006
- Dec 2007 – Business, Withholding & Sales Taxes
- Aug 2008 – Business Tax Discovery
- Dec 2008 – Individual Income Tax
- June 2009 – IIT Discovery
- August 2009 – Transaction Sales Taxes & IFTA
- April 2010 – Remaining Sales Taxes
- 2010 – 2011 – Excise Taxes



## Preparation

- Identified Project Manager
- Began “Steering Committee” Meetings
- Joint Application Review (JAR) Sessions
- Business Process Redesign Sessions
- Researched Other States’ Experience
- Wrote Business Case
- Defined Project as Agency’s Top Priority
- Committed the Agency to Change



## Procurement Lessons Learned

- Learn from Other States
- Put Business Needs Ahead of Technology
- Know the Marketplace
- Conduct Structured Demonstrations
- Check References
- Meet Your Vendor Team
- Ask yourself - Does the vendor understand my business, my project and my objectives?



## Implementation Advice

- Identify Rising Stars
- Co-locate Project Team
- Push Decision Authority to Project Team
- Build Bridges to Work Areas
- Hold Work Area Leadership Accountable
- Start with Demonstrations
- Stick to Implementation Dates
- Be Prepared to Lose Long-time Employees



## In Production

- Ongoing Role for Project Manager - the Project Will Never Be Over
- 30-Person Production Support Team
- Users Review/Validate All System Requests
- User Areas Prioritize Requests
- Expert Users from Each Area
- Business Process Redesign - finally

## Benefits

- Increased Collections by \$38M in FY07 – record \$400M total during 1<sup>st</sup> implementation yr
  - Accelerated Billing
  - Consistent Notification of Amount Owed
  - Expanded License Hold Programs
- \$54M in FY09 from New Pass Through Program
- Operational Transparency
- Taxpayer Notes & Correspondence History
- Shared Problem Solving – Breaking Down Silos

## New Challenges

- What Was Mine Is Now Yours Too
- Data Integrity
- Enhancing Management through New Data & Reports
- Right-Sizing – New Skill Sets
- Process Re-engineering
- Documenting New Procedures
- Ongoing Training



## Best of Luck

Thank you

Please feel free to contact us with questions

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