



# FTA National Conference

NYS Taxation and Finance  
Taxpayer Services and Revenue  
Division

June 15-18, 2003

Nonie Manion



NYS  
Taxation  
& Finance

## ***Taxpayer Services & Revenue Division***

### Our Mission:

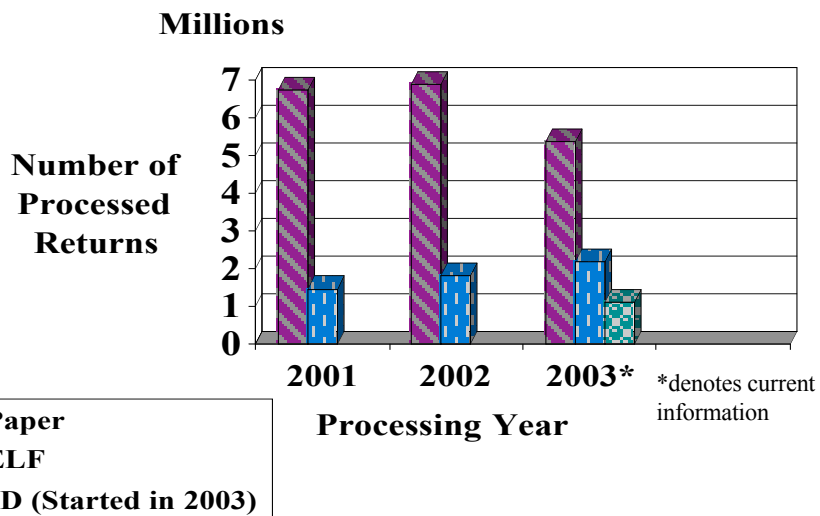
To collect tax revenue and provide associated  
services in support of government services in  
New York State

## Current Personal Income Tax Processes

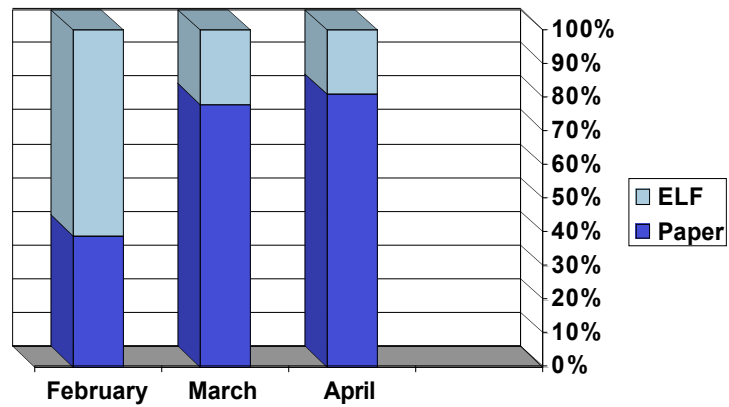
- Front-end (Paper)
- ELF
- 2D

70% of the returns processed are computer generated

## Returns Processing Channels



## E-filers vs. Paper Returns



## What did NYS do to get compliance?

- 2D Barcode Data Sheet – Why?
  - Maximize data captured
  - Minimize forms and systems changes for software vendors, Department and 3<sup>rd</sup> party processor

# 2D Barcode Data Sheet Design

For office use only

New York State Department of Taxation and Finance  
**Resident Income Tax Return**  
 New York State • City of New York • City of Yonkers

IT-201

2007

This is Page 1 of your return.  
 You **must** include this page for  
 your return to be complete.

Taxpayer name and address		Employer Federal Code
10330		
The Social Security Number	Employer Social Security Number	
0028-42-1234	0000-42-1235	
First Full Name and Middle Initial	Last Name	
GEORGE F. CHANCELL	CHANCELL	
Spouse's Full Name and Middle Initial	Spouse's Last Name	
MARY B. CHANCELL	CHANCELL	
MARRIAGE STATUS (choose one and enter spouse's SSN)		Spouse's Number
3 2D BARCODE		
96 Help on this one	State	ZIP Code
DOVER PLAINS	NY	12522

Summary of return data

01 Filing status	2
10 Federal adjusted gross income	87,749
32 Total New York State adjusted gross income	87,749
37 Taxable income	70,549
38 New York State tax	4,039
85 New York City and Yonkers taxes	0,842
87 Total tax and gifts	3,772
69 Amount overpaid	930
72 Amount you owe	0

NYSDOT 10/07/07

Single check  
 1449700

731201  
 This is a scanable form; please file this original return  
 with the Tax Department.

Form IT-201 (2007)

## Forms Included in 2D Barcode Data Sheet

- Barcode 1
  - IT-201
- Barcode 2
  - IT-201-ATT
- Barcode 3
  - IT-214
  - IT-215
  - IT-216
- Barcode 4
  - IT-112-R (3)
  - IT-212 (2)
  - IT-230 (2)
  - IT-360.1 (2)
  - IT-272 (1)
- Barcode 5
  - W-2 (5)
- Barcode 6
  - W-2 (3)
  - 1099-R (2)
  - W-2G (1)



## Vendors that participated in the 2D Barcode Initiative

- CCH INCORPORATED
- Creative Solutions
- Intuit Inc.



## 2D Barcode Data Sheet Design

- 1D barcode for IBML scanner to identify data sheet.
- Taxpayer identifying information; visual verification between return and data sheet.
- Six 2D barcodes with fixed locations. All barcodes required even when forms are not part of the return package.



## Implementation Overview

- 2D barcode specifications - Pub 75 Supplement
- Testing Process
  - 6 test cases (1 all inclusive)
  - Tested with vendors through our 3<sup>rd</sup> party processor
- Outreach/Education
  - Posters
  - Professional publications
  - Website FAQ's – over 10,000 hits
  - Call Center education



## Implementation Overview (Cont'd)

- 3rd Party Processor Equipment
  - High speed IBML ImageTrac II scanners
  - Throughput over 6,000 per hour
- Pilot/Parallel Process
  - Mitigate 1<sup>st</sup> year processing risks
  - Support revenue analysis
  - Support data requirements for other agencies

## First Year Results

- 97% of the data sheets were successfully processed through IBML
  - Errors:
    - Data exceeded allowable field size (street address, city name)
    - Printed using “draft” quality
- 99/100% of data successfully read was accurate
  - Errors:
    - Taxpayer entered data on the return after the 2D Barcode Data Sheet printed (direct deposit information)

## First Year Results (Cont'd)

- 2D Barcode Data Sheet Worked
  - No reported technical issues
  - Compliance by taxpayers



## Steps Moving Forward

- Encourage use of e-filing
- Continue with our successful 2D program
- Encourage vendor participation in 2D
- 2D Barcode standards should be revisited