

# Technology Applications in Tax Administration

## (A Smaller State's Experience)

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June 17, 2003

### Recent Projects

- Computerized Assisted Collection System for Government (CACSG).
- State Tax Automated Compliance System (STAX) – Income tax.
- Intelligent Microimage Scanner (IMS) – Microfilm conversion to digital image.
- 2D Barcode for Income tax return (first year experience).
- Payment Express – An on line tax payment application.

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## CACSG – Description and Benefits

- A large project for a case management tool for collections.
- Consolidates business accounts under common FIN.
- Allows one agent (one contact) to address all tax delinquencies.

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## CACSG – Description and Benefits

- Cross references Income tax issues for principles of that business.
- Allows establishment of workflow priorities and strategies.
- Ability to collect data measuring delinquent dollars collected and cases cleared at the functional unit and individual agent levels.

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## CACSG - Lessons Learned

- Know and understand baseline functionality (what are you getting, does it meet your needs).
- Understand the gaps in baseline functionality vs. agency needs.
- Have more internal Technology Management staff involved from the beginning of the project.  
Knowledge transfer
- Do more to enhance user acceptance. **Change is hard and then you die.**

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## STAX – Description and Benefits

- Data Compression of IRS data.
- Allows data matching.
- Our use – Matching Federal return data with Utah return.
- First year assessed over \$10 million with one staff member.

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## STAX - Lessons Learned

- Get more people involved using the tool.
- Need to develop additional applications.
- IRS data is not always accurate and complete.

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## Intelligent Microimage Scanners - Description and Benefits

- Provides the ability to convert microfilmed records into digital images.
- Provides digital access to over 1 million pages of stored microfilm records.
- Substantial savings in paper, printing and equipment maintenance.

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## Intelligent Microimage Scanners - Description and Benefits

- Easier access to records to over 300 employees researching data for taxpayers.
- Approximately 60% of all record requests are provided electronically.
- Personnel savings in both retrieving and using the data.

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## Intelligent Microimage Scanners – Lessons learned

- Involve users of data early in the project for faster user acceptance.

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## 2D Barcode Income Tax Returns – Description and Benefits

- Partnered with various professional preparers to create barcode on returns.
- Use scanners to capture data rather than data entry.
- Reduced data entry on over 100, 000 returns the first year.

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## 2D Barcode Income Tax Returns – Description and Benefits

- Able to capture return information 10 times faster than data entry.
- Error rate decreased significantly.
- Supplements benefits of electronic filing for those who use paper.

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## 2D Barcode Income Tax Returns – Lessons learned

- More than one way to skin a cat.
- Additional filing option creates additional benefits.

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## PaymentExpress – Description and Benefits

- PaymentExpress is a stand-alone online payment application that accepts the electronic payment of taxes and fees to the Utah State Tax Commission.
- Currently used for 26 different tax types.
- Has a small convenience fee attached to use.
- Links directly from electronic filing applications
- 24x7 availability.

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## PaymentExpress – Lessons Learned

- Utilization of electronic checks is higher than projected. 58%.
- Easier to process and reconcile credit card transactions than electronic checks.
- This can be an efficient collection tool to accept credit card payments on telephone collection efforts.

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## Overall Lessons Learned on Technology Initiatives

- Early wins may not be.
- Benefits funding may be cheaper in the long run.
- Don't trust your partners too much.
- Get it in writing.

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