

_experience the commitment



Trends in Tax Administration...Are You Ready for the Future?

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Introductions

■ Jerry Goldberg

- Executive Office of the California Franchise Tax Board for 25 years
- Missouri Director of Revenue for two years
- Currently independent consultant
- MBA from Univ. of Chicago

■ John Vranna, Executive Consultant, CGI

- Member of the global CGI Tax Practice management team
- 32 years at California Franchise Tax Board as chief of Accounts Receivable Management Division and CGI
- Leads strategy development for tax and revenue agencies around the world



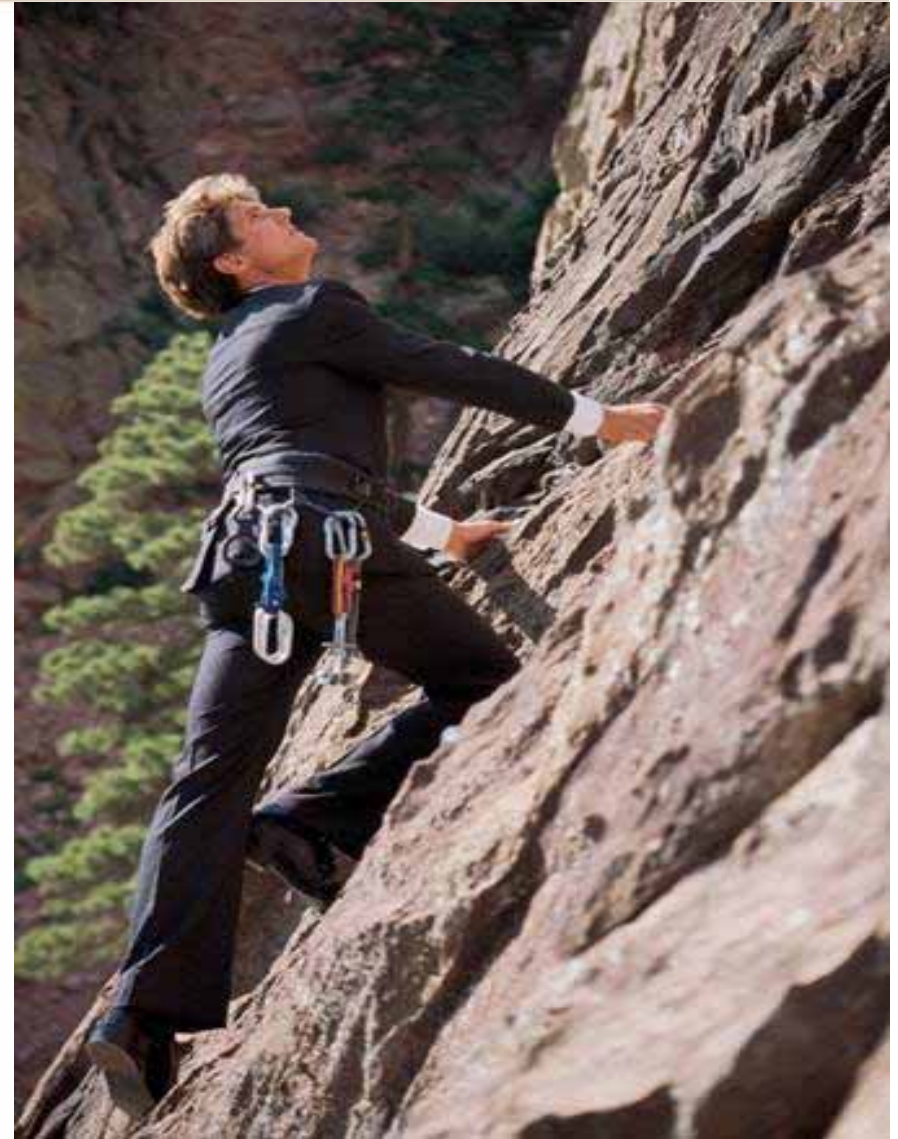
Objectives of Today's Presentation

- Describe Current and Emerging Trends in Tax Administration
 - Our view
 - Your Perspective
- Identify Opportunities to Prepare for the Future Challenges of Tax Administration
- Discuss Possible Steps that could be taken immediately



Significant current and future challenges

- Social, Political, and Economic Environment
- Taxpayer Expectations
- Tax Policy
- Stakeholder Relations
- Internal Agency Operations



Turning Challenges Into Opportunities

■ Planning

- Strategic
- Operational /business
- Technology
- Succession
- Business Continuity Planning



Turning Challenges Into Opportunities

■ Tax Reform

- Structural change
- Tax simplification
- Carrots and sticks of enforcement

Gentlemen, we have no money, therefore we must think" *Lord Rutherford*



Turning Challenges Into Opportunities

■ Building Relationships

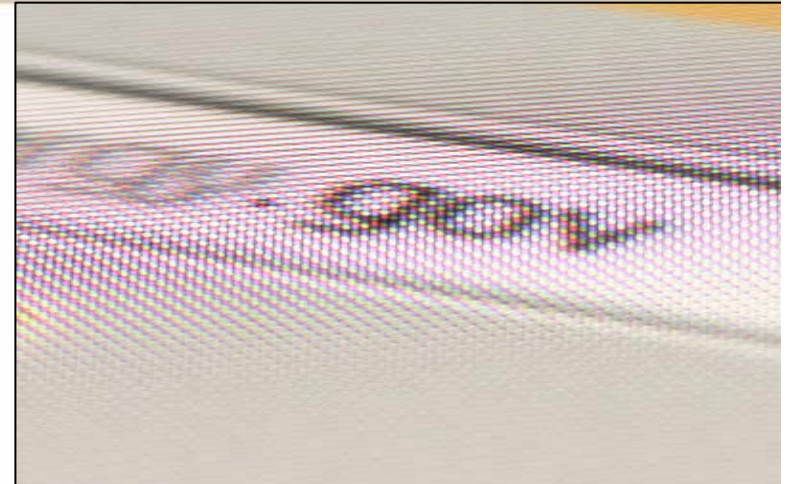
- With taxpayers
- With business community
- With tax preparers
- With Third Party Information Providers



Turning Challenges Into Opportunities

■ Customized Services

- Filing
- Payment
- Customer Service



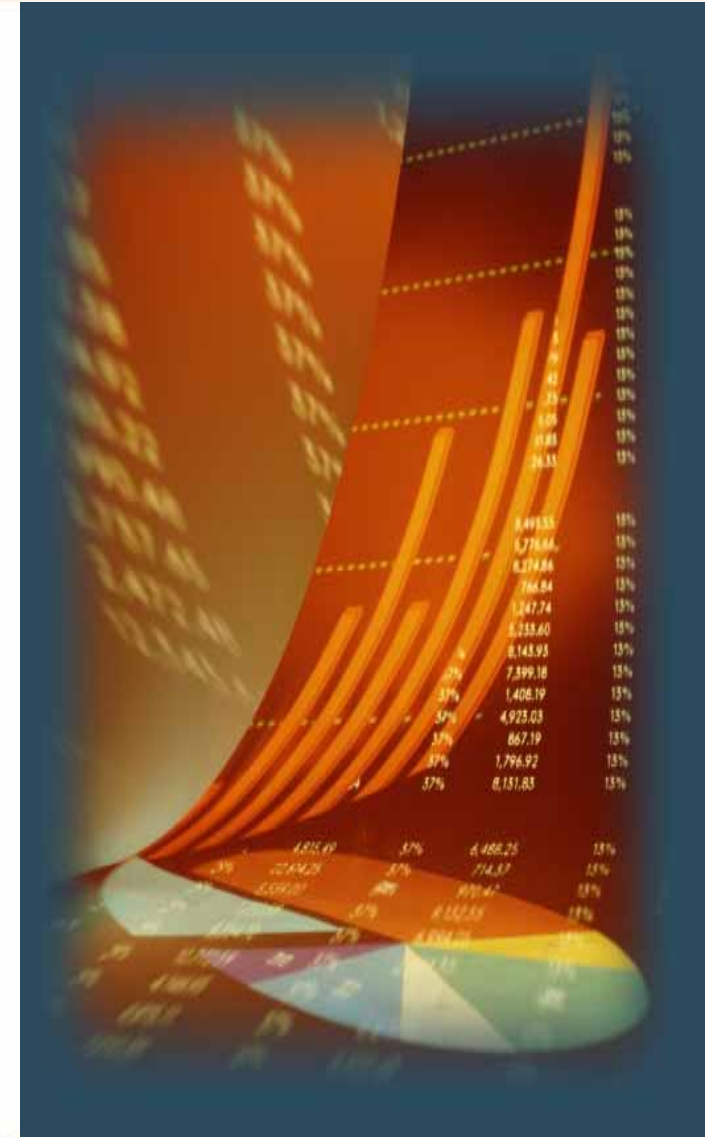
Do-it-yourself checkout lane



Turning Challenges Into Opportunities

■ New Tools

- Sophisticated Internet portals
- Business process re-engineering
- Data analytics/leveraging data
- Integrated systems
- Enterprise thinking
- Performance metrics/success indicators
- Automated asset gathering
- Etc



Turning Challenges Into Opportunities

■ Management Skill Sets

- Planning
- Measuring performance
- Monitoring and working with vendors
- Leveraging staff skills and expertise
- Communicating effectively
- Promoting transparency
- Ensuring data security



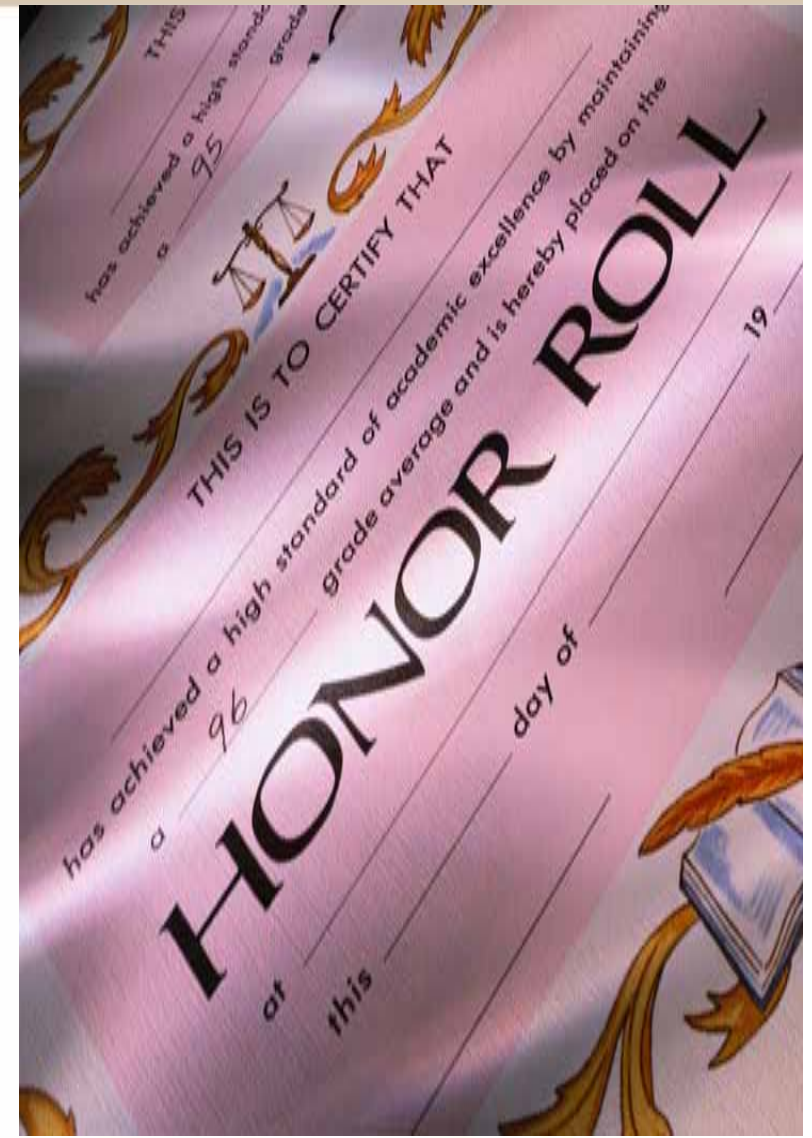
Opportunities Realized

- eFiling, ePayments
- Approved strategic, business, and technology plans
- Service Oriented Architecture (SOA)
- Substantial menu of web based services



Opportunities Realized

- Taxpayer surveys and established outreach programs
- Public-private partnerships
- Measurable reduction in the tax gap
- Most taxpayer contacts are "one and done"



Achieving Nirvana

- Customer centric organization
- Data driven decisions
- A fair tax system
- A strong organization
- A measurable increase in Agency efficiency and effectiveness

Commitment to innovation
Willing to take on and manage risk
Forward looking decision making
Earned autonomy based on responsibility
Preservation of resources for contingencies



Achieving Nirvana

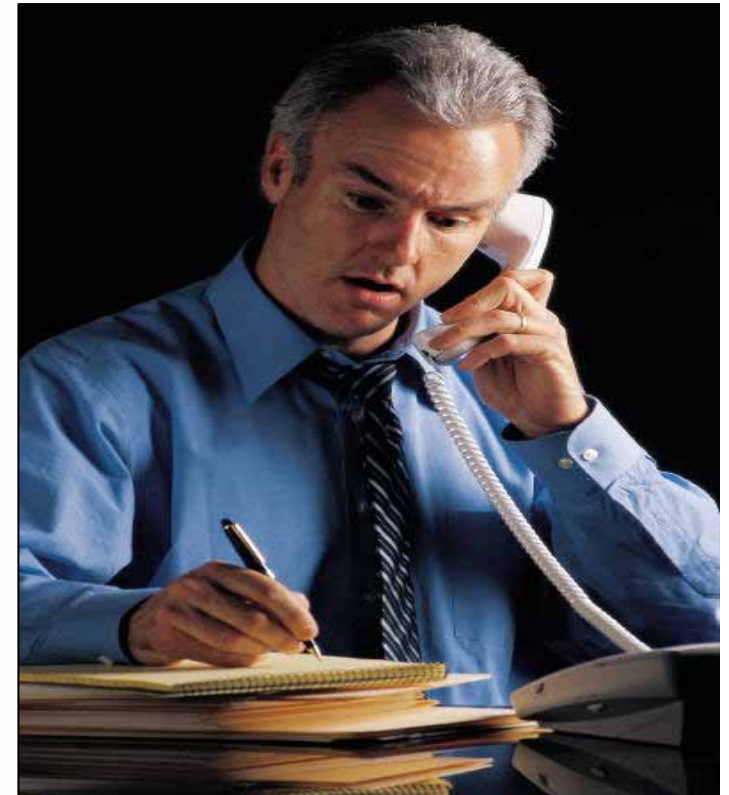
- Enterprise thinking
- Safeguarded taxpayer information
- Reduced transactional costs
- Achieved compliance and service goals

End “not invented here” culture
Lead a cultural revolution in your agency
Hire more anthropologists and social
psychologists and fewer technicians
Tie budgets to breakthrough projects
Observe customers to discover what they
want, then satisfy them



Get Started

- **Do some serious strategic planning**
 - Unleash employee ingenuity
 - Tap employee knowledge and commitment
- **Perform an operational review**
- **Develop a succession plan**
- **As Stakeholder how you are doing**



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