

PART FIVE

1. Please describe how the process evolved in your organization to move to an automated processing system.

- AL- The current system technology was 10 years old with no capacity for growth. Therefore, it was imperative that the system be replaced.
- AZ- Y2K related issues.
- FL- Mandatory EDI Program for Sales and Use Tax, May 1997- \$5.4 billion: 340,000 returns. Motor Fuel, January 1999. Image System- July 1997. Two million documents fiscal year 1997-98.
- IA- We currently use a remittance processor for payment processing only. We capture limited data on the payment coupon via a scan line.
- KS- Gradual: One form first year; Enhancements to process second year; Expansion to nine forms in third year.
- KY- In 1996 Commonwealth agencies were given an opportunity to receive seed money for technology initiatives through the Empower Kentucky Program. The monies were granted based on the best enterprise business plans for the use of technology to improve government services. This gave KRC the ability to re-engineer their processes to facilitate faster and more efficient data capture.
- LA- The desire to work in an image based environment was the driving force for an automated processing system.
- ME- Three year conversion.
- MD- IBM requested to partner with us to develop a tax processing application for image technology. We were eager for the project in order to reduce data entry costs and accelerate the processing of the tax returns.
- MA- Needed to reduce manual data entry and reduce costs.
- MN- Sales tax reengineering introduced the need for scanning tax forms. We scan approximately 800,000 sales tax returns each year.
- MO- Department of Revenue moved from strictly OCR processing to OCR-ICR in 1996. We were very familiar with OCR technology.
- PA- Because of new legislative requirements and expensive/error-prone out-sourced data-entry, the Department decided to implement imaging-based remittance processing, image-based data reduction, and image-based forms storage and retrieval. This was done through a phased approach, beginning with remittance processing in 1995, and coupon-sized documents data reduction/storage-retrieval in 1997. Approximately 7 million business tax returns and corresponding checks are processed annually. The next phase, 8.5 x 11" forms, involved individual taxes and was implemented in 1998. Approximately 5.6 million returns (31 million pieces of paper) are processed by this part of the system. The next major phase will involve corporate taxes and several major registration processes.
- WA- In 1989 we began microfilming our tax documents moving from a paper based filing system. In 1994/95 we implemented the current barcode scanning of the period/year data and taxpayer identification number for indexing purposes.
- WI- April 1995 started scanning Exposition Tax returns (30000/year). Started Sales Tax in 1996 (1 million/year), Individual Income forms WIZ and 1A in 1997 and 1998 (500000/year), and ELF/Telefile signature documents 1997 (300,000/year).
- WY- Specific project in 1990 to implement image system with ICR on tax forms.

2. If you could improve your current system, how would you do so?

- AL- We would first focus on the forms. Currently the forms (especially the 8_ x 11 and greater) are not conducive to process automation.
- AR- Start scanning certain forms.

- FL- Adding additional taxes; Enhanced recognition capabilities.
- IL- Increase the utilization of alternative filing methods.
- IA- We use data entry scanning equipment currently. We looked at a re-engineering project and requested funding. The funding was not granted. We are currently moving towards electronic reporting & filing, such as telefiling & the use of the internet.
- KS- Ensure all forms have cross foot verifications that can be forced.
- LA- Replace remittance system with the latest technology available to take advantage of check and full size form processing and courtesy amount read.
- MA- Works great!
- ME- Improve forms recognition OCR accuracy, ability to key verify specific fields by a second individual to improve accuracy and workflow routing of documents.
- MD- The improvements we would like to see are as follows:
 1. Develop a more efficient method to add additional documents to the taxpayer's file.
 2. Integrate the remittance processing with the imaging of tax returns.
 3. Integrate a correspondence control system with the imaging of tax returns.
- MN- Expand to scan different types of forms.
- MO- Increase taxpayer awareness in filling the form out correctly.
- PA-
 1. Remove the W-2 from the imaging process for Individual taxes, thereby eliminating different size forms within same transaction, thereby speeding up scanning for 8.5" x 11".
 2. Develop a better key-from-image facility for variant forms received that do not meet our standard ICR-OCR forms definitions and formats.
 3. Develop better tracking and forms statistics for the image capture-ICR/OCR character correction process.
- WA- We have selected a business partner in designing and implementing a new electronic document imaging system. Initially, this will replace our current microfilming process and then move into automated data capture of tax information and workflow processes.
- WI- Easier for users to retrieve images, better image quality, upgrade to Version 6.
- WY- Update character recognition platform to obtain higher percent of correct reads on tax forms.

2. What do you perceive as the greatest benefits of your forms automation system?

- AL- The scannable coupons where nearly all the information that must be data captured is in the OCR scan line. The information is captured, passed, & populated for data capture with little manual entry.
- AR- Faster Processing.
- FL- Reduced cycle time; Access to image within 10 seconds via intranet application. Print bills/credits in 50% less time.
- IA- Increased taxpayer service, accuracy, & multiple sources of availability.
- KS- Image of documents for further review. Quicker deposit process. Independent document processing of a return instead of a batch.
- KY- Improves the accuracy of the data residing in host systems. It also eliminates the barrier placed by a manual data entry process, i.e. more data can now be collected by a scanner rather than only manually data entering the minimum amount of data needed to process a form.
- LA- Ability to reduce front end processing time.
- MA- Reduced data entry and reduced costs.
- ME- Image retrieval allows for nearly instantaneous retrieval of forms. This allows our examiners to answer taxpayer questions quickly.
- MD-
 1. No expensive and labor intensive data entry.
 2. Reduced storage cost and space.
 3. Receipt of tax return can be ascertained much earlier in the processing.
- MN- Less manual data entry. Difficult to hire and retain excellent data entry staff.
- MO- Less data entry, Less paper movement

- PA- The following productivity increases: 600% remittance processing; 500% document preparation; 400% data entry/character correction; and document ?image retrieval) reduced from 5 days to 5-20 seconds depending on image size.
- UT- Efficiency and Error reduction.
- WA- Accounts posted faster, more efficient, less full-time employees, less costs to organization, & less data entry.
- WI- Reduction of paper storage and retrieval and lost returns. Save on microfilming costs.
- WY- Rapid deposit of funds.

3. What are the biggest disadvantages of your forms automation system?

- AL- None.
- FL- None. Learning curve of employees, non-standard or unapproved forms.
- IA- The overhead cost in approving forms; form preparation as well as a dependency on paper. There are also disadvantages keeping current versions available & having multiple sites to update.
- KS- Higher complexity to manage error in process.
- LA- Forms design is a critical factor in the success of the system; inability to completely control forms is a disadvantage.
- ME- Forms training time and cost. Form/paper preparation is more exacting.
- MD- The biggest disadvantage is the time involved in adding new forms on an annual basis. This is a timely and fairly complicated process.
- MA- None
- MN- Expensive maintenance contracts and obsolescence of equipment.
- MO- Sorting
- PA- We are now dependent on the image rather than the actual hard-copy document or microfilm; therefore, if the image is captured incorrectly or indexed incorrectly (which occasionally happens), we have a difficult time rectifying the mistake. Otherwise, this technology has been a great success with the organization.
- UT- Capital investment.
- WI- Poor access to images-- lack of software and hardware and inability to view image and other screens simultaneously.
- WY- System complexity- requires lots of technical support.

4. Name problems you have encountered while phasing in this system.

- AL- There were very little problems associated with implementation. The project was well planned and executed.
- FL- Scope control, extensive technical knowledge required to maintain system.
- IA- An option that may be possible would be project relating to barcoding.
- KS- ICR read of financial data. Data files not processed while reviewing problems.
- KY- There is a lengthy analysis and forms redesign process to change from a data entry format to a scannable format.
- ME- Forms printing and quality control.
- MA- Training.
- ME-
 1. Stability of processing.
 2. Multiple vendors were involved which sometimes made it difficult to determine liability for problems.
- MO- Software, sorting and poor handwriting.
- PA- The software application for scanning 8.5" x 11" forms does not always meet the requirements posed by the 'real world' condition of the forms received.
- WA- Staff training issues.
- WI- Customer dissatisfaction, lack of human resources for resolving scanning problems (programmers).
- WY- Requires fairly regular performance tuning.

5. If you could change your forms automation system to improve performance, how would you do so?

- AL- Again, first concentrate on redesigning the tax forms to take advantage of process automation opportunities.
- KS- Continue to improve form designers understanding of process need to capture and ICR forms.
- LA- Take advantage of latest technology available.
- ME- Reduce the number of vendor forms standardize whenever possible.
- MD- While we efficiently process 90% of the personal income tax returns using our imaging system, only 10% of the returns were electronically filed. Our preference would be to allow more returns to be electronically filed.
- MA- Approve forms earlier in the year.
- MO- The less handwritten boxes the better.
- MT- Standardization of formats and imaging capacity.
- PA-
 1. One simple form for all individual income filers.
 2. Redesign of the 8.5" x 11" automated scanning process to better handle exception transactions and difficult-to-identify forms.
 3. New redesigned key-from-image facility for deviant forms.
- UT- Present system is very efficient for paper process. Electronic process could improve process.
- WA- We have selected a business partner in designing and implementing a new electronic document imaging system. Initially, this will replace our current microfilming process and then move into automated data capture of tax information and workflow processes.
- WI- Purchase version 6 and devote human resources to "fine tune" the system.

6. What are common problems your organization has encountered with approved forms?

- AL- Sometimes the forms, although previously approved, are received out of specifications, thereby causing processing problems.
- FL- Variations of form after approval by actual preparer (i.e. printer differences based on variation in printers.
- KS- Vendor forms due to variation of printers and inks.
- LA- Submission of photo copies of the forms.
- ME- Receipt of old versions of approved forms. Vendors changing forms after approval, inadequate testing during approval phase causes problems of inconsistency between approved forms.
- MD-
 1. Variance due to different printers.
 2. Version control. Vendors need to advise us of each new release affecting their forms.
- MA- Poor print quality by users.
- MO- Inconsistencies between test and production runs.
- PA-
 1. The satellite office reproduction of a form not equal in quality to the vendor parent office approved form.
 2. Photocopies should not be submitted for imaging, because of various problems that occur when targeting and de-skewing transaction data that must be captured from the form.
- UT- Presently have no recognized policy.
- WA- Currently our agency is very liberal in accepting a variety of formats to report the taxes on the Combined Excise Tax Return. We do maintain a list of vendors that have notified us that they commercially reproduce our forms and would like to be notified when changes are made to our form. In some instances, vendors will submit their drafts of our forms for our review and comments. We respond to those requests with suggested changes that would make the form more consistent with our version.
- WV- Lack of recognition by machine software.
- WI- Taxpayers sent photocopies instead of the original approved form.