

Indiana Department of Revenue 2-D Barcode Program



**Brandee Bastin
FTA Technology Conference
August 14, 2001**

Indiana 2-D Barcode Program

- Pioneer State
- Fastest way to file paper
- “Bridge Between Paper and ELF”
- 1998 = One Form = 132,000+ Filers
- 1999 = Two Forms = 193,000+ Filers = +47%



Technology Partnerships for 1998 and 1999

- Symbol Technology
- Accenture
- H & R Block
- Creative Solutions
- Access Indiana



Tax Year 2000 Expansion in Indiana

- Individual Returns
 - IT-40, IT-40PNR, IT-40EZ, IT-40RNR
- Corporate Returns
 - IT-20, IT-20SC

Individual 2-D Bar Code Program

- 4 Individual Forms
- Over 520,000 Filers
- 172% Increase
- 7 Software Companies =



**CCH, Creative Solutions, Drake,
H&R Block, Intuit, STF, TaxWorks**

Corporate 2-D Barcode Program

- Corporate Forms =
IT-20 and IT-20SC
- Over 2,400 filers
- 4 Software Companies =



CCH, Creative Solutions, STF, Tritech

2-D Barcode States

- Tax Year 1998 = One State = IN
- Tax Year 1999 = Five States =
DE, IL, IN, MO, RI
- Tax Year 2000 = Twelve States =
AL, CO, DE, IL, IN, MI, MO, NH, NJ, NM,
RI, VA
- Tax Year 2001 = Nineteen States

2001 2-D Barcode Forms

- Individual Returns:
IT-40, IT-40PNR, IT-40EZ, IT-40RNR
- Corporate Returns:
IT-20, IT-20SC, IT-20S, IT-65, IT-20NP
- IT-41 (Fiduciary)
- IFTA-101 (Fuel Tax)
- Future: W-2 Project

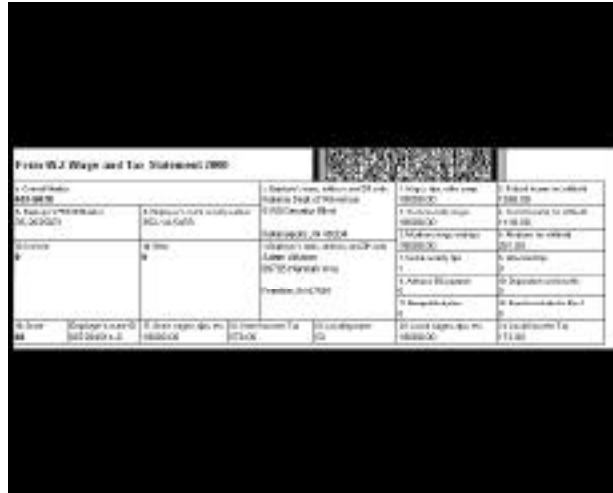
IFTA-101 Project

- Operating Tax Systems (OTS)
 - RoadTax Software
- IFTA Tax Rates change every quarter
- Free 2-D Barcode CD Package w/ Tax Rates for 3rd Quarter 2001
- Sell 2-D Barcode CD Package w/ Tax Rates for following quarters

IFTA-101 Project

- Space is not an issue on the IFTA-101 = Multiple 2-D Barcodes on 1st page of form as needed
- Stringing 2-D Barcodes as needed
- Basic rule with Stringing 2-D Barcodes: If one doesn't scan = Return Rejects

W-2 Project



W-2 Project

- Companies agree to pilot program
- Companies either produce W-2's in-house or use a payroll vendor
- Software Vendors incorporate ability to read 2-D Barcodes into software package
- Tax Preparers will be able to scan W-2's directly into tax preparation program

W-2 Project

- Cannot Use Carbon W-2's
- Copy A will not have a 2-D Barcode
- Paybacks to vendors and practitioners
 - Lessens data-entry time
 - Fewer billings/notices for missing W-2 info
 - Increases accuracy (no data-entry errors)
- Department of Revenue Use
 - Edit Functions and Special Projects
 - District Offices and Taxpayer Assistance Areas



State Benefits

- 95% reduction in time to capture the return
- Reduction in backlog of paper returns
- Reduction in errors on returns
 - 2D Barcode = 6% error rate
 - Paper = 17% error rate
- Reduction in number of telephone calls regarding status of returns

Cost Benefits



- Estimated Cost to Indiana:
 - Hardware: \$40,000
 - Software: \$10,000
- Total One-Time: \$50,000
- Annual Labor Cost: \$20,000
- Annual Cost Savings
 - Labor savings per return: \$.70 to \$1.10
 - Per 150,000 returns: \$105,000 - \$150,000
 - Per 300,000 returns: \$210,000 - \$300,000
 - Per 500,000 returns: \$350,000 - \$500,000

For Additional Information:

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