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Technological Impact of an

Integrated Tax Processing
System.



Agenda

- Background
- Vision
- Current Solutions
- Concerns on Implementation
- Areas of impact
- Project Timeline
- Return on investment and Benefits
- Critical keys to Success

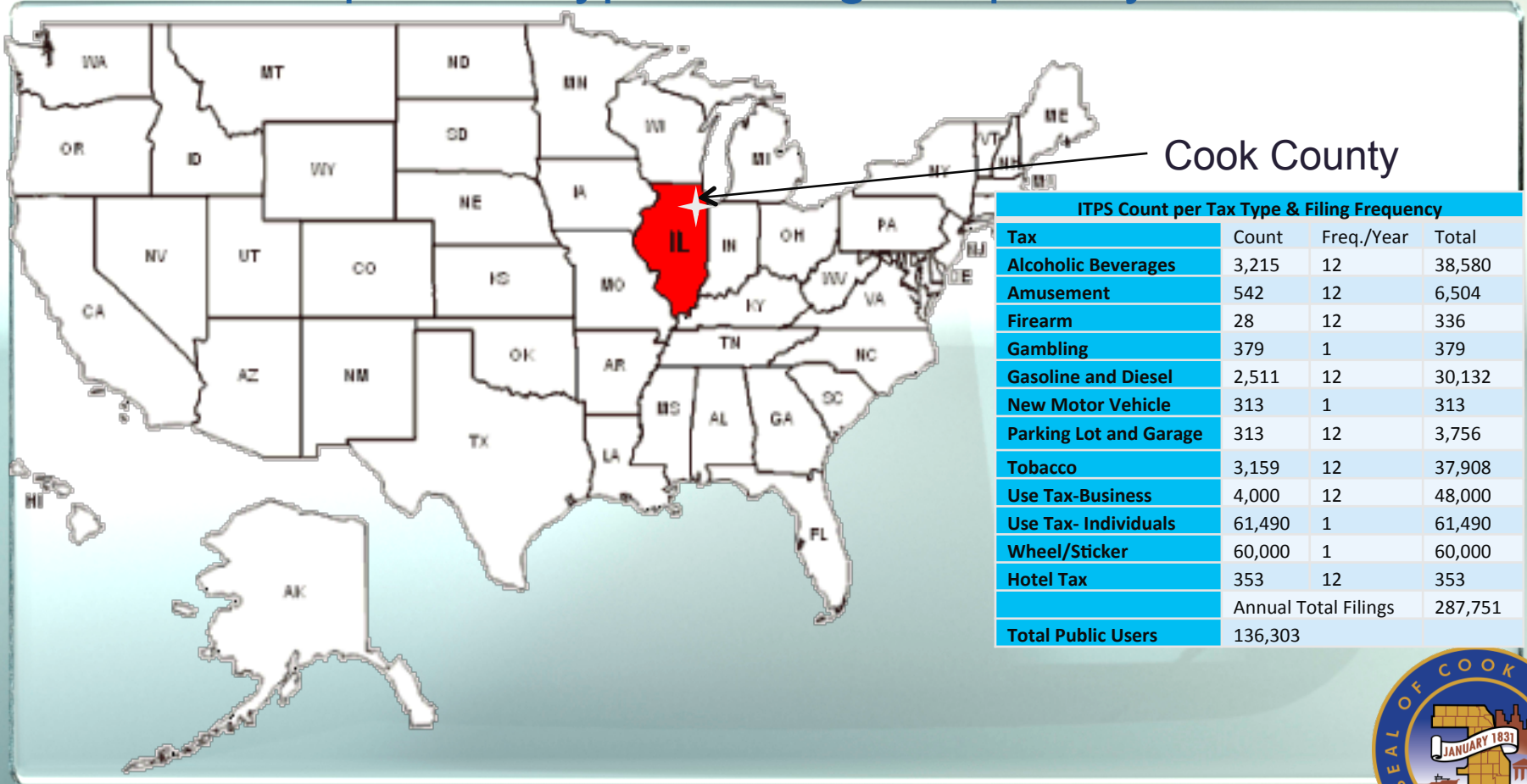


Background

- With a population roughly 5,246,456. More than 40% of all residents of Illinois live in Cook County.
- The Department of Revenue collects and processes over \$460,000,000 in Home Rule Taxes per year.
 - 200,000 transactions
 - Over 3,779 registered taxpayers.
- In FY 2016, revenue projections are approximately \$468,280,000, which includes 13 tax types.



ITPS Count per Tax Type & Filing Frequency



Vision

- In 2010, the Department of Revenue was recognized by the National Association of Counties and, in 2011, by (GFOA) Government Finance Officers Association for its vision for modernization of the Department's operations.
- A key component of this vision was an Integrated Tax Processing System.
- RSI's Revenue Premier was selected through our RFP process.



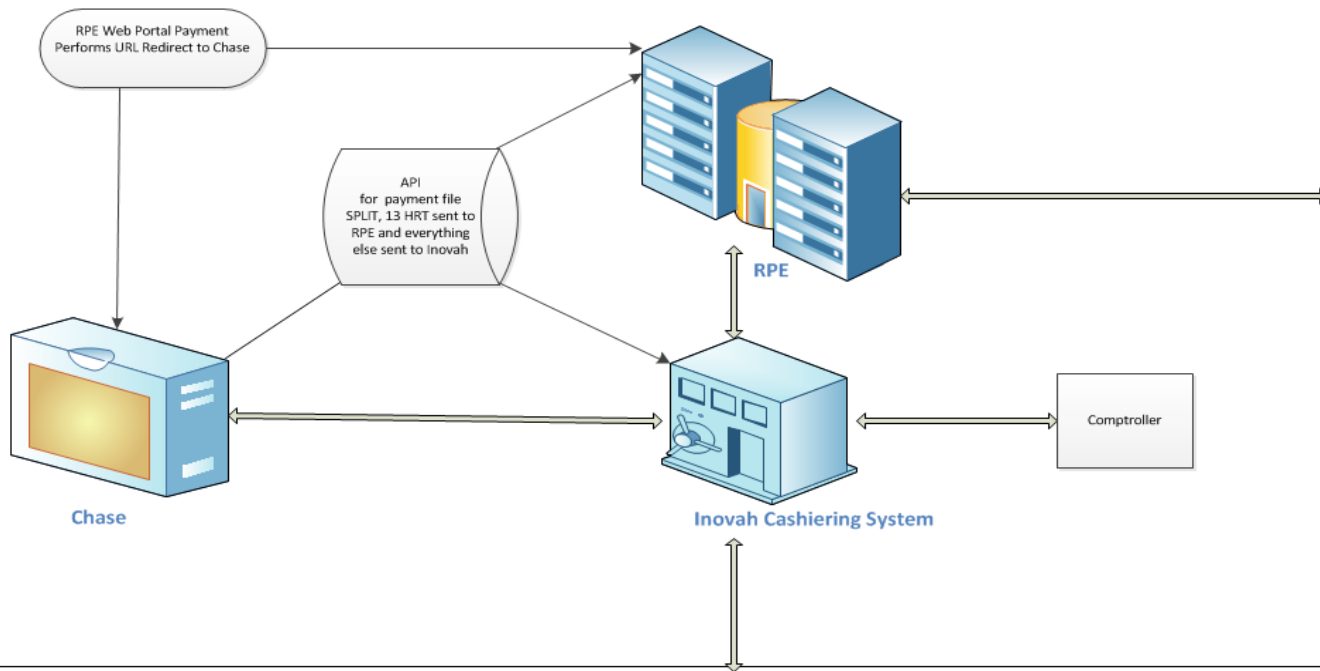
Current Solutions

- The Cook County Department of Revenue currently uses
 - Outdated JD Edwards Accounts Receivable module
 - Mainframe
 - Access databases (DACRA) and spreadsheets
 - Passport (IUT)
 - Delinquency and Deficiency System
 - Clarity System (NRT)
 - Vehicle Sticker DB

- Each payment received is processed or interfaces through our cashiering system, iNovah.



Integrated Tax Processing System Vision



Other Agency Host Systems generate notices /citations/returns



Concerns on Implementation

- Robust front facing portal.
- How many servers to implement in the DMZ? and what to put on the AD's?
- Service accounts and what roles for the AD.
- Integration with other applications, both on going projects and projects about to start.



Areas of impact **Administration**

- Easier implementation of New Tax Types (Hotel Tax).
- So far, we've collected \$5.6M from Hotel Accommodations Tax with 379 registered in RPE. In our first two months of operation.
- The Revenue Premier system allows the Department to utilize its human capital for compliance and revenue enhancing activities.



Areas of impact **Administration**

- Improve Customer Service.
- Increase Productivity, while Reducing Workload.
- No more having to fill Adjustment forms – was done manually.
- These improvements will ensure the Department's continued alignment with the County's organizational goals of Fiscal Responsibility, Transparency, Accountability and Improved Services.



Areas of impact **Collections**

- Revenue Premier's Collections Manager provides several utilities for managing work across the Collection division.
- Revenue Premier's Collections Manager supports and enhances the detailed review of taxpayer data by collectors.
- The system creates a comprehensive "holistic" view of taxpayer information through seamless integration.



Areas of impact **Collections**

- The Department of Revenue can effectively manage our outsourced accounts receivable.
- This functionality incorporates business rules for automatically placing delinquent accounts with the appropriate outside collection agency.
- The ITPS system business rules employ metrics to allow for extensive reporting and tracking.



Areas of impact **Compliance**

- Incorporated into the automated case flows of the system are notice and billing functionality.
- The Correspondence Management service enables DOR to quickly define notices for a new compliance initiative.
- The System facilitate supervisors' involvement in the right cases to maximize return and accelerate completion.

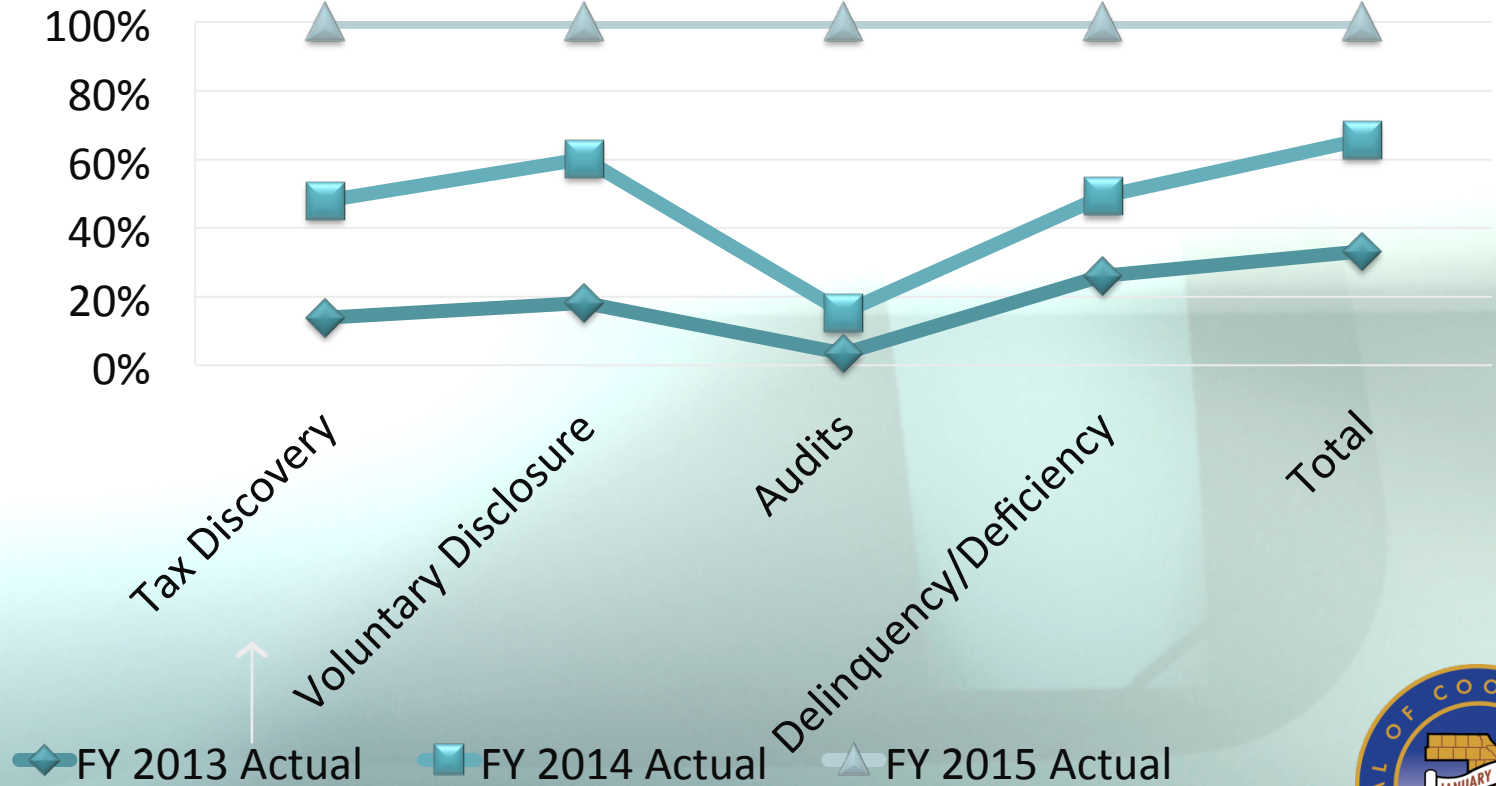


Areas of impact **Compliance**

- ITPS solution provides a single repository of information required to answer taxpayer questions and assist them with their compliance issues.
- All data, including contact information, income sources, returns and payments will be available in the taxpayer portfolios and easily accessible using the web-based user interface/ RPE.
- With ITPS, we can detect specific cases of taxpayer non-compliance, as well as patterns of both compliance and non-compliance.



Line Chart Representation Compliance Data



Areas of impact **Compliance**

- Revenue Premier Audit Manager consists of three core components, Audit Workbench, Workpapers Toolkit and Statistical Sampler.
- Audit Workbench supports the tracking and management of cases throughout the lifecycle.
- Workpapers Toolkit provides auditors with an easy to use, intuitive approach to auditing that compliments the field audit process.



Areas of impact **Compliance**

- Revenue Premier Solution auto calculates returns to eliminate errors.
- Require schedules that provide auditable data.
- Full audit module to standardize work papers and make audits more uniform and efficient.



Integrated Tax Processing System Project Timeline

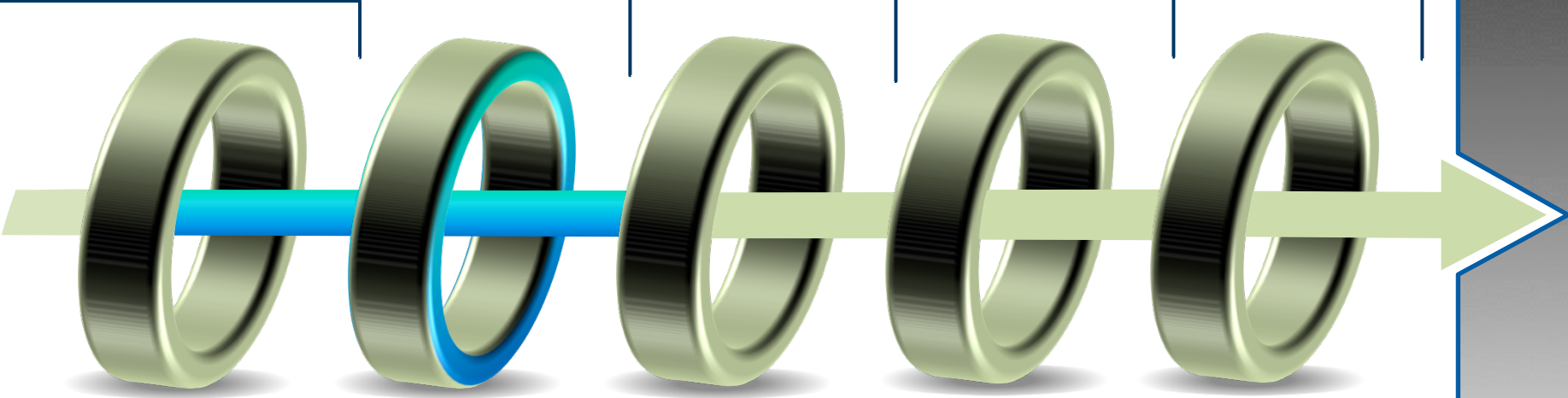
Project Completion: April 2018

Release 2 Go live : March 2018, Gambling Machine Tax, Tobacco Tax, Wheel Tax, Firearm Tax, New Motor Vehicle Tax , Use Tax

Release 1 Go live: January 2017, Hotel Tax, Gasoline & Diesel Tax, Parking Lot & Garage Owners Tax, Amusement Tax, Alcoholic Beverage Tax

Release 0 Go live: July 1st 2016 Hotel Tax

Kickoff: Oct 2015



Return On Investment and Benefits



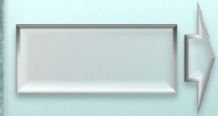
The Integrated Tax Processing System offers a complete Web based System, that allows tax payers to register, file, and pay their taxes online.



DOR is projecting an increase in revenue, across all tax types, in excess of \$5M in the first full year of implementation as well as an annual increase of \$4M thereafter.



It provides a full suite of processing and administration functionality for home rule taxes and various other taxes and fees administered by DOR.



It provides a more digitized department leading to greater control, accountability, operational security and paper reduction.



Return On Investment and Benefits contd.

- ➡ Increase in voluntary compliance levels in future tax years, combined with the effectiveness of targeted initiatives designed to address the tax gap.
- ➡ Increase our Tax Base 10-20 thousand plus in next 2yrs i.e. Retail Registration for Liquor & Diesel, plus Individuals doing Use Tax.
- ➡ Helps consolidate, automate, and reengineer County's current processes for revenue collection, compliance and enforcement, and improve customer service overall.
- ➡ It helps address the complexities that auditors face during auditing process, to help make certain that all audit resources are as productive as possible.
- ➡ Eliminate data storage redundancy, enhance data integrity and easy implementation of new tax types.



Critical keys to Success

- Executive support, dedicated resources and commitment to the project.
- Overall project governance and good communication between all parties involved in the project.
- Integration with other applications both on going projects and projects about to start.
- Clear accountability and ownership of each team for all required project task.
- Achieving time-based goals, based on quantifiable and specified set objectives.



Questions

