

Iowa Department of
REVENUE

January 22, 2020

About IDR

Mission

- To serve Iowans and support state government by collecting all taxes required by law, but no more.

Vision Statement

- Iowa will be a state where it is easy to understand and comply with tax obligations for all Iowa tax filers.

Tax Administration & Revenue Collection

- In FY 2019, IDR collected over \$10.9B in taxes and issued \$1.2B in refunds to taxpayers resulting in net deposits of \$8.9B to the State.
- In FY 2019, IDR processed over 2.5M tax returns.

Iowa Department of Revenue **MODERNIZATION**

The Department is delivering **elevated interactions** through integrated, **user-friendly tools**, with the flexibility to meet **Iowans' changing needs**.



Customer Centric



Collaboration



Data & Analytics



Self Service



User Friendly



Secure



Data & Analytics

Secure

tax.iowa.gov/modernization

Iowa Department of Revenue MODERNIZATION



Customer Centric

Services and processes built around the needs of Agency constituencies, that create efficiencies and provide an improved experience



Self Service

Tools and resources that enable taxpayers to be more self-sufficient, being better able to perform more transactions and activities without assistance



Collaboration

Enhanced information sharing capabilities, both internal and external to the Agency, facilitating better collaboration



User Friendly

Services designed for specific user groups – taxpayers, Agency Staff, and other constituencies – that are more user friendly



Data & Analytics

Improved business intelligence and data analytics capabilities through the reduction of data silos, consolidation of business critical information, and improved data management practices

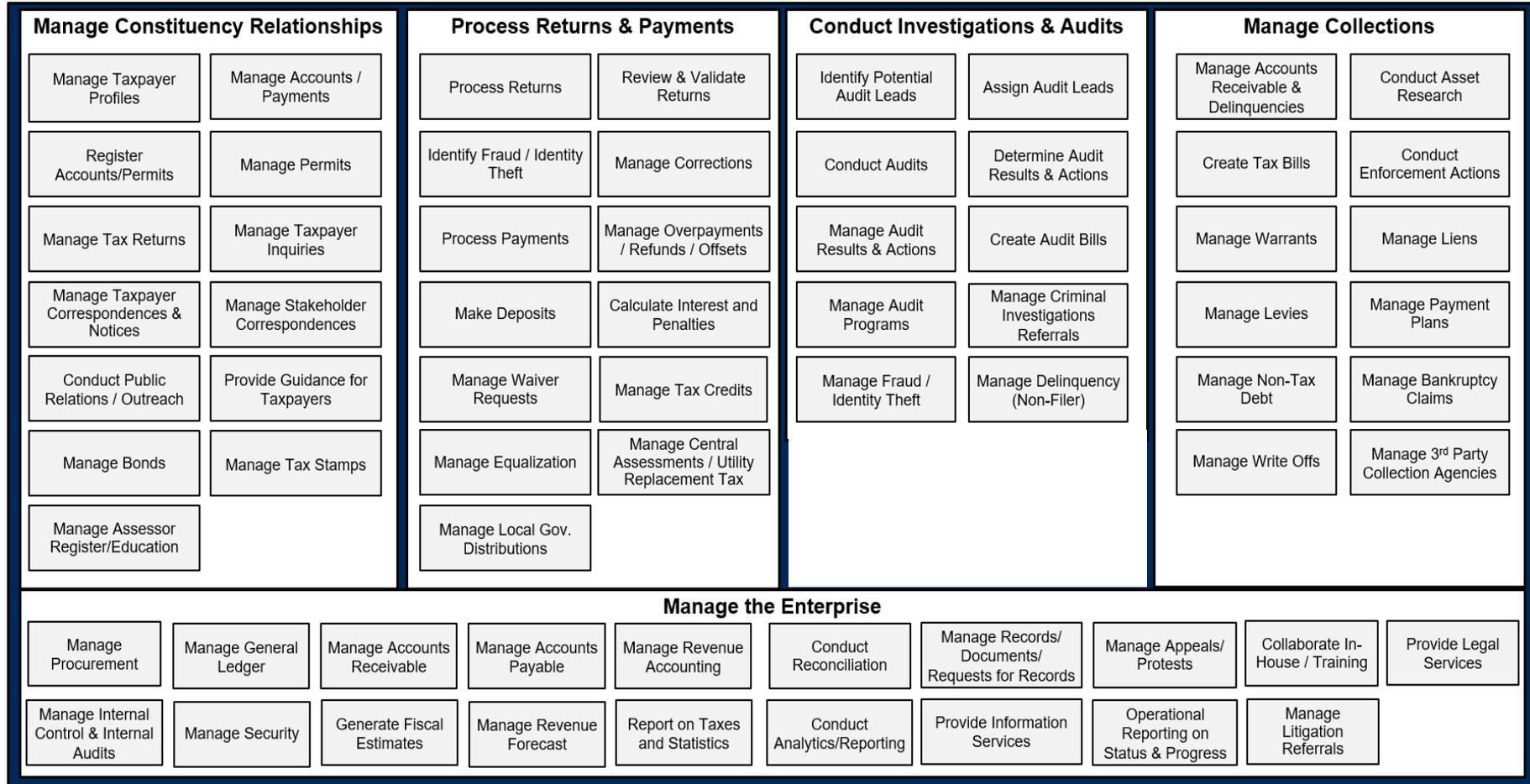


Secure

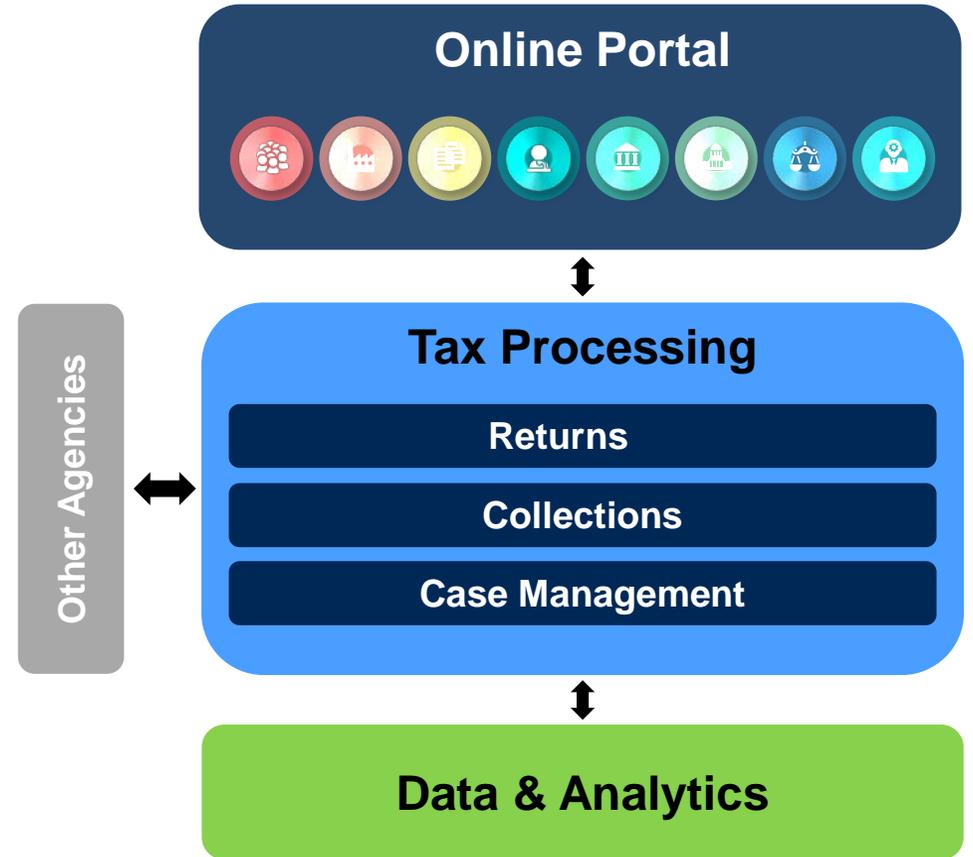
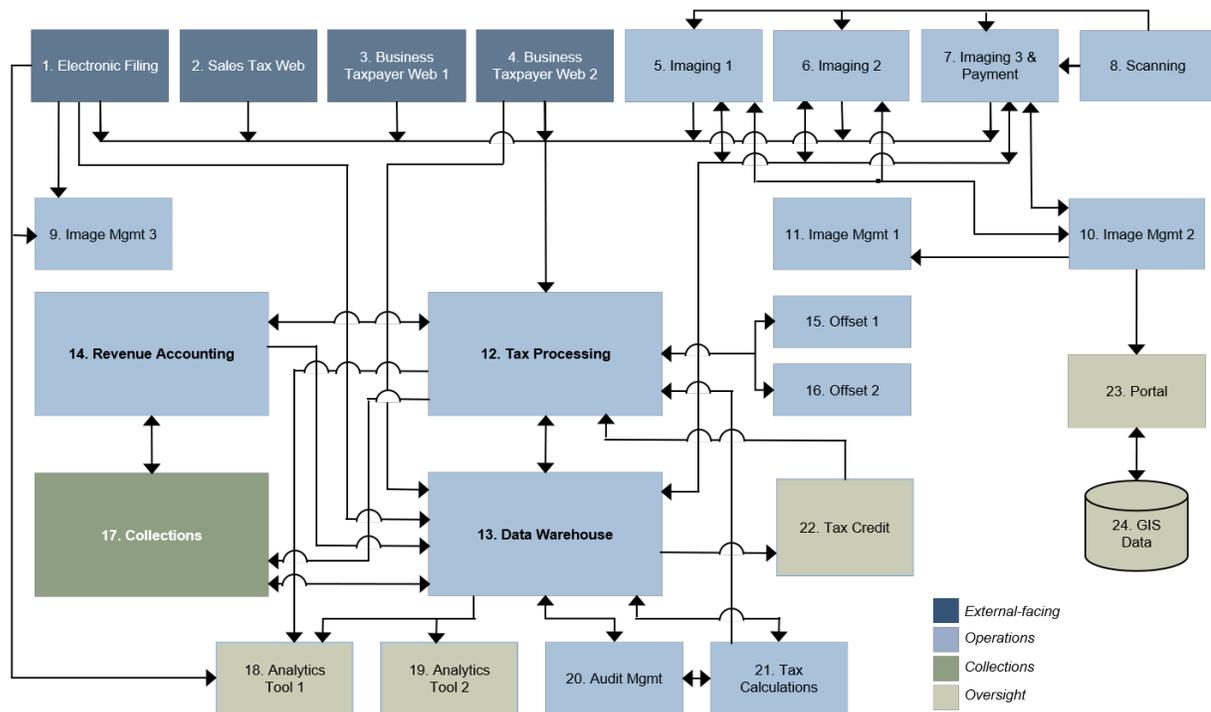
Ensure and continue to enhance the security of data and privacy through advanced cyber and information security resources

Modernization Program

Recommended Scope: IDR partnered with DOM and Gartner to complete a Value Stream Map, identifying necessary processes for the scope of the program.



Looking to the Future



Providing Solutions for Identified Gaps

Today:

- Taxpayer information is not managed holistically. 
- The systems lack functionality (taxpayer portal). 
- Not scalable or configurable. 
- Complex architecture makes adding functionality risky. 
- System updates managed through batch processes. 
- Encourages operation in “silos.” 

Future:

- Single view of the taxpayer.
- Secure, on-demand taxpayer portal.
- Web-based, configurable, scalable, and license-based.
- Modular architecture providing flexibility and ease.
- Realtime, streamlined services and processes.
- Enhanced sharing and collaboration capabilities both internally and externally.

Benefits of Modernization

For Taxpayers:

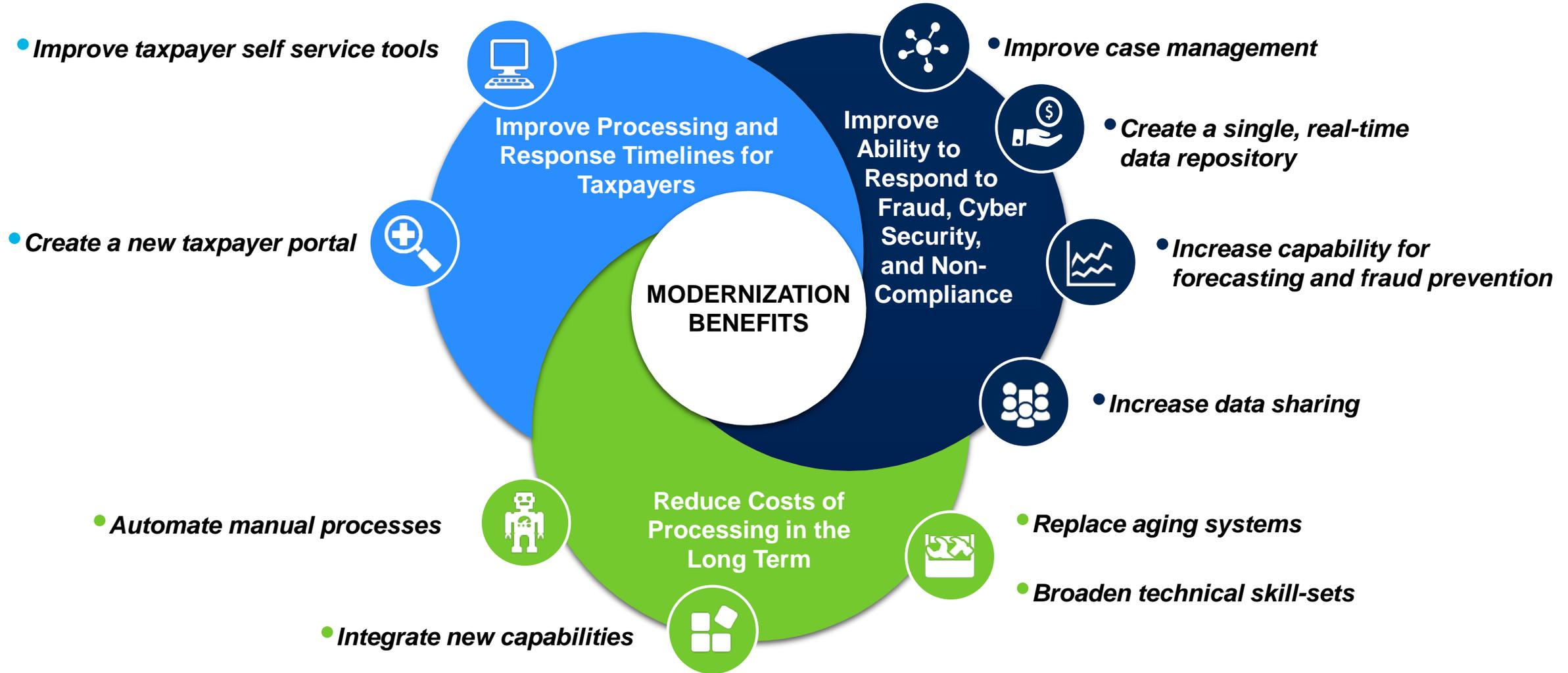
One online portal that provides access to:

- Account information for all tax types
- Correspondence with the department
- Self-help tools and resources to make it easier to understand, file, and pay taxes
- Real-time data and account balances

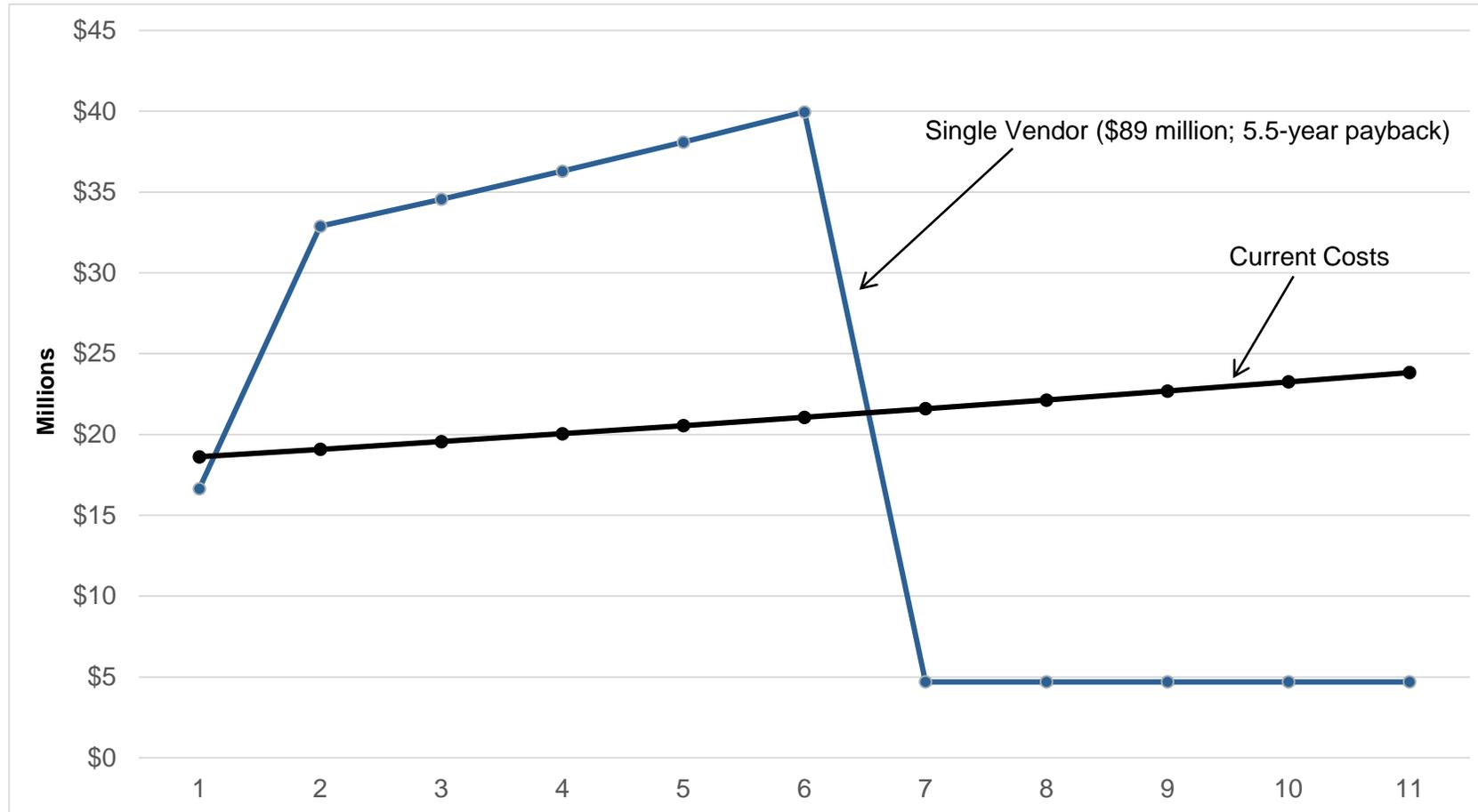
For IDR Employees:

- One single system (with one login)
- Single-view of the taxpayer
- Accurate and real-time data
- Intuitive and easy-to-use to simplify employee onboarding and training
- Improved business intelligence and data analytics with enhanced sharing capabilities

Benefits of Modernization



IDR will realize significant cost savings



Anticipated Deployment Timeline

FY 2021	FY 2022	FY 2023
State Use Withholding	Corporate Income	Equalization
Income Withholding	S Corporation	Monies & Credits
State Sales	Partnership	Recorders Monthly Report
Retail Use	Franchise	Motor Vehicle One-Time Registration
Hotel/Motel	Tax Credits	Household Hazardous Materials
Local Option Sales	Individual Income	Cigarette
Consumer Use	Fiduciary	Tobacco Products
E911 Fees	Inheritance	Drug Stamp
Auto Rental	School District Surtax	Rent Reimbursement
Water Service Excise	Emergency Medical	Utility Replacement
Motor Fuel	Non-Tax Debt	State-Wide Property
Estimated Payments		Central Assessments
Alcoholic Beverages Division Registration		Local Government Credits
Lottery Registration		

Estimated Investment for Tax Modernization

- An initial investment of approximately \$90M over a 5-year period will be required.
- This investment will be used to procure and implement a modern commercial off-the-shelf (COTS) integrated tax processing system from a single vendor.

Overview

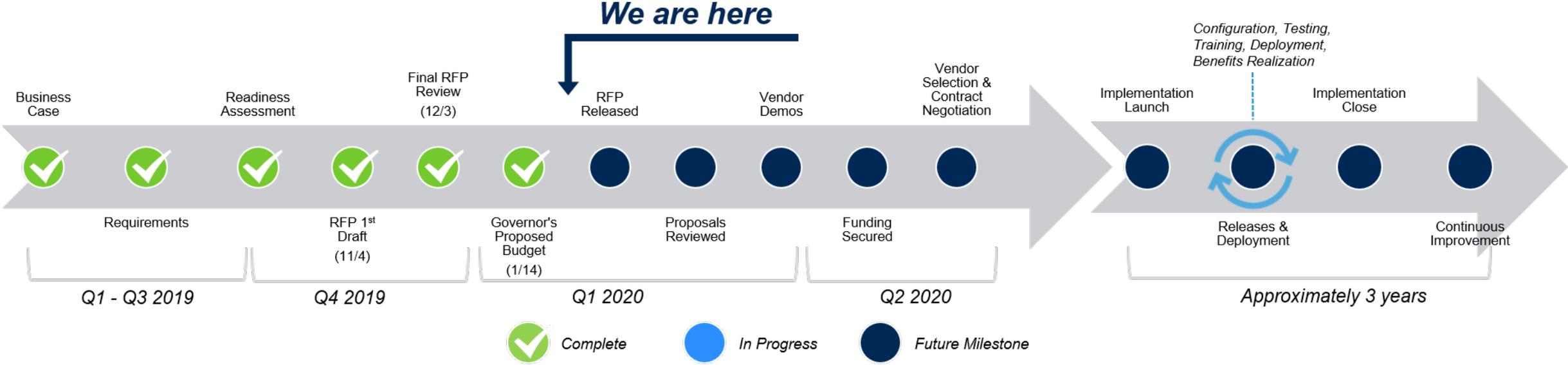
Fiscal Year	Amount
2020 (Procurement)	\$1.7 M
2021	\$16.8 M
2022	\$17.2 M
2023	\$17.6 M
2024	\$18.1 M
2025	\$18.5 M
TOTAL	\$89.9 M

FY 2020

Task	Amount
Business Case	\$.22 M
Readiness Assessment & RFP	\$1.2 M
Organization Change Management	\$.27 M
TOTAL	\$1.7 M*

* \$1,070,460 FY20 Technology Upgrade Appropriation

Next Steps



Overview

The Tax Modernization Program is for IDR to procure an integrated, modern, single-vendor COTS tax solution in order to keep pace with the demands of a digital society.

This solution will allow IDR to administer taxes as required by law with the speed, efficiency, and effectiveness the public expects.

Key benefits expected from a single-vendor COTS solution:

- Improved operational efficiency
- Greater insight and agility
- Reduced risk