

Wisconsin Department of



Revenue

**Wisconsin Department
of Revenue**

2017-2019 Biennial Report



State of Wisconsin • DEPARTMENT OF REVENUE

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Tony Evers
Governor

Peter W. Barca
Secretary of Revenue

October 18, 2019

The Honorable Tony Evers
Governor of Wisconsin
115 East Capitol
Madison, WI 53702

Jeffrey Renk, Senate Chief Clerk
State Capitol
Room B20 Southeast
Madison, WI 53707

Patrick Fuller, Assembly Chief Clerk
Risser Justice Center
17 West Main Street, Suite 401
Madison, WI 53708

Dear Governor Evers and members of the Wisconsin State Legislature:

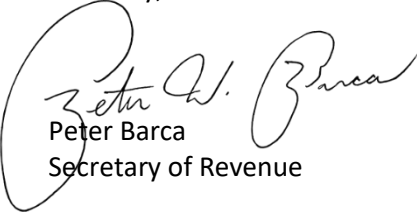
The Wisconsin Department of Revenue respectfully submits its 2017-2019 biennial report. This report provides an overview of the agency's operations, accomplishments during the biennium, and goals for the 2019-2021 biennium.

In the upcoming biennium, I will promote the agency's goals, which are to:

- Implement fair and consistent tax policy.
- Deliver excellent customer service to individuals and businesses.
- Operate the department efficiently and effectively.
- Maintain a positive work environment.
- Provide up-to-date economic data and fiscal analysis.

We will work to wisely use taxpayer dollars in operating the agency in a manner to effectively serve all the taxpayers, partners, and customers we are privileged to serve.

Sincerely,


Peter Barca
Secretary of Revenue

Agency Overview

The Wisconsin Department of Revenue:

- Administers the state's major tax laws, including the collection of individual income taxes, sales taxes, corporate income taxes and excise taxes
- Assists local governments in property assessment and financial management
- Administers programs that provide state shared revenue to local governments
- Estimates state revenues and forecasts state economic activity
- Helps formulate state tax policy
- Enforces the state's alcohol and tobacco laws
- Administers the Wisconsin Lottery, which provides property tax relief for homeowners

Our Mission

Our agency administers Wisconsin's tax and lottery systems to provide revenue to fund state and local government services. We strive to provide taxpayers with clear information about our tax laws, promote voluntary compliance, and assure tax collection fairness.

Our Structure

- **Office of the Secretary** provides department-wide leadership on administrative operations and is responsible for administering state and local taxes in a fair, efficient and equitable manner, while advocating sound tax and fiscal policies.
- **Office of General Counsel** provides legal counsel to agency officials, litigates tax cases, reviews proposed administrative rules and tax legislation, and works with other state agencies on legal matters.
- **Income, Sales and Excise Tax Division** administers the collection of individual income, employee withholding, corporate franchise/income, state and county sales/use, estate, excise, recycling, and other tax types, as well as homestead, earned income, and other tax credit programs.
- **State and Local Finance Division** calculates statewide property equalization, conducts property assessment services for manufacturing and telecommunication company properties, assesses and collects certain taxes, and certifies assessors across the state. It also administers the state's shared revenue and property tax relief payments for municipal services, as well as the lottery credit and the tax incremental financing programs.
- **Technology Services Division** administers technology services for all parts of the department, including data administration, applications development, server and network support, data collection and technology planning. The division also establishes and manages information technology standards, polices and guidelines that ensure a secure environment for electronic transactions.
- **Enterprise Services Division** provides department-wide administrative support for the agency, including budget and financial management, business planning and performance measurement, records management, printing, mail processing, fleet and facilities management, personnel, affirmative action, employee development, and employment relations.
- **Research and Policy Division** provides detailed analyses of fiscal and economic policies to the Secretary of Revenue, the Executive Office and other state officials. The division assesses the impact of current and proposed tax laws, prepares official general fund tax revenue estimates used to develop the executive budget, issues quarterly forecasts of the state's economy and develops various statistical reports.
- **Wisconsin Lottery Division** administers the Lottery to provide property tax relief for Wisconsin taxpayers.

Department of Revenue Major Program Goals and Objectives

The department has developed the following goals that reflect the outcomes the department seeks to achieve: implement fair and equitable tax policy; improve customer service to individuals and businesses; and operate the department efficiently and effectively, while identifying opportunities to implement Lean Government initiatives.

Program 1: Collection of Taxes

- Goal: Ensure accountability through enforcement of tax laws
 - Objective/Activity: Delinquent tax collections per fiscal year
 - Objective/Activity: Collect debts owed to state agencies, courts, the legislature, state authorities and local units of government (Statewide Debt Collection Program)
 - Objective/Activity: Use analytics to detect and prevent fraudulent returns or credits
 - Objective/Activity: Enforcement cost per dollar impact
- Goal: Promote efficiency and integrity
 - Objective/Activity: Growth in individual income, corporate franchise/income, and sales/use tax returns received electronically
 - Objective/Activity: Average processing time for tax returns
- Goal: Provide excellent customer service
 - Objective/Activity: Average hold time and answer rate for customer service call center
 - Objective/Activity: Department employees are considered professional and knowledgeable by customers

Program 2: State and Local Finance

- Goal: Ensure equitable tax compliance, collection and property valuation
 - Objective/Activity: Increase availability of electronic means of doing business

Program 3: Administrative Services and Space Rental

- Goal: Maintain a positive work environment
 - Objective/Activity: Percentage of target group members in agency workforce

Program 4: Unclaimed Property

- Goal: Promote efficiency and integrity
 - Objective/Activity: Process unclaimed property claims within 90-day statutory limit

Program 8: Lottery

- Goal: Achieve the highest possible revenue for property tax relief by offering entertaining and socially responsible games, while ensuring integrity and public trust.
 - Objective/Activity: Increase the amount available for property tax relief over the prior year.

Department of Revenue Major Program Goals and Objectives

PERFORMANCE MEASURES

2017 AND 2018 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2017	Actual 2017	Goal 2018	Actual 2018
1.	Collection of delinquent taxes.	\$227 million	\$279.8 million	\$227 million	\$297.3 million
1.	Enforcement cost per dollar impact.	\$0.095	\$0.0844	\$0.095	\$0.0913
1.	Percentage of individual income (II), sales tax (ST), and corporate (C) returns received electronically.	87% (II) 95% (ST) 90% (C)	85% (II) 94% (ST) 89% (C)	87% (II) 95% (ST) 90% (C)	88% (II) ¹ 95% (ST) 97% (C) ¹
1.	Average processing time for individual income tax returns.	E-filed no further review: 5 days E-filed further review: 40 days Paper no further review: 25 days Paper further review: 45 days	E-filed no further review: 1.1 days E-filed further review: 34.0 days Paper no further review: 13.2 days Paper further review: 31.7 days	E-filed no further review: 5 days E-filed further review: 40 days Paper no further review: 25 days Paper further review: 45 days	E-filed no further review: 1.2 days E-filed further review: 30.9 days Paper no further review: 16.0 days Paper further review: 31.1 days
1.	Average hold time/answer rate for customer service call center.	90 seconds hold time 97.8% answer rate	43 seconds hold time 99.4% answer rate	90 seconds hold time 97.8% answer rate	88 seconds hold time 97.57% answer rate
2.	Percentage of forms and reports received electronically.	95%	96.1%	95%	96%
3.	Percentage of target group members in agency workforce.	12.5%	15.7%	12.5%	16.1%
4.	Process unclaimed property claims within 90 days.	100%	100%	100%	100%
8.	Percent change in funds distributed for property tax relief from prior year.	1%	15.9%	1%	-7.1%

Note: Based on fiscal year.

¹ Percentage through August 21, 2018. Extension returns not filed until November 15th.

Department of Revenue Major Program Goals and Objectives

PERFORMANCE MEASURES

2019, 2020 AND 2021 GOALS

Prog. No.	Performance Measure ¹	Goal 2019	Actual 2019	Goal 2020	Goal 2021
1.	Collection of delinquent taxes.	\$290 million	\$322.2 million	\$290 million	\$290 million
1.	Enforcement cost per dollar impact.	\$0.095	\$0.0827	\$0.095	\$0.095
1.	Fraudulent returns stopped, incorrect refunds/credits reduced or denied.	\$47.2 million	\$55.4 million	\$47.2 million	\$47.2 million
1.	Statewide debt collection program	\$32.95 million	\$62.4 million	\$37.39 million	\$37.39 million
1.	Percentage of individual income (II) sales tax (ST) and corporate (C) returns received electronically.	85% (II) 95% (ST) 90% (C)	87% (II) 95% (ST) 81% (C)	87% (II) 95% (ST) 90% (C)	87% (II) 95% (ST) 90% (C)
1.	Taxpayer survey results	95% professionalism 95% knowledgeable	98.8% professionalism 98.9% knowledgeable	95% professionalism 95% knowledgeable	95% professionalism 95% knowledgeable
1.	Average processing time for individual income tax returns.	8 days	4.9 days	8 days	8 days
1.	Average hold time/answer rate for customer service call center.	90 seconds hold time 97.8% answer rate	55 seconds hold time 98.54% answer rate	90 seconds hold time 97.8% answer rate	90 seconds hold time 97.8% answer rate
2.	Percentage of forms and reports received electronically.	95%	96%	95%	95%
3.	Percentage of target group members in agency workforce.	14.5%	16.14%	14.5%	14.5%
4.	Average processing time for unclaimed property claims	40 days	44 days	40 days	40 days
8.	Percent change in funds distributed for property tax relief from prior year.	1%	38%	1%	1%

Note: Based on fiscal year.

¹Many performance measures have been significantly revised in order to reflect new programs, goals, objectives and activities for the new biennium.

Accomplishments and Goals during 2017-19 Biennium

Office of General Counsel (OGC)

OGC PROGRAM: Provide timely, high quality, and efficient legal services OGC provides timely, high-quality, and efficient legal services to the department and represents it in tax appeals at the Wisconsin Tax Appeals Commission, appeals of ad valorem assessments of telecommunications and other companies in state circuit court, and collection matters in state circuit court and federal bankruptcy court.

2017-2019 Biennium Accomplishments

- All garnishment requests and letters are now issued using WINPAS templates, the department's custom-built software system, resulting in speedier issuing of garnishments.
- All supplemental examination paperwork is now issued and tracked with WINPAS templates, resulting in speedier issuance of supplemental examination orders.
- Obtained decisions ruling that:
 - Laundry services were not fairly characterized as management services exempt from sales and use tax.
 - Processing of river sand to remove pollutants was subject to sales and use tax.
 - Imposition of excise tax by volume rather than percentage is the correct interpretation of the statute and is constitutional.
 - DOR properly valued AT&T property for ad valorem purposes.
 - An airline that did not have 45 actual flights per day departing did not qualify under the statute for the "hub exemption" to property tax in 2013 and 2014.
 - In order for a research credit to be carried forward, the underlying claim must be filed within 4 years of the unextended due date of the tax return for the tax year in which the qualified research expense is incurred.
 - An individual's federal income tax was subject to the IRC limitation for purposes of calculating taxpayer's Wisconsin itemized deduction credit for 2015.
 - Specialized installation tool kits provided with prosthetic devices are subject to Wisconsin sales tax.

OGC PROGRAM: Provide timely, expert, and fair appeal review Appeals are handled through correspondence, telephone and informal conferences. Taxpayers may appeal the actions of the Resolution Officers to the Wisconsin Tax Appeals Commission (WTAC).

2017-2019 Biennium Accomplishments

- Processed approximately 500 child sales tax rebate appeals, in addition to regular appeals workload.
- Achieved final resolution of 95.1% of cases acted on by resolution unit during 2015 – 2017.
- Resolved 89% of large case field audits within 25 months.
- The average time to resolve an office audit resolution appeal was 145 days, well within the 6-month time frame for resolution.
- Assisted in processing backlogged appeals from other units.

Goals for 2019-2021

- ⇒ Modernize and improve efficiency of collections check deposits.
- ⇒ Automate resolution letters acknowledging appeal receipt.
- ⇒ Maintain or shorten time for resolution of taxpayer cases at the Wisconsin Tax Appeals Commission and in the Resolution Unit.

Division of Income, Sales and Excise Tax (IS&E)

IS&E PROGRAM: My Tax Account (MTA) Upgrade the department's online business tax system to better meet customer needs.

2017-2019 Biennium Accomplishments

- Added ability to submit Requests for Copies (formerly P-521) and supporting documents
- Added ability to receive emailed confirmations of sales/use and withholding tax return submissions
- Ability to submit the 2018 Child Sales Tax Credit and supporting documents
- Added ability to submit W@s and 1099s outside of the WT-7
- Added ability to submit and pay Telco Real Estate fee (Form T-R)
- Added ability to submit supporting documents for Unclaimed Property claims after a claim is filed
- Added ability to submit the Nonresident Entertainer's Lower Rate Request (WT-12)
- Reviewed and updated NAICS codes for all businesses with MTA accounts
- Improved look and functionality of Wisconsin Tax Account Lookup (formerly Blind Lookup)

Goals for 2019-2021

- ⇒ Increase number of MTA self-help [videos](#) available
- ⇒ All additional confirmation emails for online requests (estimated payments, registrations, claims, etc.)

IS&E PROGRAM: Compliance - State Debt Collection (SDC) Initiative State agencies and local governments refer their debts that have aged past 90 days to DOR for collection. DOR is authorized by law to collect the referred debts in a similar manner to individual income tax collections. Primary collection methods include payment plans, wage attachment orders, financial institution and property levies, tax refund offsets, and vendor payment setoffs.

2017-2019 Biennium Accomplishments

- Participation increased to 564 partners (+ 110 partners from FY18)
- SDC collections increased to \$62.4 million (+ \$19.4 million from FY18)
- SDC receivables referred to DOR have grown to \$372 million (+ \$159 million from FY18)

Goals for 2019-2021

- ⇒ Continue to expand participation by other state agencies and universities
- ⇒ Continue to expand participation by local governments

IS&E PROGRAM: Tax Operations - Improve Individual Income and Credits Tax Fraud Detection DOR has added business rules to its tax processing systems to recognize fraudulent returns and identity theft. Data is available from previously filed returns, federal tax returns, and other sources. The agency's integrated tax system vendor also does various checks and comparisons, and the agency obtains information about suspicious filings from IRS, other states, and private sector partners.

2017-2019 Biennium Accomplishments

- Stopped or adjusted Homestead credits of \$14.3 million and Earned Income credits of \$20.4 million in FY19, \$14.8 million and \$17.9 million in FY18, and \$16.0 million and \$20.1 million in FY17
- Stopped fraudulent income tax refunds of \$20.5 million in FY19, \$18.5 million in FY18, and \$21 million in FY17
- Implemented new statutory requirements for wage (W-2) and information (1099) returns. Employers and payers must file electronically if they file ten or more wage statements or information returns.
- Implemented a new date of January 31 for filing information returns with DOR
- Implemented a new statutory requirement that income tax refunds may not be issued before March 1, unless both the employer and employee have filed all required returns and forms
- Continuously improved the technology tools to identify fraudulent returns and identity theft

Goals for 2019-2021

- ⇒ Expand e-filing options for employer and payer submitted wage statements and information returns, making additional data available for individual income tax processing
- ⇒ Implement letter of intent and software testing for payroll service provider submitting wage statements, information returns, and withholding returns to improve data quality and identify submitters

IS&E PROGRAM: Tax Operations – Unclaimed Property In the 2013-15 biennial budget, the Legislature transferred the Unclaimed Property Program from the Treasurer's Office to the Department of Revenue. Since acquiring the program, the department's goals have been to ensure all claims are acted upon within the statutory 90 days, enhance the systems to process claims and holder reports, provide for electronic filing of claims, and conduct a holder education campaign.

2017-2019 Biennium Accomplishments

- DOR has stayed well within the statutory timeline of 90 days for procession claims and exceeded its goal of an average processing time of 40 days for all quarters in FY17-19
- DOR returned a total of \$33.8 million in unclaimed property in FY19, of which \$3.4 million was the result of the automatic matching program. DOR returned another \$29.5 million in FY18, of which \$5.4 million was the result of automatic matching.
- DOR implemented a new statutory requirement that owners of savings bonds received in safe deposit boxes must be published online and can be allowed to claim the bonds

Goals for 2019-2021

- ⇒ Continuously improve the automatic matching program and claims processing system
- ⇒ Continue holder outreach to improve rates of holder compliance

IS&E PROGRAM: Audit – Technology Initiatives DOR continues to develop creative and effective solutions to improve communication and transparency in the auditing process, allowing for a decrease in overall cycle time and better customer service delivery.

2017-2019 Biennium Accomplishments:

- Implemented My Case Manager tool for customers to view and track milestones during and after an audit, including information regarding cycle time and outstanding requests from the department
- Developed a Net Business Loss working paper for combined entity auditing, allowing for better information regarding these adjustments to be calculated, tracked, and reported to customers
- Created a working paper for the Pass-Through Withholding account, eliminating the need for these audits to be done in a stand-alone system, and created a more comprehensive display of audit information for customers
- Modernized the Individual Income working paper to allow for books and records audit integration, including an integrated working paper system that allows for more detailed auditing of complex schedules and tax issues
- Adopted and implemented the Cigarette and Tobacco Uniform Schedules in coordination with industry partners and the Federation of Tax Administrators, leading other states in developing a solution for customers to file under uniformity standards electronically

Goals for 2019-2021:

- ⇒ Continue to refine data-driven selection projects to ensure a high return on investment and continue developing new billing projects, including projects related to occasional consumer use tax
- ⇒ Use data analysis and dashboards to measure and improve workflow for the billing process and quality review
- ⇒ Optimally balance resources among billing activities for individual income tax and occasional consumer use tax

IS&E PROGRAM: Audit – Revenue Agent Billing Projects The billing agent project continued to develop from the original allocation in the 2013-15 biennial budget, encompassing a comprehensive inventory of projects for individual income tax. Agent positions were allocated to both Compliance and Audit bureaus, including within the occasional consumer use tax area.

2017-2019 Biennium Accomplishments:

- Succeeded in billing federal audit reports as they were received, promptly resolving issues for customers related to the IRS audits
- Improved the use of data matching models to generate a comprehensive inventory of filing errors to be billed by revenue agents
- Further developed the capacity of billing agents to work effectively on issues related to consumer use tax
- Collected total of \$26.8M in FY18, and \$27.3M in FY19

Goals for 2019-2021:

- ⇒ Evaluate and monitor results of new process
- ⇒ Extend staff training on statistical sampling
- ⇒ Establish rules on sampling criteria for field audits

IS&E PROGRAM: Customer Service The Customer Service Bureau provides timely, high-quality, and efficient assistance to taxpayer by telephone, email, and in-person. The department's goal is to identify new educational and outreach opportunities to better assist taxpayers and to expand technology and non-traditional communication offerings available to taxpayers and partners.

2017-2019 Biennium Accomplishments:

- Expanded social media communications and outreach efforts
- Created Quality Assurance Toolkit and improved the quality of service provided by the Customer Service Department
- Increased number of training and informational webinars from 32 to 36
- Increased number of presentations and trainings to Spanish speaking audiences
- Reorganized Customer Service Center processes and staffing to better serve taxpayers

Goals for 2019-2021:

- ⇒ Identify educational priorities and marketing strategies to expand outreach to non-English speaking taxpayers
- ⇒ Expand creation and use of help videos and webinars
- ⇒ Implement call center system conversion to Nice In Contact
- ⇒ Expand the number of self-help tools and applications available for taxpayers
- ⇒ Implement live chat as a customer service option for taxpayers

Division of State and Local Finance (SLF)

SLF PROGRAM: Professional Property Tax Administration DOR promotes efficient, effective, consistent property tax administration, and ensures compliance of statutorily required deadlines by both SLF and local government officials (ex: assessors, clerks, listers, etc.), to allow for timely and accurate production and distribution of property assessment and taxation deliverables. This is done through education; provision of values, certificates, and statistical data as early as feasible; timely issuance of state aids, notifications, and assessments; and prompt, courteous, and accurate responses to customers.

2017-2019 Biennium Accomplishments

- Assessed manufacturing property of \$18.2B in 2018 and \$19.1B in 2019
- Certified a total state Equalized Value of \$549B in 2018 and \$580.9B in 2019
- Assisted local governments in the imposition of \$11.2B in gross property tax in 2018
- Distributed \$1.3B in property tax relief in 2018
- SLF provided training and education to customers and stakeholders through assessor training, association training and conferences, local government workshops, and other outreach opportunities. The number of attendees included:
 - 2017: 4,232
 - 2018: 3,181
 - 2019: 4,303 (as of October 1, 2019)
- Provided all values, aids, and statistical data to municipalities, assessors, and partner agencies on or before statutory deadlines

Goals for 2019-2021

- ⇒ Increase outreach opportunities by participating in additional events and meeting with local officials and stakeholders statewide
- ⇒ Extend staff training and implement a cross-training program to provide efficiency and expand expertise
- ⇒ Implement system-wide efficiencies in the valuation and assessment of property

SLF PROGRAM: Leverage Technology to Improve Processes DOR utilizes electronic filing, forms processing, web content, and various online tools to gain efficiencies, inform and educate customers and stakeholders, and other improvements in customer filings, data gathering, data provision, and education. Doing so has increased participation while reducing costs.

2017-2019 Biennium Accomplishments

- Converted 12 electronic forms from an Adobe platform to a universal HTML electronic filing (e-filing) platform that is more user friendly
- Developed and launched My DOR Government Account providing local officials a "one-stop shop" to file forms with State and Local Finance and update their contact information for notifications
- Automated the reporting and processing of telephone company assessments converting both into existing platforms to improve the filing experience and assessment efficiency
- Increased number of counties providing assessment and tax rolls electronically (XML) to 61 of 72 in 2019. When there is full participation, it will reduce other filing requirements.
- Utilizing VAULT, a new platform to house applications, moving from legacy mainframe to make processing of data easier, more efficient, and more accurate
- Communicating electronically with local governments via VAULT to notify them of outstanding forms and aid estimates
- Implemented interactive technology (ex: Skype, GoToWebinar, Turning Point) to instruct in proper completion of forms, provide required assessor training, and staff meetings.

Goals for 2019-2021

- ⇒ Finalize last form to convert from the Adobe platform to the HTML e-filing platform
- ⇒ Increase manufacturing electronic filing to 92% in 2020 and 93% in 2021
- ⇒ Increase counties filing electronic assessment and tax rolls to all 72 by 2021

SLF PROGRAM: Process Improvement Gain efficiencies and increase process quality using improved systems and information attained through the continual application of process improvement methodologies, system upgrades, business process reengineering, and collaboration with technology partners.

2017-2019 Biennium Accomplishments

- Implemented an upgrade of IPAS to 2019.1
- Completed business requirements for ten components of shared revenue moving off mainframe system, adding automation and process efficiencies
- Completed business requirements for new shared revenue programs, personal property aid, and video service provider aid
- Implemented system and non-system improvements identified in projects:
 - 2017: Eliminate TID for PE-209 (JDI); Eliminate TID Termination Audits (JDI); Assessor Certification (JDI); BOA Intake (Lean)
 - 2018: Amend Subtraction Workbook (JDI); Field Review Data (JDI); Audit Bill Generation (JDI); CAMA Instruction (JDI)

Goals for 2019-2021

- ⇒ Implement action plans for select system and non-system improvements identified through agency-wide strategic planning process
- ⇒ Continue utilizing reengineering (maps and functional requirements) for the next five Local Government Services' mainframe processes moving to VAULT

SLF PROGRAM: Customer Relationship Management Customer satisfaction surveys are given every two years. We work to improve our relationships and communications with customers, stakeholders, and business partners by learning from the feedback received and applying lessons learned.

2017-2019 Biennium Accomplishments

- Improved satisfaction with DOR services from 49.1% Good/Very Good in 2016 to 54.3% in 2018
- Expanded communication using videos, Twitter, and attending seminars
- Presented at 57 events in 2017, 38 events in 2018, and 47 events in 2019
- Utilized listservs to proactively inform local government officials and post messages to website for easy access
- Increased number of reports offered in Excel/CSV formats
- Implemented user enhancements to My DOR Government Account based on customer feedback

Goals for 2019-2021

- ⇒ Improve satisfaction with DOR services from 54.3% Good/Very Good in 2018 to 60% in 2020 (next customer satisfaction survey)
- ⇒ Utilize surveys to collect targeted feedback and roundtable sessions to collaborate with stakeholders
- ⇒ Expand staff communications expertise
- ⇒ Build social media platform for communication

Division of Technology Services (DTS)

DTS PROGRAM: Tax Refund Fraud Prevention DOR implemented technology-based solutions to detect and prevent potential fraudulent tax return filing as well as issuance of fraudulent refunds. The technology solutions used data analytics to identify returns that indicate possible identity theft. Identity verification tools such as an online quiz and one-time PIN verification have been implemented to ascertain the identity of a taxpayer before a refund is issued. If a filed return indicates possible identity theft, DOR sends a letter to the taxpayer asking them to complete an online quiz, enter a unique Personal Identification Number, or submit documentation to confirm their identity. Using scanned paper submissions and advanced data matching techniques, DOR automated the review and reconciliation of W-2 submissions against withholding tax returns from employers, preventing potentially fraudulent tax refund claims.

2017-2019 Biennium Accomplishments

- Stopped approximately \$59 million in potential fraudulent refund claims in FY17 and \$51 million in FY18.
- Received and utilized data from the IRS and software vendors to automate fraud analytics and manual return review.
- Implemented data sharing with the Department of Agriculture Trade and Consumer Protection (DATCP) allowing the matching of Farmland Preservation Credit data to assist in the prevention of fraudulent claims.

Goals for 2019-2021

- ⇒ Proactively identify fraud schemes and patterns using data analytics to prevent identity theft and continue to protect taxpayers.
- ⇒ Collaborate with other state and national agencies to improve fraud detection tools and techniques.

DTS PROGRAM: Mainframe Modernization of State and Local Finance Applications In early 2015, DOR started a multi-year initiative to re-engineer and modernize the various business applications used by the Division of State and Local Finance (SLF). These applications are being used by SLF for processing shared revenue distribution to local governments, administering and managing telecommunications property tax, utility taxes and other forms that are filed by local governments.

The initiative involves transitioning existing mainframe-based legacy applications to new web-based mobile ready applications. New applications are being developed using a mobile-first strategy and modern technologies such as HTML5, Java, JavaScript, and Oracle. The new system is referred to as VAULT.

2017-2019 Biennium Accomplishments

- Completed the implementation of web-based Shared Revenue distribution, Telecommunications Tax filing, and Utility Tax filing applications.
- Completed the development of new applications associated with property tax relief and tax incremental financing – TID Annual Report, Room Tax and Tax Increment Worksheet.
- Completed implementation of most local government forms using the new electronic form filing framework.
- Implemented an external portal, My DOR Government Account (MyDORGov), for county and municipal officials to allow them to securely interact with Revenue.

Goals for 2019-2021

- Continue to re-engineer the remaining SLF mainframe applications and re-develop them in VAULT:
 - Chargeback of Rescinded or Refunded Taxes
 - Non-Manufacturing Omitted Property Taxes
 - Exempt Computer Reporting
 - School Levy Tax Credit
 - Lottery and Gaming Credit
 - First Dollar Credit
 - Financial Report Form
 - Administrative Database
- Initiate the development of new applications associated with property tax relief and tax incremental financing.
- Complete the implementation of all local government forms using the departments new electronic form filing framework.

DTS PROGRAM: WINPAS (Wisconsin Income, Processing and Audit System) WINPAS is DOR's integrated tax processing system. WINPAS is used for administering, processing, auditing, and managing of all tax types for the State of Wisconsin. WINPAS also includes My Tax Account (MTA), which is a public facing free online self-service portal that allows taxpayers to perform many functions including: view current account status, file and amend returns, make payments, remit wage attachment payments, manage and update account information.

WINPAS comprises the Tax Data Warehouse which is used for loading, mining, and managing data from multiple external data sources including Federal IRS data-sources, and data sources from other state agencies like DWD, DOT, and DHS.

Using WINPAS, DOR securely exchanges data with other federal (such as Internal Revenue Service, Treasury) and state agencies (DWD, DOT, PSC, Courts, Minnesota DOR). Data exchanges allow for automated, streamlined processing for various state and federal programs.

2017-2019 Biennium Accomplishments

- Provided electronic filing through My Tax Account (MTA) for telecommunication companies. This allows them to submit their telecommunications related tax returns, including sending bills and notices, electronically.
- Implemented W-2 filing using MTA for employers with less than 50 employees. This provides employers with an easy and streamlined method to submit required forms electronically.
- Implemented Cigarette/Tobacco return filing using the national e-filing standards making it much easier for the cigarette and tobacco products manufacturers, distributors, and sellers to file their returns.
- Implemented collection case projects that improved case assignment and workflow.
- Added the ability for taxpayers to request copies of past returns through the MTA portal.
- Implemented My Case Manager in the MTA portal allowing taxpayers to view the status of their audits.
- Implemented the Automated Processing of Appeals in WINPAS. This allows actions for certain appeals to be completed in an automated way, reducing the time staff spend on manually processing these actions.
- Migrated WINPAS to an updated enterprise storage and server infrastructure provided by DOA's Division of Enterprise Technology. This reduced the time required for data backups and allows more time for the WINPAS nightly batch processing.
- Completed an upgrade to WINPAS V10 which introduced mobile-friendly and responsive web pages for MTA users.

Goals for 2019-2021

- ⇒ Increase use of data analytics for audit selection and fraud prevention.
- ⇒ Add additional self-service functionality for individual and business taxpayers through DOR's portal My Tax Account (MTA) to encourage increased electronic filing and automated payment processing.
- ⇒ Maintain and update WINPAS technology infrastructure through continuous upgrades of hardware and software.
- ⇒ Integrate WINPAS and the national Streamlined Sales Tax system making Wisconsin one of the first states to administer a simpler and more uniform sales and use tax system.
- ⇒ Align existing returns processing with eStandards.
- ⇒ Empower internal business partners to self-maintain strategic portions of their business functionality. (e.g. Statewide Debt Collection customer registration is now completed in Compliance with minimal DTS effort.)
- ⇒ Work with FAST Enterprises to itemize and prioritize areas of WINPAS in order to prepare for WINPAS V12 update 2021.

DTS PROGRAM: One Stop Business Portal – Business Tax Registration DOR integrated business tax registration into the State's One Stop Business Portal (OSB) in 2015. Businesses can now register their business with DOR by using the One Stop Business Portal. The OSB makes registering a business in Wisconsin easier by guiding new businesses through the steps necessary to create and register a business in Wisconsin. Businesses can complete registration steps to register their business with the Department of Revenue (DOR) for sales and withholding taxes and can pay the required registration fees. For the state, it decreased the amount of time staff spent assisting new businesses in navigating this complex, but very common process.

2017-2019 Biennium Accomplishments

- Expanded the type of businesses that can use the One Stop Business Portal (OSB) to include disregarded entities.
- Expanded the shared language/terms used between the OSB Portal and DOR's Online Business Tax Registration.

Goals for 2019-2021

- ⇒ Expand the type of businesses that can use the One Stop Business Portal to include disregarded entities.
- ⇒ Expand the shared language/terms used between the OSB Portal and DOR's Online Business Tax Registration.

DTS PROGRAM: WINPAS Unclaimed Property Manager - WINPAS (Wisconsin Income Processing and Audit System) is DOR's integrated tax system. The Unclaimed Property (UCP) Manager was added to WINPAS in 2015. State Law requires companies to turn over unclaimed property (forgotten funds) to DOR. DOR is responsible for processing claims from public persons who have a legal right to the property. The WINPAS UCP Manager allows DOR to track, manage, and process claims for unclaimed property (not claimed within a year), such as funds in savings and checking accounts, uncashed payroll checks, trust distributions, unredeemed money orders, etc. If the unclaimed property remains unclaimed after a year, the monies generated from the sale of the property becomes tax revenue for DOR. If someone owes tax debt to DOR, unclaimed property monies will be used to offset tax debt.

2017-2019 Biennium Accomplishments

- Improved unclaimed property matching to property owners by automating data matching using more transparent processes modeled after existing audit selection functionality.
- Expanded data collection for security transfer requests involving Joint Tenants, Uniform Gift to a Minor (UGM), Uniform Transfer to a Minor (UTM), Estate (Personal Representative), Trust (Trustee or Power of Attorney).
- Improved reporting for unclaimed property advertising.
- Automated the security sales and security transfer processes.
- Implemented functionality to advertise US Savings Bonds that are received as part of safe keeping remittances.

Goals for 2019-2021

- ⇒ No goals have been set for the next period as this item will be dropped from next biennium's report.

DTS PROGRAM: General Technology Services DOR has continued to harness the value of technology by focusing on IT simplification. By simplifying our technology environment, we are able to deliver better business performance, greater flexibility, higher levels of productivity, and a better user experience. Over the past biennium DOR has started to rely on more enterprise services where appropriate. This allows DOR to re-focus the time that would have been spent on managing those services to focusing on DOR business functions. DOR is always looking for efficient and innovative opportunities to increase the security of taxpayer data. We have been conducting live security drills and deploying tools to allow our users to securely use their computers.

2017-2019 Biennium Accomplishments

- Implemented Voice over IP (VOIP) technology to replace our aging Centrex telephone system.
- Upgraded all DOR computers to Windows 10 to ensure employees have the most secure Microsoft operating system.
- Migrated all DOR employees to the state's centralized authentication directory enabling single sign-on and improving overall security.
- Migrated all enterprise server infrastructure to updated storage platforms to reduce storage space and increase server backup efficiencies.
- Implemented a new Wisconsin Lottery Website utilizing infrastructure located in the state's enterprise data center.
- Upgraded all DOR District Office broadband data services from 10 MB to 50 MB to improve data transfer speed and provide additional processing capacity.
- Implemented an internal web-based application (Legislative Tracking System) to track, manage, and review fiscal estimates of proposed Wisconsin legislative bills internally within DOR.
- Encrypted all databases (IBM DB2, Oracle, and Microsoft SQL) in order to increase data security across the enterprise.
- Completed a project to digitize the human resources (HR) personnel files of most of the major agencies (DOR, DOT, DHS, DOC, DPI, DOA, DCF). This allowed for an electronic version of a personnel file to be attached to an employee's record within STAR, creating many efficiencies within the hiring process and with interagency transfers.

Goals for 2019-2021

- ⇒ Continue piloting cloud technologies that allow DOR to operate more efficiently and cost effectively.
- ⇒ Implement Office 365 for all DOR employees to provide additional collaboration functionality, reduce costs, and increased security.
- ⇒ Maintain all DOR computers at the most current versions of Windows 10 as they become available. This will ensure the security of the Microsoft operating system and provide additional computer functionality to employees.
- ⇒ Migrate the scanning of letters and remittances to the KOFAX platform, this will provide additional automated processes and allow DOR to move towards a more current software technology.
- ⇒ Upgrade all DOR application and database servers to Windows Server 2016 to take advantage of enhanced security, processing times, and efficiency features.
- ⇒ Implement Globalscape, the enterprise data exchange software to modernize and simplify the department's secure file transfer process.
- ⇒ Migrate all DOR computers from Skype for Business to Microsoft Teams to take advantage of industry communication trends and provide increased efficiencies in communication.
- ⇒ Implement Microsoft OneDrive for all DOR employees to store, sync, and share files securely in one place, while reducing overall file storage costs.

DTS PROGRAM: Cybersecurity DOR has implemented many new and redesigned processes and procedures to assist the agency with Cybersecurity protections. The solutions include a revamp of the security awareness program to include more relevant interactive trainings such as the gamification of the new in-person security training and the implementation of new technology to educate the employees on phishing identification. We have also modernized our vulnerability solutions to provide an on-demand view of the current state of hardware and software that is being used by the agency.

The most important change came in the form of our new replacement for an outdated anti-virus solution. The new solution used artificial intelligence and machine learning to prevent infection and outbreaks. It is 100% more effective at identifying new and undiscovered attacks than the previous product the DOR was using.

Goals for 2019-2021

- ⇒ Integrate our current vulnerability solution with DET so we can collaborate on improving the security of the state networking equipment.
- ⇒ Collaborate with other state agencies to upgrade or replace their current anti-virus solutions so they have next generation protection that will compliment ours and protect the Enterprise network.
- ⇒ Implement new processes for employee reporting of phishing and spam email.
- ⇒ Continue conducting live security testing for all DOR employees.
- ⇒ Create new opportunities to educate employees on security and privacy issues.

DTS PROGRAM: Data Administration and Management For 20 years DOR has utilized data warehousing for strategic decision making. The Tax Data Warehouse in WINPAS is a resource for staff performing operational system tasks and enables ever increasing automated decision making through analytics. The amount of data collected or produced by DOR systems provides a wealth of opportunity for process improvement and automation. DOR can extract value from this untapped resource through an improved data administration and management methodology. During this biennium DTS will lead the agency toward a shared understanding of available data, collaboratively identify opportunities for use across business areas, and implement industry standard data governance practices.

Goals for 2019-2021

- ⇒ Create a catalog of data warehouse sources and available system data.
- ⇒ Design a data literacy program for educating staff on how to access and use available data resources.
- ⇒ Implement a data retention policy for external data sources that maximizes value to the agency, minimizes data storage where needed, and ensures data security.
- ⇒ Explore opportunities for increased use of business analytics through discussion and experimentation.

Division of Enterprise Services (ESD)

ESD PROGRAM: Promote and advocate for a diverse DOR workforce Utilize recruitment and other techniques to address job classifications and groups that have been traditionally underutilized for minority and women within DOR.

2017-2019 Biennium Accomplishments

- The percentage of DOR employees who are racial or ethnic minorities increased from 15.5% in 2017 to 18.2% in 2019 (May). The percentage of female employees increased slightly from 52.6% in 2017 to 53.2% in 2019, and the percentage of veterans employed by DOR increased from 5.6% to 6.7% over the same period. DOR currently does not have any underutilized job groups of statistical significance.
- The Human Resources unit working at DOR has made efforts, on DOR's behalf, to conduct community outreach at job centers, colleges, and high schools. They have taken Diversity Council members along whenever possible. In addition, the Department of Personnel Management sends out a weekly email to a comprehensive list of diverse community organizations.
- Continue to participate in the TeamWorks program (in partnership with Madison area high schools' Vocational Transition Programs and funding support from the Department of Workforce Development's Division of Vocational Rehabilitation). DOR employed nine limited-term employees with disabilities and have opened it up for additional staff in FT20.
- DOR conducted more than a dozen department-wide diversity-related training activities over the biennium. Topics covered diversity, racial equity, transgender and LGBTQ equity and quality of life, harassment and discrimination prevention. The speakers were equally diverse with notables such as Representative Barbara Toles, Bishop Viviane Thomas-Breitfeld, Ginger Baier, and Masood Akhtar, as well as DOR employees with their own stories to tell.

Goals for 2017-2019

- ⇒ Continue to explore and expand methods to advertise position opportunities to diverse applicant pools.

ESD PROGRAM: Implement and realize the benefits of the STAR System, Wisconsin's enterprise resource planning (ERP) system

2017-2019 Biennium Accomplishments

- Financial and Management Services (FMS) Bureau participated in the STAR Data Needs project in 2018. FMS Bureau identified a need for STAR assistance with gathering data for automating reconciliations. DOR was selected to do a proof-of-concept to use Oracle Analytics Cloud PoC for automating reconciliations. FMS Bureau staff worked directly with STAR and Oracle to successfully develop a process for data from STAR to be automated into the reconciliation process. A demo of this process was shown to stakeholders. The next step identified in the proof-of-concept process was to research how data from external systems could be implemented to fully automate the reconciliations using Oracle Analytics Cloud PoC.
- FMS Bureau had two staff members work with nVision developers for creating reports that could be used enterprise wide for all state agencies. FMS Bureau sent two staff to the nVision training provided by STAR to learn how to use the enterprise wide reports that were created.

Goals for 2019-2021

- ⇒ Prepare and submit financial reports on time and accurately.
- ⇒ Maintain no material findings in financial audits performed by the Legislative Audit Bureau.
- ⇒ Ensure DOR has representation at STAR user group meetings for input in DOR's interests.
- ⇒ Provide training for DOR staff that need to comply with financial policies.

ESD PROGRAM: Continuous Improvement (f/k/a Lean Government) One of DOR's agency goals is to operate efficiently. The DOR will continuously improve its processes through Lean principles to accomplish its mission of administering Wisconsin taxes.

2017-2019 Biennium Accomplishments

- Completed 61 Lean projects
- Eliminated 198 process steps, a 125% increase over 2015-17
- Repurposed 15,900 staff hours, an average of 260.6 staff hours repurposed per project
- Reduced lead time in processes by over 16,625 hours, an average reduction of 272.5 hours per project completed
- While the number of projects increased by only 85%, the resulting improvements were well over a 100% increase per category.
- Conducted in-house Introductory Lean White Belt Level training for New Compliance Agents
- Showcased recently completed Lean Projects to interested staff
- Began using DOA's Enterprise Continuous Improvement template and database for new Lean projects
- Transferred completed prior fiscal year Lean Projects to DOA's Enterprise Continuous Improvement template and database

Goals for 2019-2021

- ⇒ Use LEAN and other continuous improvement methodologies to continue to increase efficiencies in our processes. Plan to complete at least 40 projects during the next biennium.
- ⇒ Continue to work on the continuous improvement culture by encouraging staff to obtain training and work on their new skills by finding inefficiencies and improving them by using Lean methodologies.

ESD PROGRAM: Employee Engagement Maintaining a positive work environment is a key goal of the department. The department conducts an annual survey to measure employee engagement.

2017-2019 Biennium Accomplishments

- Employee engagement surveys have been conducted each year since 2014.
- 75% of employees responded to the survey in 2018, this is down from 83% in 2017 and 84% in 2016. It is considered statistically representative at the 99% confidence level.
- Overall, employees are highly satisfied with their jobs at DOR.
- Satisfaction and engagement leveled off in FT19 (2018) but remain quite strong.
- The highest rated attribute overall was "I am committed to the success of DOR."

Goals for 2019-2021

- ⇒ Give all permanent and project employees an opportunity to actively participate in agency strategic planning.
- ⇒ Implement "quick win" ideas that come out of the feedback sessions.
- ⇒ Conduct survey in each year of the biennium and provide overall department results.

ESD PROGRAM: Privacy and Security Program DOR places a strong emphasis on education of its employees to ensure the safeguarding of confidential information.

2019-2021 Biennium Accomplishments

- The Privacy and Security Team continue to provide leadership, oversight, and guidance for privacy and security policy within the Department of Revenue.
- Employees were trained twice per year in topics such as information technology security, physical security, and handling personally identifiable information (PII).
- Provided online training exams and conducted live testing on a regular basis to focus on employee skills of recognizing and dealing with privacy and cyber security threats.
- Live tests of employees were conducted at least four times per year on employee skills recognizing and dealing with privacy and cyber security threats. Each test became increasingly difficult. We had a 0% fail rate for phishing and spearfishing fails are trended down.
- Implemented an updated Security Incident Report Form Process for employees to report incidents that may have exposed confidential taxpayer information. The protocol routes the report through to the division administrators to investigate and take action as warranted.
- DOR PII data sources inventory was updated per schedule and efforts made to reduce future risk.

Goals for 2019-2021

- ⇒ Train all employees at least twice per year in topics such as information technology security, physical security, and handling PII.
- ⇒ Conduct live tests of employees at least four times per year.
- ⇒ Review DOR PII data sources inventory and update as necessary at least annually to reduce future risk.

Division of Research and Policy (R&P)

R&P PROGRAM: General Fund Revenue Estimates and Fiscal Estimates

2017-2019 Biennium Accomplishments

- General fund revenue forecast error of -0.09% for FY17, -0.8% for FY18, and -3.0% for FY19 with forecast horizons of six to eight months (FY19).
- Completed 98% of 271 assigned fiscal estimates within five business days.

Goals for 2019-2021 Biennium

- ⇒ Maintain forecast accuracy within 2% of actual annual revenue collections.
- ⇒ Complete 95% of fiscal estimates for proposed legislation within five business days. R&P is currently tracking at 99% for the 2019 session.

R&P PROGRAM: Individual Income and Corporate Tax Models

2017-2019 Biennium Accomplishments

- Completed the individual income tax sample for tax year 2016.
- Completed the individual income tax sample for tax year 2014.
- Created and implemented a new sustainable modeling process that will enable R&P to complete individual and corporate tax models and produce/preserve documentation of R&P tasks.

Goals for 2019-2021 Biennium

- ⇒ Update the individual income tax samples for tax year 2018.
- ⇒ Update to the corporate income tax samples for tax year 2016.

R&P PROGRAM: Database Creation and Publication

2017-2019 Biennium Accomplishments

- Created dozens of new data visualizations, including the local government dashboard.
- Modernized R&P publications and converted reports to interactive databases.
- Started tracking R&P data visualization views.
 - Finished the biennium at 29.2 average daily views.

Goals for 2019-2021 Biennium

- ⇒ Provide additional user-friendly data visualizations and interactive databases to the public, government agencies, researchers, and businesses. The databases are accessible on the [DOR website](#).
- ⇒ Increase average daily views of R&P data visualizations. In September of 2019 average daily views reached 75.5.

Wisconsin Lottery Division (Lottery)

LOTTERY PROGRAM: Property Tax Relief - FY 2016 Lottery sales goal of \$585 million

2017-2019 Biennium Accomplishments

- Actual FY 2016 sales: \$627,164,937
- Administrative expenses were 5.84%

LOTTERY PROGRAM: Property Tax Relief - FY 2017 Lottery sales goal of \$617 million

2017-2019 Biennium Accomplishments

- Actual FY 2017 sales: \$602,772,777
- Administrative expenses were 6.09%

LOTTERY PROGRAM: Property Tax Relief - FY 2018 Lottery sales goal of \$606 million

2017-2019 Biennium Accomplishments

- Actual FY 2018 sales: \$667,392,420
- Administrative expenses were 5.55%

Goals for 2019-2021

- ⇒ Sales goal of \$662 million for FY19 and \$703 million for FY20
- ⇒ Provide our players, retailers, elected officials, and citizens unquestioned integrity and confidence in the operation of the WI Lottery
- ⇒ Provide consistent messaging to stakeholders about games, integrity, and mission of the WI Lottery