



# **BIENNIAL** REPORT

Wisconsin Department of Revenue | 2019-2021





## State of Wisconsin • DEPARTMENT OF REVENUE

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*Tony Evers*  
Governor

*Peter W. Barca*  
Secretary of Revenue

October 15, 2021

The Honorable Tony Evers  
Governor of Wisconsin  
115 East State Capitol  
Madison, WI 53707

Michael J. Queensland, Senate Chief Clerk  
State Capitol  
Room B20 Southeast  
Madison, WI 53707

Edward A. Blazel, 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 2019-2021 biennial report. This report provides an overview of the agency's operations, accomplishments during the biennium, and goals for the 2021-2023 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.

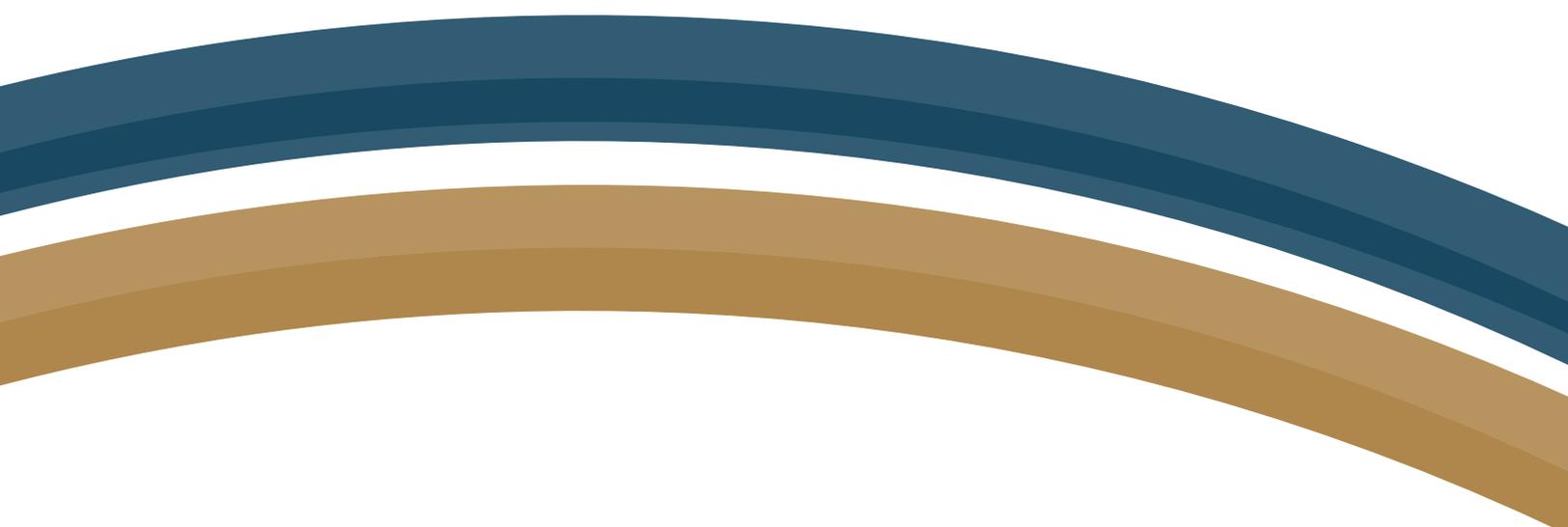
We will work to wisely use taxpayer dollars in operating the agency in a manner to effectively serve all the taxpayers, partners, and customers we are privileged to serve.

Sincerely,



Peter Barca

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# Secretary's Message

The Wisconsin Department of Revenue (DOR) performed extraordinarily well under very difficult circumstances given the pandemic. In addition to our regular duties, we played a historic role in distributing grant funds to businesses and farms in need. Working in close collaboration with the Department of Administration, Wisconsin Economic Development Corporation and Department of Agriculture Trade and Consumer Protection, our economists used data to design programs and quickly deliver relief to businesses and individuals most in need. Over 70,000 businesses in the state of Wisconsin received needed resources to navigate through the pandemic. This was done during a time when we also saw record revenues both in the form of taxes and lottery proceeds, which were used to fund the essential operations of state government and provide property tax relief.

Historically, DOR is a data-driven agency that prides itself in metrics to ensure quality performance. This report documents the innovation, security improvements and cost savings achieved, and included are examples of those metrics. Data from our Customer Service Bureau best exemplifies the type of year we had. Customer calls went up significantly and yet the favorability ratings of our staff by those calling, emailing or live chatting was still above 99.0% – hard for any organization to match. Our Compliance staff also received nearly 99.0% ratings, despite the stress so many Wisconsinites were under due to the financial and health stress of contending with the pandemic. Our State Debt Collection Program also brought in increased funds for local government operations despite having relaxed collections efforts during the heart of the pandemic so as not to add stress to taxpayers during such a difficult time.

Another victory for the people of Wisconsin was achieved in the form of a bipartisan taxpayer enhancement package. It was enacted to provide important tax savings, spur new development in historic areas of the state and help achieve new efficiencies in administration both for state and local government.

As people looked for new forms of in-home entertainment, the Lottery introduced a record number of new scratch games and added over 100 new retail customers. Alcohol enforcement agents relaxed standards, so restaurants and bars could provide curbside pickup to protect the health of their customers and ensure their businesses could remain viable.

You will see in this report, that the focus of our department throughout the pandemic was to find new and creative ways to serve and assist Wisconsin businesses and customers in a healthy and customer-friendly manner.



**Secretary of Revenue**

PETER BARCA



# 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 financial aid to local governments
- Estimates state revenues and forecasts state economic activity
- Helps formulate state tax policy
- Administers the Wisconsin Lottery, which provides property tax relief for homeowners
- Administers the Unclaimed Property program for property that becomes unclaimed or abandoned after a period of time



# DOR Divisions/Offices



## SECRETARY'S OFFICE

Overall management and administration, including inter-agency relations, policy development, and public information.



## STATE AND LOCAL FINANCE

Administration of property tax system and oversight of tax incremental finance, real estate transfer fee, and assessor certification and education programs.



## TECHNOLOGY SERVICES

Administration of technology services, including data administration, applications development, workstation support, data collection and technology planning.



## RESEARCH AND POLICY

Provides detailed analyses of fiscal and economic policies; assesses the impact of current and proposed tax laws; prepares official general fund tax revenue estimates; and develops various statistical reports.



## GENERAL COUNSEL

Represents and advises the department and provides a level of internal appeals.



## INCOME, SALES AND EXCISE TAX

Administration of individual income, employee withholding, corporate franchise/income, state and county sales and use, estate, excise, recycling and other tax programs.



## ENTERPRISE SERVICES

Human resources, financial management, and budget services.



## WISCONSIN LOTTERY

Management and administration of the Wisconsin Lottery.

# DOR Major Program Goals and Objectives

**The Wisconsin Department of Revenue developed the following goals reflecting outcomes it seeks to achieve:**

- Implement good tax policy focusing on policies that promote job growth
- Improve customer service to individuals and businesses
- Operate DOR efficiently and effectively, while identifying opportunities to implement process improvement initiatives



## **Program 1 – Collection of Taxes**

### **Goal – Ensure accountability through enforcement of tax laws**

- Objective/activity – delinquent balances per fiscal year
- Objective/activity – collect debts owed to state agencies, courts, the legislature, state authorities and local government units through the State Debt Collection Program
- Objective/activity – use analytics to detect and prevent fraudulent returns or credits, including corrections to amount claimed for earned income and homestead credits
- Objective/activity – enforcement cost per dollar impact

### **Goal – Promote efficiency and integrity**

- Objective/activity – growth in individual income, corporate franchise/income, and sales and 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 – DOR employees are considered professional and knowledgeable by customers

# DOR Major Program Goals and Objectives



## Program 1 – Collection of Taxes

Performance Measure	FY19		FY20	
	Goal	Actual	Goal	Actual
Collection of delinquent balances	\$290.0 million	\$322.2 million	\$290.0 million	\$328.4 million
Enforcement cost per dollar impact	\$0.095	\$0.0827	\$0.095	\$0.0716
Percentage of individual income (II), sales tax (ST), and corporate (C) returns received electronically	85.0% (II)	87.0% (II)	85.9% (II)	88.0% (II)
	95.0% (ST)	95.0% (ST)	95.0% (ST)	95.0% (ST)
	90.0% (C)	81.0% (C)	90.0% (C)	85.0% (C)
Average processing time for individual income tax returns		E-filed no further review: 1.1 days	E-filed no further review: 5 days	E-filed no further review: 1.7 days
		E-filed further review: 28.8 days	E-filed further review: 40 days	E-filed further review: 25.3 days
		Paper no further review: 9.7 days	Paper no further review: 25 days	Paper no further review: 13.2 days
		Paper further review: 29.4 days	Paper further review: 45 days	Paper further review: 33.6 days
Average hold time/answer rate for customer service call center	90 seconds hold time	55 seconds hold time	90 seconds hold time	45 seconds hold time
	97.8% answer rate	98.5% answer rate	97.8% answer rate	99.2% answer rate
Performance Measure	FY21		FY22	FY23
	Goal	Actual	Goal	Goal
Collection of delinquent balances	\$322.0 million	\$355.8 million	\$328.0 million	\$328.0 million
Enforcement cost per dollar impact	\$0.095	\$0.0712	\$0.095	\$0.095
Fraudulent returns stopped, incorrect refunds/credits reduced or denied	\$47.2 million	\$61.6 million	\$47.2 million	\$47.2 million
Statewide debt collection program	\$37.4 million	\$67.7 million	\$54.9 million	\$54.9 million
Percentage of individual income (II), sales tax (ST), and corporate (C) returns received electronically	85.0% (II)	89.0% (II)	85.0% (II)	85.0% (II)
	95.0% (ST)	96.0% (ST)	95.0% (ST)	95.0% (ST)
	90.0% (C)	87.0% (C)	90.0% (C)	90.0% (C)
Taxpayer survey results	95.0% professionalism	99.3% professionalism	95.0% professionalism	95.0% professionalism
	95.0% knowledgeable	99.1% knowledgeable	95.0% knowledgeable	95.0% knowledgeable
Average processing time for individual income tax returns	8 days	4.9 days	8 days	8 days
Average hold time/answer rate for customer service call center	90 seconds hold time	66 seconds hold time	90 seconds hold time	90 seconds hold time
	97.8% answer rate	99.3% answer rate	97.8% answer rate	97.8% answer rate

# DOR Major Program Goals and Objectives



## 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
- Objective/activity – detect and prevent incorrect real estate transfer fee exemptions claimed, including audit corrections to the amounts claimed (fiscal year dollar amount assessed)
- Objective/activity – minimize the number of local governments not electronically filing (e-filing) the Municipal Financial Report on a timely basis
- Objective/activity – maintain a passing percentage of 60.0% for assessor certification exams

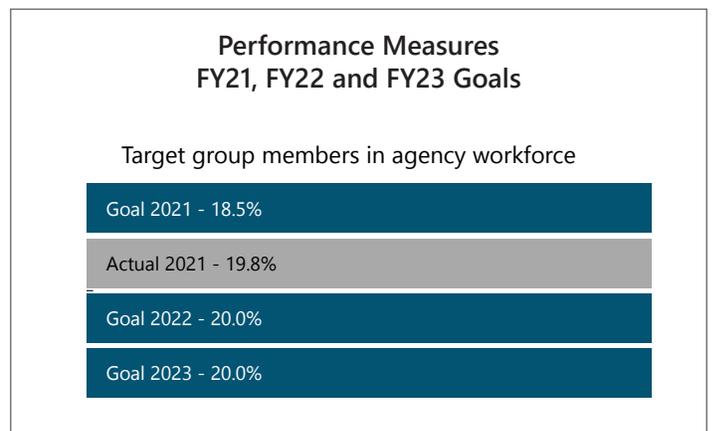
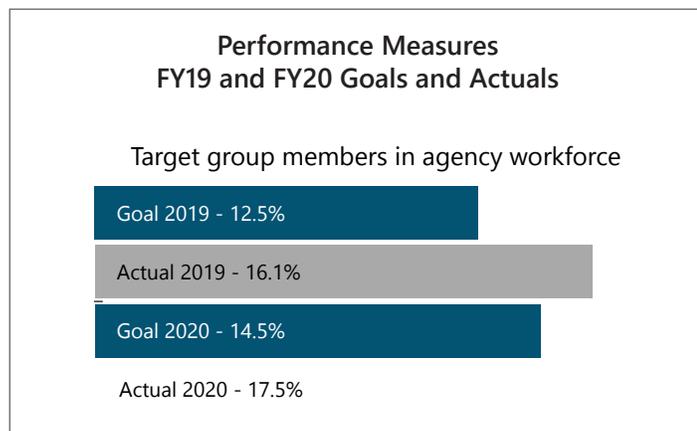
Performance Measure	FY19		FY20	
	Goal	Actual	Goal	Actual
Percentage of forms and reports received electronically	95.0%	99.0%	95.0%	99.0%
Performance Measure	FY21		FY22	FY23
	Goal	Actual	Goal	Goal
Dollar amounts assessed from real estate transfer fee audits	\$750,000	\$891,840	\$750,000	\$750,000
Number of local governments not timely e-filing the Municipal financial report	15	9	10	10
Percent of assessors passing certification exams on first attempt	60.0%	62.0%	60.0%	60.0%



## Program 3 – Administrative Services

### Goal – Maintain a positive work environment

Objective/activity – percentage of target group members in agency workforce.



# DOR Major Program Goals and Objectives



## Program 4 – Unclaimed Property

### Goal – Promote efficiency and integrity

Objective/activity – process unclaimed property claims within 90-day statutory limit.

#### Performance Measures FY19 and FY20 Goals and Actuals

Processed unclaimed property claims within 90 days

Goal 2019 - 100%

Actual 2019 - 100%

Goal 2020 - 100%

Actual 2020 - 100%

#### Performance Measures FY21, FY22 and FY23 Goals

Processed unclaimed property claims within 90 days

Goal 2021 - 100%

Actual 2021 - 100%

Goal 2022 - 100%

Goal 2023 - 100%



## 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.

#### Performance Measures FY19 and FY20 Goals and Actuals

Change in funds distributed for property tax relief from prior year

Goal 2019 - 1.0%

Actual 2019 - 27.5%

Goal 2020 - 1.0%

Actual 2020 - 13.1%

#### Performance Measures FY21, FY22 and FY23 Goals

Change in funds distributed for property tax relief from prior year

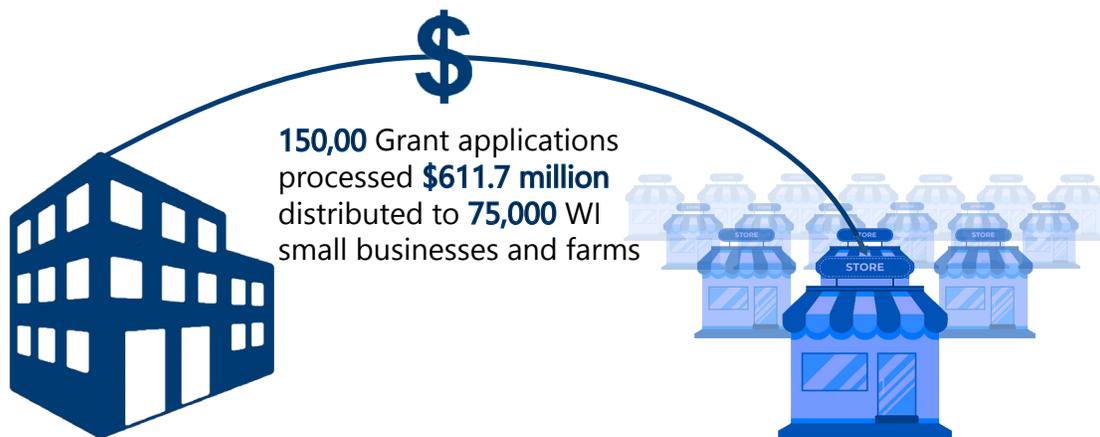
Goal 2021 - 1.0%

Actual 2021 - (-12.0%)

Goal 2022 - 1.0%

Goal 2023 - 1.0%

# DOR COVID-19 Response



## Support for taxpayers enacted immediately

- Extended individual income tax filing deadline to July 15, 2020
- Extended withholding, sales, and excise tax filing deadlines for the May and June filing periods
- Expedited claims for earned income tax credit and homestead credit
- Lowered the interest rate from 18.0% to 12.0% on sales and use tax return unpaid balances due March 31 and April 30, 2020
- Allowed installment payment plans for amounts reported on returns but unpaid
- Relaxed collection activities on delinquent balances between March 27, 2020, and July 15, 2020, unless suspending the collection activity compromised the state's ability to collect the amount due
- Delayed the start of most new small business audits
- Developed new ways to provide virtual assistance to taxpayers including online chat, office drop boxes, and appointment scheduling

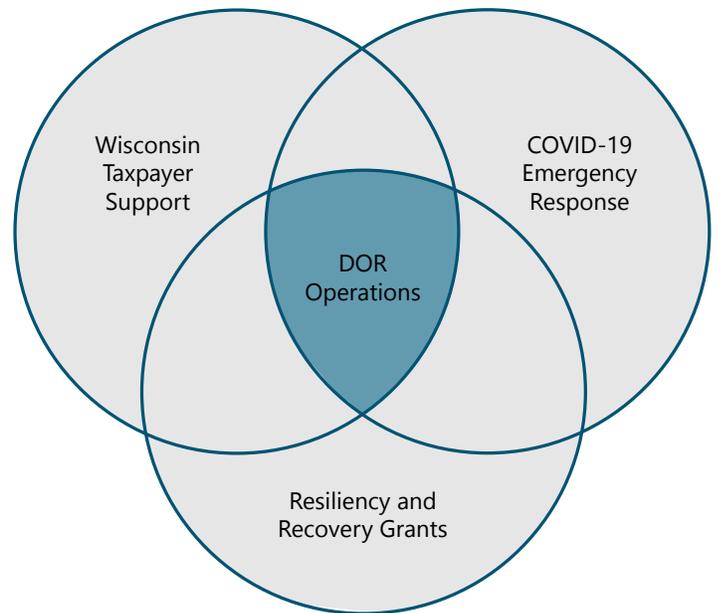
## Deployed teams to address the COVID-19 health emergency

- DOR employees helped develop the program and processes to deploy personal protective equipment (PPE) to health care providers statewide. This included working with the State Emergency Operations Center (SEOC) to develop tracking software, creating a call center to record and track PPE requests, and move PPE supplies at the state warehouse.
- Our Research and Policy Division worked with the SEOC Future Operations team early on to assess the economic impact of the pandemic and recommend ways the administration could mitigate economic hardship and create economic resiliency. Operation Checkmate, as it was known, was instrumental in forming the small business grant programs that have been so successful.
- DOR lent administrative, process and training experts to scale up the public health contact tracing program. These DOR staff members worked with external consultants to document the contact tracing process, develop multi-media training materials, and create a team structure that enabled the contact tracing efforts to scale from a few dozen employees lent from various agencies, to a full-scale operation of over 200 contact tracing staff.
- DOR lent administrative staff to lead the development and implementation of the state's COVID-19 test registration software. Our systems and process expertise teamed with the SEOC and local software, biotechnology, and healthcare businesses to start up the online registration software that has now been used by over two million Wisconsin residents.

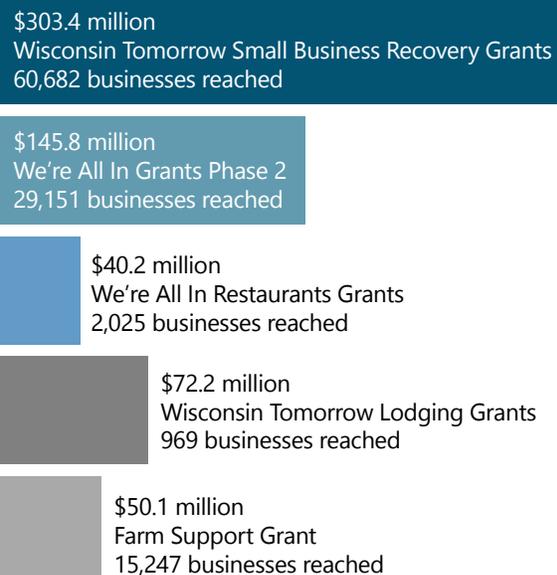
# DOR COVID-19 Response

## Administered Economic Resiliency and Recovery Grants

- DOR's expertise in financial processing and security were instrumental in successfully administering over 150,000 grant applications and distributing \$611.7 million to nearly 75,000 Wisconsin small businesses and farms
  - » In summer 2020, the Wisconsin Farm Support Grant Program provided up to \$3,500 to 15,000 Wisconsin farms for a total of \$50 million
  - » In fall 2020, the We're All In Small Business Grant Program provided \$5,000 each to over 60,682 Wisconsin small businesses for a total of \$303.4 million
  - » In fall 2020, the We're All In for Wisconsin Restaurants Grant Program provided \$20,000 each to over 2,000 Wisconsin restaurants for a total of \$40 million
  - » In summer 2021, the Wisconsin Tomorrow Small Business Recovery Grant Program provided \$5,000 each to over 60,000 Wisconsin small businesses for a total of \$303.5 million
  - » In summer 2021, the Wisconsin Lodging Grant Program provided between \$10,000 and \$2 million to 969 Wisconsin lodging businesses for a total of \$72.2 million
- To administer each of these grants, DOR teams developed software to enable businesses to apply for the grants online, and its tax processing system evaluated the applications for completeness and veracity prior to issuing the grants
- DOR's security technology and processes prevented over 40,000 grants totaling \$200 million from being issued to fraudulent applicants
- In addition to the \$650 million distributed to Wisconsin small businesses, DOR employed similar technology and expertise to administer American Rescue Plan Act – Local Government Recovery grants totaling \$205 million to 1,820 Wisconsin local governments
- DOR administered all the grant programs alongside regular operations with employees working the time necessary to meet urgent needs created by the pandemic



### American Rescue Plan Act Funds Distribution



# DOR SOARS

Secretary Peter Barca brought the Appreciative Inquiry process for strategic planning and process improvement to the agency, having used it many times throughout his career. Appreciative Inquiry (AI) is a strengths-based improvement methodology bringing stakeholders together to share ideas, agree on the best initiatives to pursue, and collaborate to implement those initiatives. It uses a 'SOAR' process where participants identify Strengths, Opportunities, Aspirations and Results.

## Appreciative Inquiry Principles

- Strengths-based – "what we look for, we find; what we pay attention to, grows"
- Participatory and inclusive – people commit to what they help create

The SOAR process provides a forum for employees to be heard, identifies department strengths and opportunities for improvement, encourages aspirational goals, and delivers results. These results

are seen in the form of improved customer service, more engaged employees, increased cross-division collaboration, and maximized benefits from technology and innovation.

In the summer of 2019, 1,000 of 1,200 DOR employees chose to participate in half-day SOAR sessions. The sessions were onsite and staff led using the AI process to identify department strengths and opportunities in four areas: customer service, cross-division collaboration, staff engagement and innovation. From this, 24 department initiatives for improvement emerged.

## Initiatives

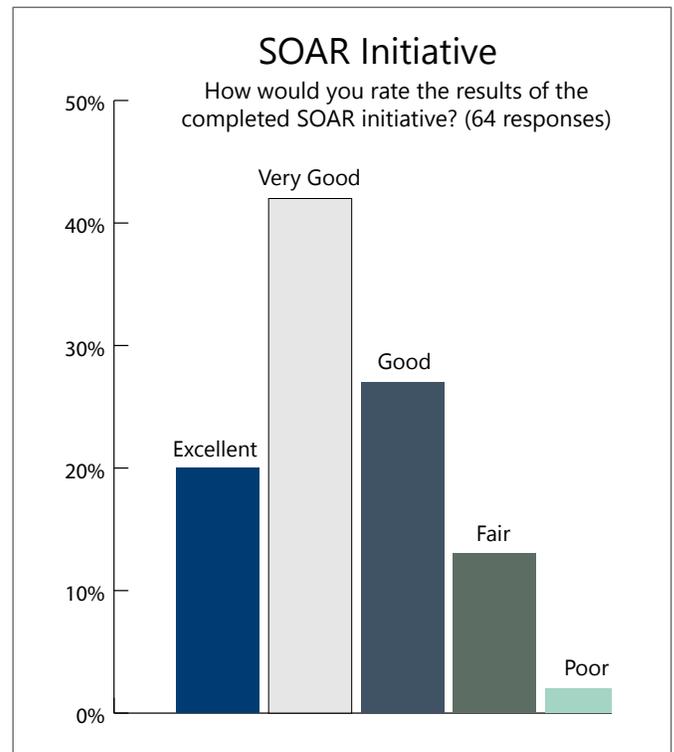
As of September 2021, 12 of 24 identified initiatives are complete. The others are underway.

### Examples include:

- Expanded multi-lingual services
- Extended customer hours
- Live online chat
- Wellness initiatives
- Data analysis
- Identifying employee technology needs
- Telecommuting policy

Two new initiatives also emerged after the SOAR Summit – Racial Justice and Community Pandemic Recovery (DOR initiating the application of AI in communities for pandemic recovery – to bounce back stronger).

SOAR has become part of our department culture, where we reframe problems and look at them as opportunities. SOAR is delivering a better experience to customers and staff.



# Division of State and Local Finance

The State and Local Finance Division (SLF) calculates statewide property equalization; conducts property assessment services for manufacturing, telecommunication and other utility company properties; assesses and collects certain taxes; and certifies assessors statewide. It also administers the state's shared revenue, property tax relief, and the tax incremental financing programs.



## EQUALIZATION

Annually certifies equalized and tax incremental finance values; ensures assessment compliance; reviews assessment appeals, chargebacks, and omitted requests; and provides training.



## MANUFACTURING

Assesses manufacturing property; ad valorem assessment of telecommunications, pipelines, airlines, railroads; and assesses gross receipts of light/heat/power companies.



## LOCAL GOVERNMENT SERVICES

Reviews local government financial statements/property assessment/tax reports; distributes state aids and property tax credits; certifies equalized values (school, special, and tech college districts); and administers real estate transfer fee program.



## ASSESSMENT AND TECHNOLOGY

Oversees assessor certification and education; administers tax incremental finance program; and provides technology/applications support.

# SLF Accomplishments and Goals

## Professional Property Tax Administration

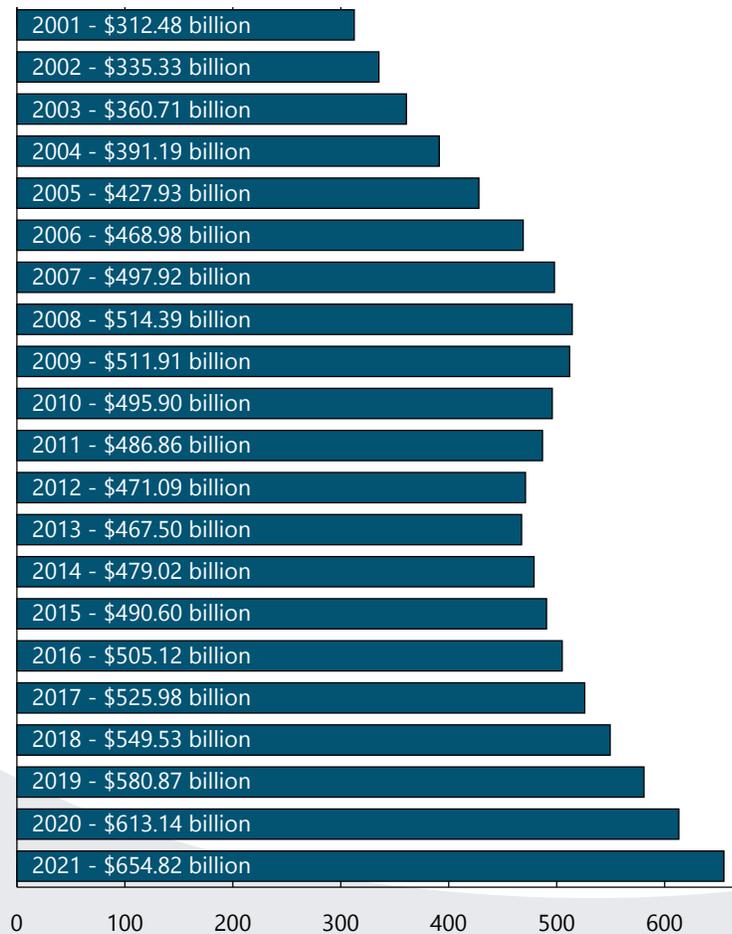
The Department of Revenue promotes efficient, effective, consistent property tax administration, and ensures compliance of statutorily required deadlines by SLF and local government officials (ex: assessors, clerks, listers, etc.) to allow for timely and accurate production and distribution of property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



## Accomplishments

- Equalized values
  - » Certified total state equalized value of \$613.1 billion in 2020 and \$654.8 billion in 2021
  - » In 2021, Wisconsin experienced the largest statewide increase of equalized value since 2006, of 7.0%, and the largest statewide new construction value on record of over \$10 billion
- Shared revenue/property tax credits
  - » Distributed \$1.4 billion in property tax relief for the 2019 tax year and \$1.3 billion for the 2020 tax year
  - » Distributed \$1.1 billion of shared revenue in FY2020 and \$1.1 billion in FY21
- Assessed manufacturing property of \$20.0 billion in 2020 and \$20.2 billion in 2021, an increase of 1.3%
- Assisted local governments in the imposition of \$12.0 billion in gross property tax in 2020
- Approximately \$412.0 million in utility taxes and gross revenue license fees levied during the 2020 assessment year
- Provided all values, estimates and statistical data to local governments and partner agencies on or before statutory deadlines

Equalized Values 20-Year History



Note: Review summary reports and visualizations on the [DOR Reports](#) web page.

# SLF Accomplishments and Goals



## Goals

- Implement system-wide efficiencies in the valuation and assessment of property
- Develop property assessment curriculum and training for new and experienced assessors to ensure compliance with assessment standards and uniformity

# SLF Accomplishments and Goals

## Leverage Technology to Improve Processes

The Department of Revenue uses electronic filing, forms processing, web content, and various online tools to gain efficiencies, inform and educate customers and stakeholders, and implement other improvements in customer filings, data gathering, internal processes, data provision, and education.



### Accomplishments

- Implemented an automated system issue and enhancement reporting application to reduce processing time
- Posted downloadable calendar filing reminders on the DOR website for local government filers
- Updated systems, forms and instruction for 17 acts impacting state and local finance programs during the 2019 legislative session
- Continued transitioning mainframe applications into new processing system, Values-Aids-Utilities-Local Government Taxes (VAULT), while also re-engineering processes to identify and implement efficiencies (ex: improving filing accuracy, reducing process time)
- Transitioned reporting and billing for telecommunication companies from mainframe to established processing systems – WINPAS and My Tax Account
- Deployed automated Annual Assessment Summary to provide certain data for local government officials previously reported on Annual Assessment Report (which is no longer required)



### Goals

- Implement expanded functionality and user efficiencies within My DOR Government Account based on user feedback
- Coordinate with the Division of Technology Services to complete the conversion and decommissioning of the mainframe system
- Identify and implement onsite property assessment/valuation efficiencies with mobile equipment

# SLF Accomplishments and Goals

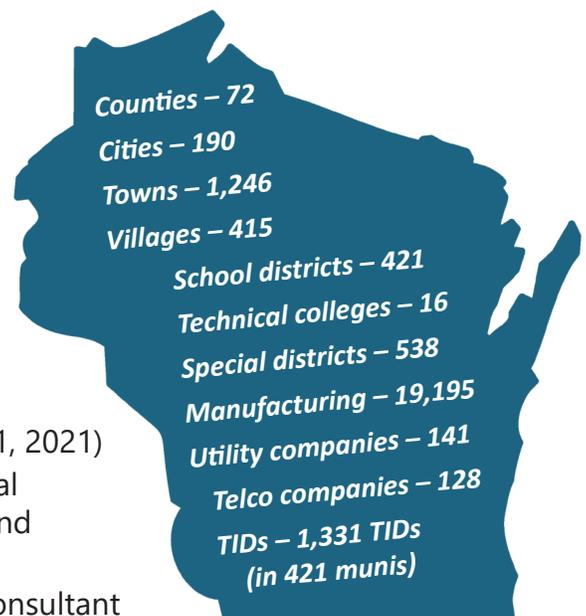
## Customer Relationship Management

Customer satisfaction surveys are administered every two years. We work to improve our relationships and communications with customers, stakeholders, and business partners by learning from feedback received and applying lessons learned.



### Accomplishments

- Improved satisfaction with division services from 79.0% *Good/Very good* in 2018 to 88.0% in 2020
- Published the newly established [SLF newsletter](#) to increase connection with customers
- Increased training and education for customers and stakeholders until impacted by the pandemic, while associations transitioned to virtual conferences. Per calendar year:
  - » 2019: 4,111 attendees at 47 events
  - » 2020: 1,097 attendees at eight events
  - » 2021: 1,610 attendees at 21 events (through October 1, 2021)
- Conducted SOAR strategic planning session with external stakeholders attending the SLF Roundtable to identify and prioritize issues and solutions
- Implemented tax incremental finance workshops with consultant firms to address filing issues, and answer program and statutory questions in a group session with each firm and its employees
- Implemented annual refresher/new user webinars for My DOR Government Account users
- Sent additional filing and payment reminders to local governments to support timely compliance
- Increased SLF's monthly content on social media platform, Twitter – to support DOR's social media initiative



### Goals

- Improve satisfaction with division services from 88.0% *Good/Very good* in 2020 to 90.0% in 2022 (next customer satisfaction survey)
- Use surveys to collect targeted feedback and roundtable sessions to collaborate with stakeholders
- Develop and publish training videos explaining program requirements and timelines, and providing form filing instructions, including My DOR Government Account system enhancements
- Assist expansion of DOR's social media presence on other platforms

# SLF Accomplishments and Goals

## Employee Relations

Employee engagement surveys are conducted annually, typically in the beginning of each calendar year. The division works to ensure its employees have the resources and flexibility needed to be highly productive in an inclusive environment.



### Accomplishments

- Improved overall job satisfaction within division from 72.9% in 2020 to 87.2% in 2021
- Implemented access to Udemy training platform to access over 4,000 high-quality courses covering many topics
- Launched a SharePoint division team site to centralize resources and internal communications
- Prioritized business needs, maintained flexible schedules and implemented a telecommuting directive in response to the pandemic



### Goals

- Maintain overall job satisfaction within division above 85.0% in 2022
- Revise employee training plans to provide consistency and expand expertise
- Coordinate with human resources to improve recruitment processing time to reduce the division's running vacancy rate

# SLF Accomplishments and Goals

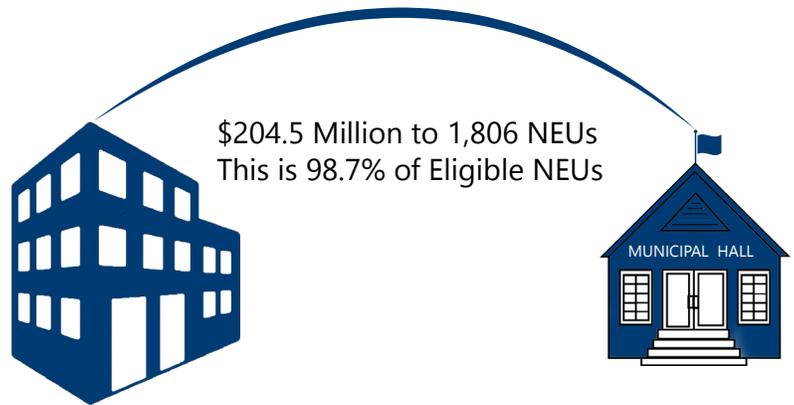
## ARPA – Local Fiscal Recovery Funds

The Department of Revenue was responsible for distributing American Rescue Plan Recovery Act (ARPA) funds to non-entitlement units of government (NEUs) within the state of Wisconsin on behalf of the U.S. Department of the Treasury (Treasury).



### Accomplishments

- Calculated the ARPA allocation for each Wisconsin NEU
- Coordinated with the Wisconsin Department of Administration to ensure there were no excluded or disqualified Wisconsin NEUs
- Coordinated with DOR's Division of Technology Services to create the electronic Form SL-330: Coronavirus Local Recovery Funds Request for Wisconsin NEUs to e-file requesting their ARPA allocation
- Implemented communication plan including emails, webinars, phone calls and social media to inform Wisconsin NEUs of the opportunity and process for requesting funds
- Through July 31, 2021, the state of Wisconsin distributed \$204.5 million to 1,806 NEUs, which is 98.7% of eligible NEUs



### Goals

- Distribute ARPA to remaining Wisconsin NEUs for 2021 and complete the second payment in 2022
- Educate local governments of the allowable uses and reporting requirements based on Treasury guidance
- Encourage local government collaboration on regional projects

# Division of Research and Policy

The Research and Policy Division (R&P) provides detailed analyses of fiscal and economic policies to the Office of the Governor, DOR's Secretary's 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.



## ECONOMICS

Prepares estimates of state general purpose tax revenues and forecasts of the Wisconsin economy.



## INCOME TAX POLICY

Conducts research on and analyzes individual income, corporate franchise/income, and earned income tax credits.



## SALES AND PROPERTY TAX

Researches and analyzes sales and use, property, excise and utility taxes, and other property tax relief programs. Provides analysis of fiscal issues affecting school districts, municipalities and counties, including local financial assistance programs.



## BUSINESS DEVELOPMENT

Business Development and Government Relations (BDGR) connects the dots to federal, state and local resources to help Wisconsin businesses grow and thrive.

# R&P Accomplishments and Goals

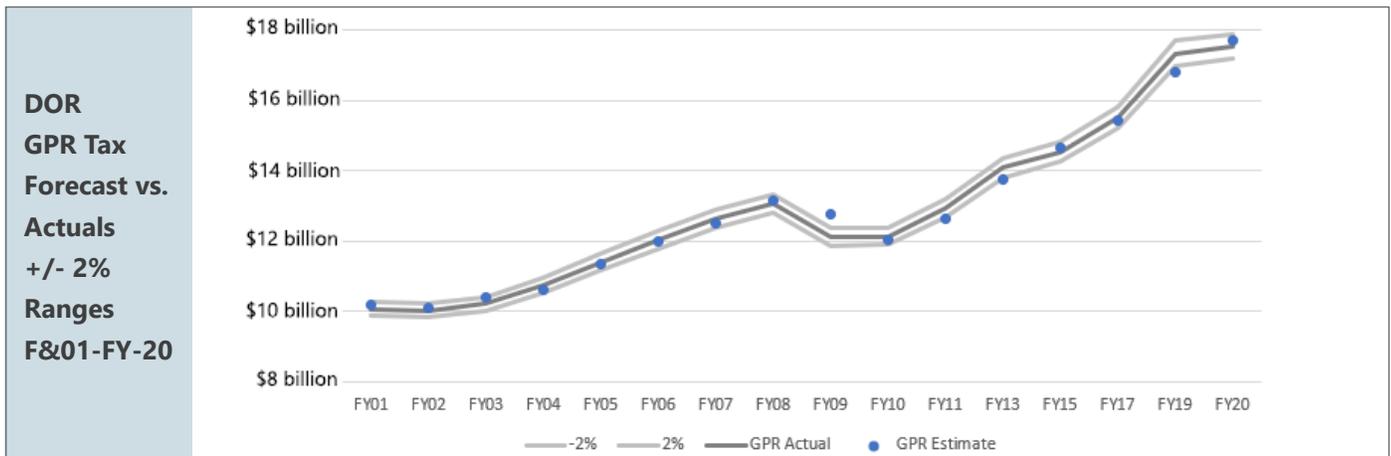
## General Fund Revenue Estimates and Fiscal Estimates

The Research and Policy Division is responsible for the creation of the biennial revenue estimates presented by the executive branch. Additionally, the division is charged with analyzing all tax policy proposals. More fiscal estimates are completed by R&P than any other state agency division.

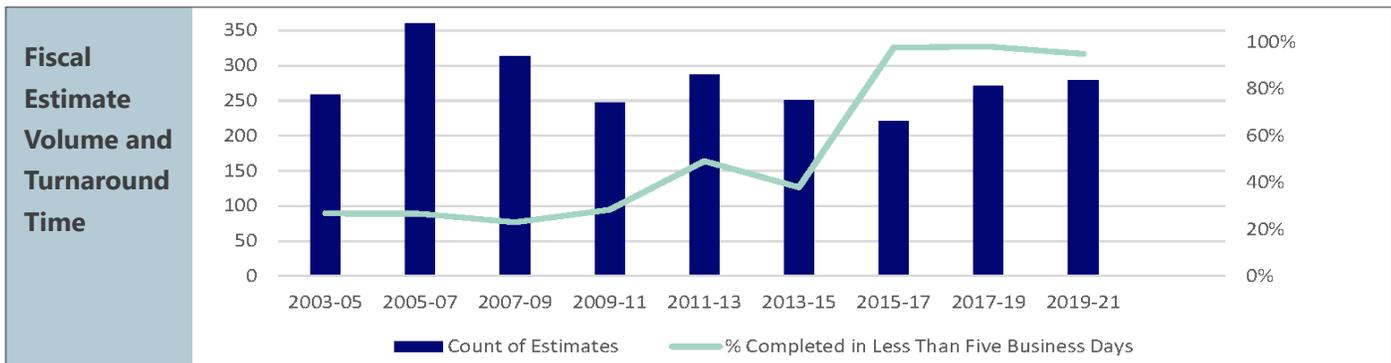


### Accomplishments

- General fund revenue forecast error of 3.0% for FY19, 1.1% for FY20 with forecast horizons of six and eight months, respectively



- Completed 95.0% of 279 assigned fiscal estimates within five business days



### Goals

- Maintain forecast accuracy within 2.0% of actual annual revenue collections
- Complete 95.0% of fiscal estimates for proposed legislation within five business days. The division is currently tracking at 97.0% for the 2021 session.

# R&P Accomplishments and Goals

## Database Creation and Publication

The Research and Policy Division produces a significant number of detailed statistical reports and databases for both internal and external use. Over the last few sessions R&P created more user-friendly databases and tools for the public to access its substantial data resources.



### Accomplishments

- Created many data visualizations – the division now has 36 visualizations available for public consumption
- Created a stand-alone page for R&P visualizations at [DORViz.wi.gov](https://dorviz.wi.gov)
- Redesigned DOR's [Reports](#) page to a searchable, more user-friendly format
- Updated corporate and individual tax samples with tax year 2018 data, allowing for robust analyses of income tax returns and proposed tax law modifications



### Goals

- Continue to update current data visualizations and provide additional user-friendly visualizations and interactive databases to DOR stakeholders
- Increase average daily views of R&P data visualizations – July 2020 through August 2021 average daily views were 100
- Create the tax year 2020 corporate and individual income tax samples

# R&P Accomplishments and Goals

## Business Development and Government Relations (BDGR)

The Research and Policy Division hosts the Business Development and Government Relations (BDGR) initiative. This initiative connects the dots to federal, state and local resources that help your Wisconsin businesses grow and thrive.



### Accomplishments

- Launched the BDGR initiative
- Created a [BDGR website](#) to help businesses access state and federal programs to start and grow a Wisconsin business. The website contains extensive and up-to-date links on business services.
- Hosted Wisconsin Economics and Business (WEB) meetings statewide and online to connect with business leaders and present the latest federal, state, and local economic data
- The Department of Revenue's business liaison helped businesses navigate tax incentives, access economic data, and apply for various pandemic relief grants
- Updated the [Tax Incentive Finder](#) tool to help businesses identify and understand tax incentives



### Goals

- Continue to update the BDGR website with the latest information for businesses
- Host in-person WEB meetings and offer online hybrid options to increase availability and accessibility
- Continue expanding research offerings to the business community and public at large, such as the newly established Monthly Economic Update

# R&P Accomplishments and Goals

## Additional Accomplishments

Outside the regular functions and objectives of the division, R&P engages in significant activities related to law changes and the pandemic. All R&P staff contributed to these special projects in one form or another.



### Accomplishments

- **Biennial Accomplishment**

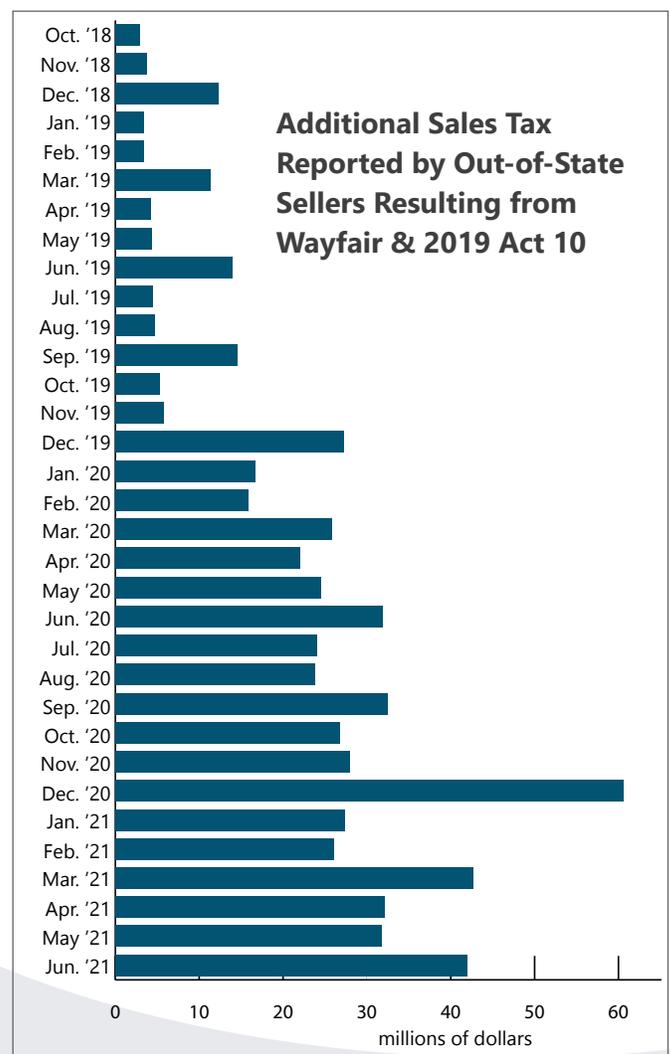
As required by law, R&P revenue economists estimated additional sales and use tax revenue reported to DOR resulting from of the U.S. Supreme Court decision (Wayfair) and the marketplace provisions of 2019 Act 10. The Department of Revenue estimated these amounts, determined income tax rate reductions as required by statute and presented the findings to the Legislative Audit Bureau, which found the estimated sales tax revenues and income tax reductions reasonable. The lower tax rates were first effective in tax year 2019 and updated in tax year 2020.

#### Tax Year 2019-2020 Breakdown

- » **2019** – additional sales tax reported during the 12 months ending Sept 30, 2019, allowed the state to decrease the 4.0% rate to 3.7% and decrease the 5.2% rate to 5.0% for an estimated income tax decrease of \$77.4 million
- » **2020** – additional sales tax reported during the 12 months ending Sept 30, 2020, allowed the state to decrease the 4.0% rate to 3.5% and decrease the 5.2% rate to 4.7% for a total estimated income tax decrease of \$256.4 million. These rates remain until change by law.

- **COVID Response Accomplishment**

- » Through Operation Checkmate, R&P’s revenue economists assisted the Wisconsin National Guard and the Wisconsin Economic Development Corporation with research on the pandemic’s initial impact on Wisconsin’s economy
- » Developed and analyzed program parameters for We’re All In Grants, Farm Support Program, lodging awards, ethanol industry assistance, and the Wisconsin Tomorrow Small Business Recovery Grant



# Office of General Counsel

The 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.



## APPEAL RESOLUTION

Responds to and resolves taxpayer requests for redetermination of tax assessments and denials of claim for refund.



## LEGAL SERVICES

Represents the department at the Wisconsin Tax Appeals Commission, courts and other venues, and advises the department on legal matters.



# OGC Accomplishments and Goals

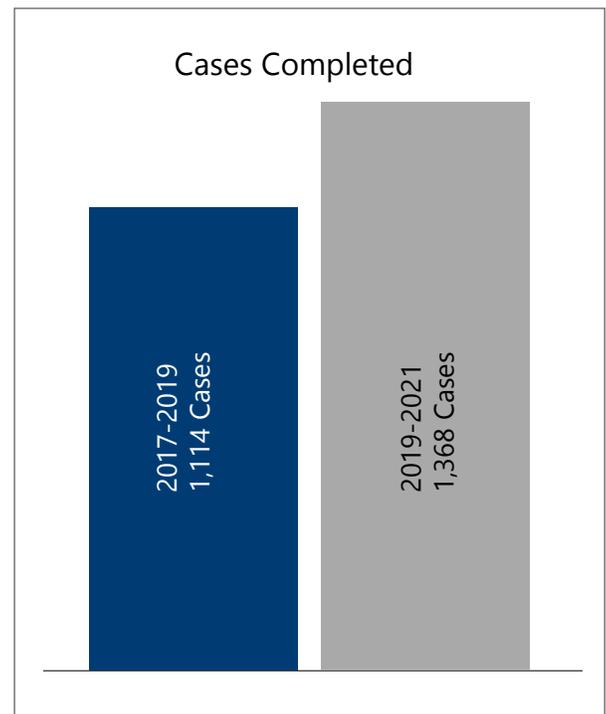
## Provide timely, efficient, fair legal services and appeal review

The Office of General Counsel provides timely, high quality, and efficient legal services to DOR and represents it in tax appeals at the Wisconsin Tax Appeals Commission (WTAC). The division also represents DOR in 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. Appeals are handled through correspondence, telephone and informal conferences. Taxpayers may appeal the actions of the resolution officers to the WTAC.



## Accomplishments

- Continued to resolve appeals using remote depositions and meetings during pandemic
- Automated appeal acknowledgment letters, resulting in significant time savings for resolution unit supervisors
- Obtained decisions ruling that:
  - » The state of Wisconsin may appropriately claim title to over \$125,000 worth of unclaimed U.S. Bonds
  - » 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
  - » Rulemaking as to Administrative Code (sec. Tax 18.05, Wis Admin. Code) did not require a second scope statement, a second hearing, or a second economic impact statement; merely an analysis to determine whether an environmental impact statement is necessary
- Appeal review
  - » Resolved appeals involving over \$110 million of franchise tax, \$13 million of sales and use tax and \$1.9 million of pass-through withholding tax
  - » Achieved final resolution of 95.6% of cases acted on by the Resolution Unit during the 2019-2021 biennium
  - » Resolved 90.9% of large case field audits within 25 months
  - » Completed 1,368 cases this biennium versus 1,114 in the previous biennium – a 20.0% increase, resulting in a decrease of inventory from 528 to 429 for field audit resolution officers
  - » Assisted in processing backlogged appeals from other units
- Successfully transitioned workforce to full-time telecommuting during the pandemic and part-time telecommuting as the pandemic waned



# OGC Accomplishments and Goals



## Goals

- Complete project for modernizing and improving efficiency of collections check deposits
- Maintain or shorten time for resolution of taxpayer cases at the Wisconsin Tax Appeals Commission and in the Resolution Unit

# Division of Technology Services

The Technology Services Division (DTS) 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, and polices and guidelines that ensure a secure environment for all electronic resources.



## APPLICATIONS

Provides application development and support to the department by working on projects that incorporate our business processes, data, and security into their respective business applications.



## CUSTOMER SERVICE

Provides technical assistance and support for internal staff who use DOR systems and with external partners using DOR technical services.



# DTS Accomplishments and Goals

## Mainframe Modernization of SLF Applications

In early 2015, DOR started a multi-year initiative to reengineer and modernize the various business applications used by the State and Local Finance Division (SLF). These applications are used by SLF for processing shared revenue distribution to local governments, administering and managing telecommunications property tax, utility taxes and other forms filed by local governments. The initiative involves transitioning existing mainframe-based legacy applications to a new web-based mobile-ready application. The new Values-Aids-Utilities-Local Governments Taxes application, referred to as VAULT, is being developed using a mobile-first strategy that starts the design process from the more restrictive mobile device end, and modern technologies such as HTML5, Java, JavaScript and Oracle.



### Accomplishments

- Implemented four new applications in VAULT, enabling streamlined processing and reducing staff time to process forms:
  - » Request for sharing of non-manufacturing omitted taxes
  - » Full disclosure notices for school levy tax credit
  - » Newly legislated:
    - Video service provider
    - Fallen officer
- Based on feedback from assessors, implemented a rewrite of the Provide Assessment Data (PAD) reporting system including many enhancements and improvements over the current application.
- Completed the migration of the following additional mainframe applications into VAULT:
  - » Chargeback of rescinded or refunded taxes
  - » First dollar credit
  - » Municipal financial report
- Completed implementation of the American Rescue Plan Act – Local Fiscal Recovery Funds application



### Goals

- Continue to reengineer and modernize the remaining mainframe applications:
  - » Exempt computer reporting
  - » Lottery and gaming credit
  - » Administrative database
- Initiate development of a new application for the electronic real estate transfer form
- Initiate development of a new manufacturing assessment system

# DTS Accomplishments and Goals

## General Technology Services

The department continues to harness the value of technology by focusing on IT simplification. By simplifying its technology environment, DOR delivers better business performance, greater flexibility, higher levels of productivity and a better user experience. Over the past biennium, DOR has continued to rely on more enterprise services where appropriate. This enables DOR to focus on improving business functions using technology instead of spending time managing those services.



### Accomplishments

- Migrated to SharePoint online saving DOR \$42,000 per year in storage costs and allowing more efficient collaboration
- Implemented Microsoft OneDrive for all DOR employees to store, sync and share files securely in one place, while reducing overall file storage costs
- Expanded Office 365 to all employees, providing additional collaboration functionality, reduce costs and increased security
- Migrated letter and remittances scanning to the KOFAX scanning platform, providing additional automated processes allowing DOR to move towards a current software technology
- Upgraded Microsoft Windows server operating system to the latest supported version ahead of project schedule taking advantage of enhanced security, processing times and efficiency features
- Implemented Globalscape, the enterprise data exchange software, providing a more secure and simplified web-based system to safely transfer files to and from DOR
- Migrated all DOR computers from Skype for Business to Microsoft Teams taking advantage of industry communication trends and providing increased efficiencies in communication
- Implemented a secure and robust remote access solution using Citrix, enabling DOR employees to effectively work remotely during the pandemic
- Distributed 492 new laptops to employees in all divisions. These laptops provided increased computing power, a built-in camera, and a lightweight footprint, enabling employees to work remotely more easily.
- Implemented additional VPN capacity for all DOR laptop users, improving the overall performance of the VPN as well as the audio and video quality while using Microsoft Teams



Distributed 492 laptops allowing employees to work virtually during the pandemic



# DTS Accomplishments and Goals



## Goals

- Migrate the scanning of additional tax forms to the KOFAX platform, continuing to move towards a more current software technology
- Implement Microsoft Enterprise desktop management software as DOR's next generation endpoint management solution, enabling DOR to manage devices more effectively from outside of state networks
- Upgrade the DOR network through a series of phased redesigns, upgrades and enhancements to simplify management, improve security, and enhance reliability
- Enhance technology in conference rooms for DOR staff to have an improved experience with hybrid meetings
- Continue to provide laptops, instead of desktops, as the standard to better meet the mobility and telecommuting needs of DOR employees

# DTS Accomplishments and Goals

## Cybersecurity

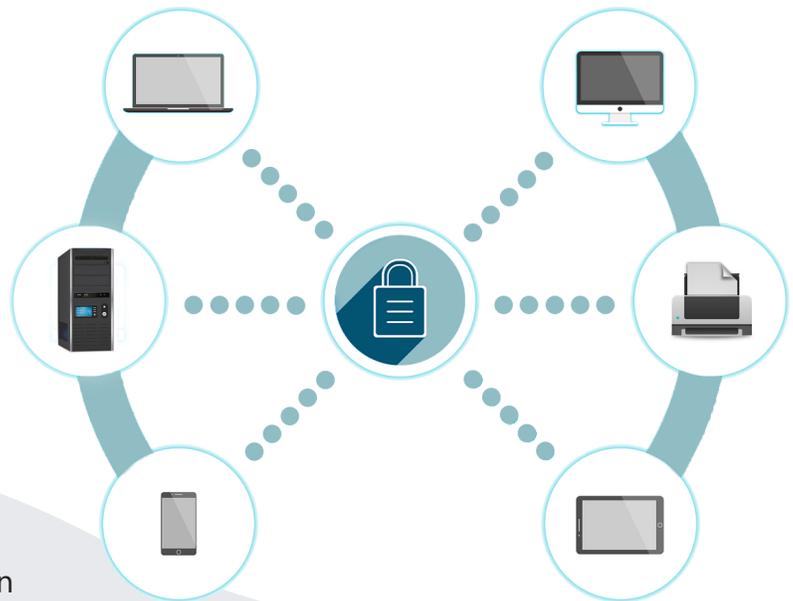
For the past two years, DOR is at the forefront of enterprise security. The current DOR solutions involves working with the security teams for all the executive agencies, including the Wisconsin Department of Administration's Division of Enterprise Technology (DET) security and compliance teams, to provide an enterprise contract with security products for use by all state agencies. This gives DOR a new and enhanced vulnerability management program and malware protection program providing it with an enterprise view to make decisions using detailed information.

A key change came by implementing technology from products DOR already owned. This solution from DOR's web-filtering vendor allows it to provide web-filtering rules and malware protections related to internet-related activity on its mobile computers even if they are not logically connected to the internal network. This ensures all computer traffic originating on DOR mobile devices is routed through a filter to prevent malware and account takeovers. It also blocks DOR users from being directed to malicious websites by a hacked website.



## Accomplishments

- Integrated DOR's current vulnerability solution with DET's to collaborate on improving the security of the state networking equipment
- Collaborated with all other state agencies on an enterprise contract to replace an outdated virus and malware solution with the current endpoint detection and response tool used by DOR
- Assisted each agency on implementing the new endpoint detection and response solution, to ensure the enterprise network is protected
- Implemented a new Phish notify solution for reporting malicious emails. This resulted in adoption by all executive agency security teams and provides DET actionable information required to eliminate email threats quicker than ever.
- Created new training focused on work and home security issues. This training is focused on work from home to eliminate bad work habits and gain knowledge of personal networks at home.



# DTS Accomplishments and Goals



## Goals

- Replace whole disk encryption with an industry-standard product that reduces configuration and management time
- Review and recommend a process to replace the current multifactor authentication with a more cost effective and robust platform for all of DOR's multifactor requirements
- Review and recommend the use of a zero-trust model to protect DOR's mobile workforce and the network products used while mobile
- Work with DET to implement a more secure portal for customer and employee facing logins
- Implement internet facing application scanners for DOR sites, providing real-time configuration advice for security modifications

# DTS Accomplishments and Goals

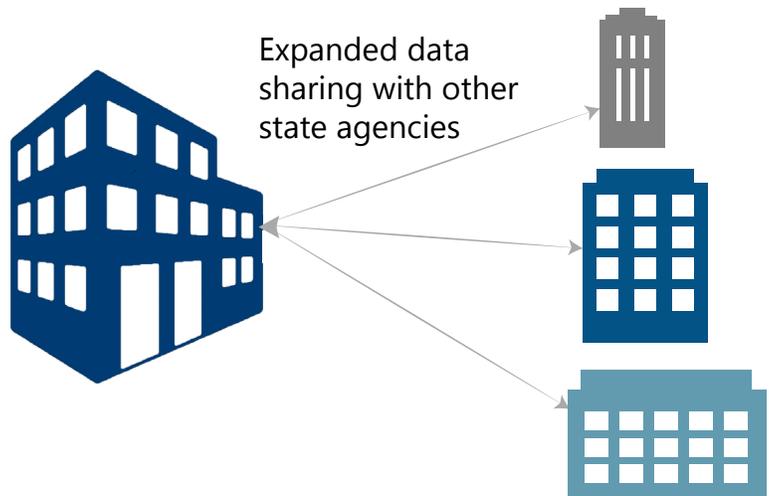
## Data Administration and Management

For 20 years, DOR has used 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 provide 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 continues to 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.



### Accomplishments

- Implemented data availability dashboard for federal data sources, providing agency staff easy access to data frequency, and volumes across files and record types
- Used Gentax Analytics Manager for analyzing tax return data and processing outcomes, leading to business rule improvements for fraud identification
- Expanded data sharing with other state agencies, improving customer service by reducing the need for in-person visits during the pandemic



### Goals

- 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 additional opportunities for increased use of business analytics through discussion and experimentation

# Division of Enterprise Services

The Enterprise Services Division (ESD) 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.



## BUSINESS SERVICES

Provides administrative management to the department in the areas of facilities, fleet, document shredding, and forms management. Processes most incoming and outgoing mail, and prepares returns and correspondence for processing.



## FINANCIAL MANAGEMENT

Oversees development of the department's biennial and annual operating budgets, performing internal audits of department expenditures, serving as liaison for external audits, and developing the department's Internal Control Plan.



## ADMINISTRATIVE OFFICE

Coordinates internal agency operations. Provides support and guidance in the areas of strategic management, policies and procedures, training, continuance of operations planning, continuous improvement and records management. As well as liaising with human resources for workforce planning, diversity, equity and inclusion, and recruitment.

# ESD Accomplishments and Goals

## Promote and advocate for a diverse DOR workforce

Use recruitment and other techniques to address job classifications and groups traditionally underrepresented by minority and women within DOR.

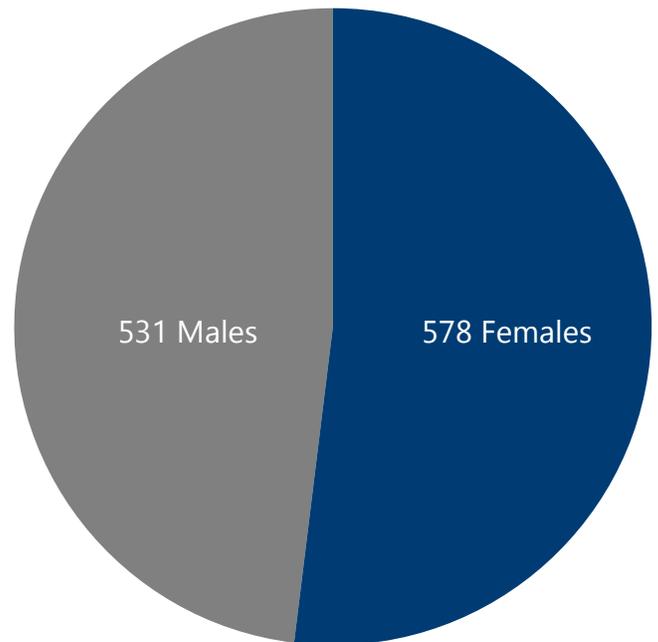


### Accomplishments

- 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.
- In 2020, in response to its strategic planning initiative and Executive Order #59 signed in November 2019, DOR developed an equity and inclusion plan with three overarching goals:
  - » Recruitment – actively work toward diversifying its workplace through recruitment
  - » Retention – actively address the disparity of promotions in marginalized populations, and promote leadership and training opportunities to assist with retention
  - » Agency culture – promote a respectful and inclusive agency culture. The goal is to value diversity, promote equity and be bias free, and for each employee to feel they can bring their "whole self" to work.
- Continued to participate in the TeamWorks program as much as allowed during the pandemic. This is a partnership with Madison-area high schools' Vocational Transition programs with funding support from the Wisconsin Department of Workforce Development's Division of Vocational Rehabilitation. While the program was inactive at DOR beginning in March 2020, DOR returned program participants to the office as vaccinations were available and their family members were comfortable. Four program participants with disabilities were employed as limited-term employees by DOR in FY20 and FY21.
- Conducted more than a dozen department-wide diversity-related training activities over the biennium and introduced employee resource groups. Topics covered diversity, racial equity, transgender and LGBTQ equity and quality of life, and harassment, and discrimination prevention.

### Gender Diversity

The percentage of female employees increased slightly from 52.6% in 2017 to 53.2% in 2019.



# ESD Accomplishments and Goals



## Goals

- Continue to explore and expand methods to advertise position opportunities to diverse applicant pools
- Support and promote the DOR Equity and Inclusion Plan
- Promote participation in leadership and management development by minority and veteran employees

# ESD Accomplishments and Goals

## State Transforming Agency Resources (STAR)

Ensure financial, procurement, and budget transactions meet state and federal requirements using STAR, Wisconsin's enterprise resource planning (ERP) system.



### Accomplishments

- Maintained no findings in financial audits performed by the Legislative Audit Bureau (LAB)
- Prepared and timely submitted accurate financial reports despite having multiple vacancies during the hiring freeze
- Created new online training for purchasing cardholders
- Created a travel clarification document, assisting travelers with further understanding of the state of Wisconsin travel regulations and policies found in Wisconsin Statutes and Section F Uniform Travel Schedule Amounts (UTSA) of the Compensation Plan
- Oversaw the financial processing and reporting for Coronavirus Aid, Relief, and Economic Security (CARES) and American Rescue Plan Act (ARPA) federal funding totaling \$693.1 million in grant payments and \$836,000 in administrative expenses



### Goals

- Maintain no material findings in financial audits performed by LAB
- Accurately prepare and submit financial reports on time
- Improve procedures for reconciliation of clearing accounts
- Improve procedures for creating the division's budget reports, making the preparation more efficient and consistent among the divisions

# ESD Accomplishments and Goals

## Strategic planning using appreciative inquiry methodology

The agency's process began with SOAR (Strategies, Opportunities, Aspirations, Results) sessions to identify DOR's strengths and opportunities and ultimately produced its roadmap for success.

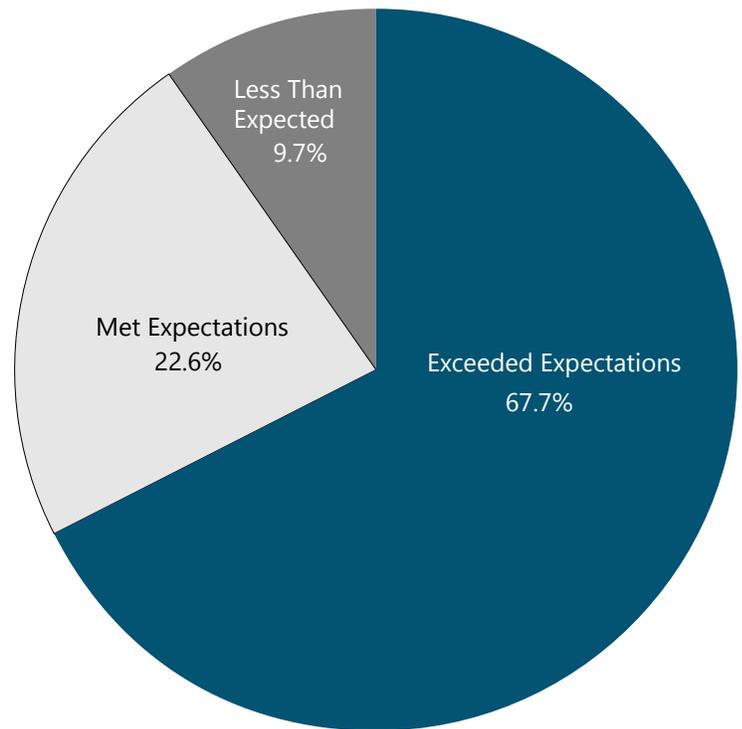


### Accomplishments

- Over a two-month period, roughly two dozen sessions were held at all DOR district office locations. Over 1,000 employees attended the sessions to identify strengths and opportunities.
- A strategic summit was held in November 2019. More than 200 employees spent two days transforming DOR strengths and opportunities into aspirations and desired results, producing a roadmap with over 20 actionable initiatives to guide the agency over the coming years.
- From the summit to current day, teams of employees and executive sponsors are committed to delivering on the initiatives, benefiting taxpayers, customers, employees, and the DOR mission. Ten are implemented, nine are in process, and two await processing.
- When surveyed, summit participants and initiative team members rated the SOAR process and the results from the initiatives very highly

### SOAR Benefits

Has SOAR benefited you in the ways you expected?



### Goals

- Continue work on initiatives from the summit
- Select new initiatives from opportunities identified by staff and leadership
- Track metrics related to implemented initiatives to measure ongoing impact

# ESD Accomplishments and Goals

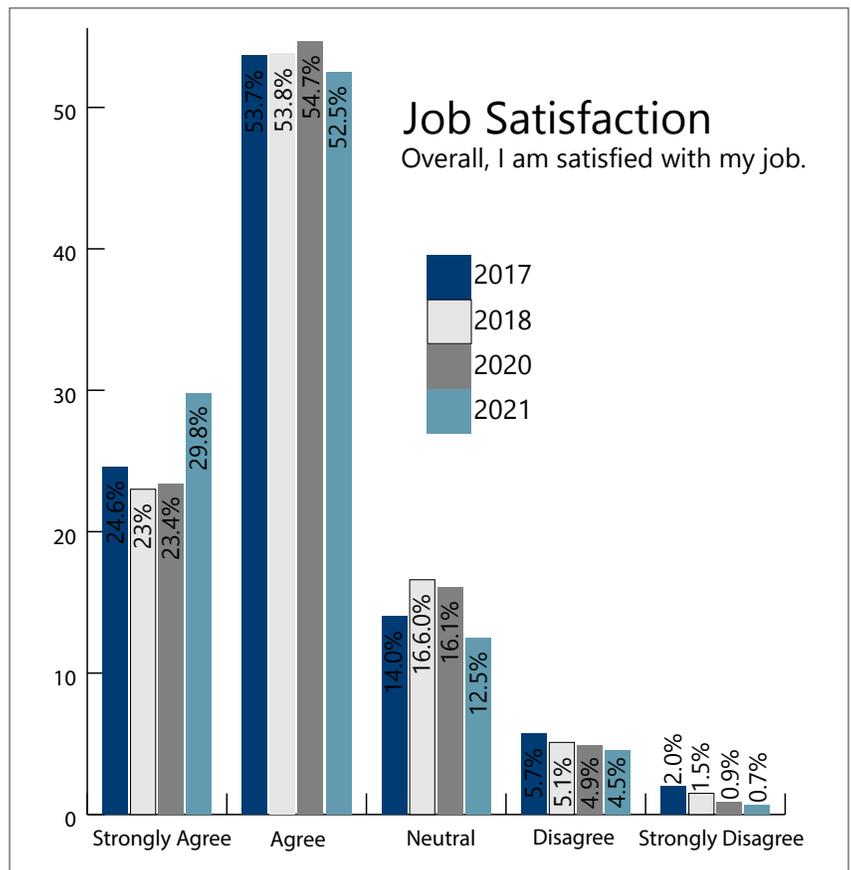
## Employee Engagement

Maintaining a positive work environment is a primary DOR goal. An annual survey conducted by DOR measures employee engagement.



### Accomplishments

- Employee engagement surveys were conducted each year since 2014, except for 2019 when DOR focused on involving the employees in SOAR
- In 2021, 83.0% of employees responded to the survey, the highest rate since 2017
- The highest rated attribute was "I am committed to the success of DOR"
- Employees continue to be highly satisfied with their jobs at DOR



### Goals

- Implement actions to increase scores of lower-rated attributes without losing focus on those that brought DOR success
- Continue the survey each year and provide DOR's overall results

# ESD Accomplishments and Goals

## Privacy and Security Program

The Department of Revenue places a strong emphasis on education of its employees to ensure safeguarding of confidential information.



### Accomplishments

- Privacy and Security Team continued to provide leadership, oversight and guidance for privacy and security policy within DOR
- DOR provided employees with training throughout both years of the biennium on topics such as information technology security, physical security, and handling personally identifiable information
- Conducted live tests (simulated to represent an actual event) of employees to determine employee skills of recognizing and dealing with privacy and cybersecurity threats. Each test became increasingly difficult. There was a 0.0% fail rate for the found USB test, where a USB thumb drive was left in a commons area. Also, phishing and spearfishing fails trended downward.



### Goals

- Update the Security Incident Report Form for employees reporting incidents, making the form easier to complete and having the workflow more precisely manage the protocols of investigation and follow-up
- Strengthen DOR's personally identifiable information data sources inventory to tighten the review schedule and efforts made to manage and reduce future risk
- Assign all employees a minimum of two security training courses per quarter on topics such as information technology security, physical security, and handling personally identifiable information
- Conduct live tests of employees at least four times per year

# Division of Income, Sales & Excise Tax

The Income, Sales and Excise Tax Division (ISE) administers individual income, employee withholding, corporate franchise/income, state and county sales and use, estate, excise, economic development surcharge and other tax types, as well as homestead, earned income other tax credit programs, and the unclaimed property program.



## TECHNICAL SERVICES

Directs division legislative and rulemaking activities, coordinates administration of state tax programs, develops tax forms, publications and administrative rules, leads implementation of law changes, and provides rulings on tax issues.



## AUDIT

Conducts audits on tax returns including those for income, sales, withholding, motor vehicle fuel, and excise taxes. Also, audits credit claims for homestead, earned income and farmland preservation.



## COMPLIANCE

Collects all delinquent taxes and collects debts for state agencies, counties and municipalities.



## CRIMINAL INVESTIGATIONS

Conducts criminal investigations of individuals suspected of violating Wisconsin tax laws and assists in the prosecution of the offenders. Responsible for enforcing Wisconsin's alcohol and tobacco laws.



## TAX OPERATIONS

Processes millions of tax returns annually, collects billions of dollars, administers unclaimed property program, and ensures processing system and tax software is working correctly.



## CUSTOMER SERVICE

Provides timely, high-quality, and efficient assistance to taxpayers by telephone, email, and in-person.

# ISE Accomplishments and Goals

## WINPAS

The Wisconsin Income Processing and Audit System (WINPAS) is DOR's integrated tax processing system. The WINPAS system is used for administering, processing, auditing, and managing all tax types for the state of Wisconsin. The system also includes My Tax Account (MTA), which is a public-facing, free self-service portal allowing 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 also provides a tax data warehouse, which is used for loading, mining and managing data from multiple external data sources including data from the IRS and other state agencies such as the departments of Workforce Development, Transportation and Health Services.

The system is a web-based application built using a commercial off-the-shelf (COTS) tax administration software product, GenTax, a product by Fast Enterprises. It uses modern technologies such as Microsoft .NET and Microsoft SQL Server.



## Accomplishments

- Expanded My Case Manager to include:
  - » Functionality allowing taxpayers to communicate with auditors regarding their audits and cases, including sending emails and attachments
  - » Appeals, nexus, and sales tax office audit cases. This gave taxpayers more visibility into the progress of their audits, specifically appeals, nexus and sales tax office audit cases.
- Implemented wage attachments with one payroll provider enhancing the wage attachment process, giving ability to send and receive daily wage attachment orders, updates and releases electronically to participating partners. This implementation reduced paper output and postage costs, providing quicker customer service to debtors.
- Improved income confidence scores to suspend returns more accurately, which resulted in better use of staff time by identifying returns likely needing adjustments or action from taxpayers
- Implemented the large bank electronic levy process, allowing DOR to electronically transmit and receive bank levies and bank levy responses through an industry-standard file exchange format rather than mailed paper notices. As a result, there are now 25,500 fewer notices going out annually, which is a cost savings of approximately \$12,000 per year and will save about 967 staff hours by not having to manually review paper responses.
- Eliminated the Notice of Overdue Tax, reducing paper and postage costs. This change will save \$21,500 annually and reduce staff time needed to manage these. This also improved DOR's ability to notify debtors of potential offsets from other states.

# ISE Accomplishments and Goals



## Goals

- Review and revamp the annual filing frequency change process. Every year, sales, use and withholding tax accounts are reviewed to ensure taxpayers have correct filing frequencies based on the previous 12-month period.
- Create education – changes to the unclaimed property laws in Wisconsin created a reason to establish education for Wisconsin businesses and a voluntary disclosure program for taxpayers to increase compliance
- Upgrade the process and filing method for utility tax returns from paper to electronic. This would eliminate the need to scan paper returns and provide one location for data storage within WINPAS, allowing more efficient data analysis.
- Create PIN program – the IRS expanded its current PIN program to offer anyone to opt in to use a PIN when filing their income tax return. DOR adopted a similar program. This project will expand and enhance the existing ID verification processes.
- Improve the temporary events program by offering operators and vendors an easy way to acquire a seller's permit, and collect and remit sales tax by removing most of the manual process and providing a place in WINPAS to create an account. This project will support education and increase compliance with event operators and vendors.
- Provide efficiency by implementing an automated process for payroll service providers to send their client lists electronically. The payroll attribute on the withholding registration would systemically update, either adding or removing clients. This is a manual process for staff now and would allow staff to use their time for more complex activities.

# ISE Accomplishments and Goals

## My Tax Account (MTA)

Upgrade DOR's online business tax system to better meet customer needs.



### Accomplishments

- Added My Case Manager, an application that allows taxpayers to view current information about their audit or case
- Added ability for individuals to manage amounts due
- Expanded opt-in functionality for electronic mail
- Added confirmation emails for online requests (estimated payments, registrations, claims, etc.)



### Goals

- Add a My Tax Account virtual assistant feature
- Add additional interactive My Case Manager features
- Increase number of individuals using My Tax Account
- Add unclaimed property voluntary disclosure application for holders

# ISE Accomplishments and Goals

## Compliance – State Debt Collection (SDC) Initiative

State agencies and local governments refer their debts aged past 90 days to DOR for collection. The Department of Revenue 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 levies, tax refund offsets, and vendor payment setoffs.



### Accomplishments

- Increased participation to 653 partners (up 16 partners from FY20)
- Increased SDC collections to \$67.7 million (up \$2.4 million from FY20)
- SDC receivables referred to DOR have grown to \$500.9 million (up \$38.1 million from FY20)



### Goals

- Ensure adequate staffing to respond to debtors and agencies
- Work effectively with agency partners to properly submit and manage their debts
- Improve prioritization of high risk accounts

# ISE Accomplishments and Goals

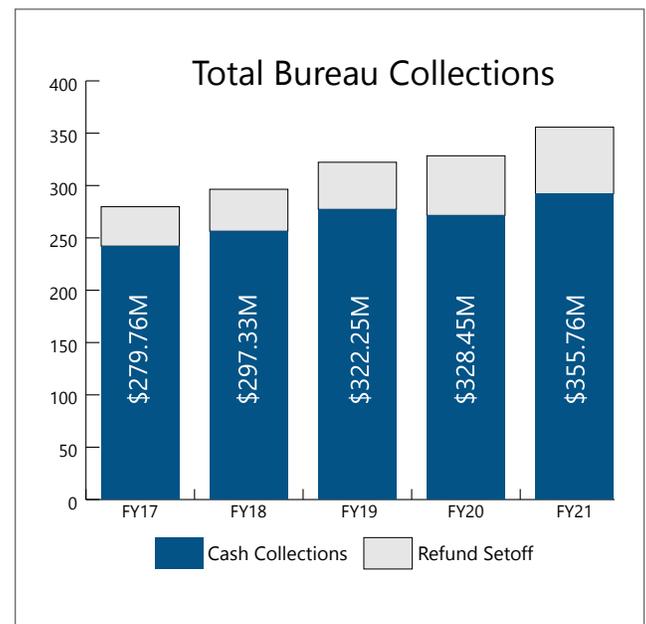
## Compliance – Tax Collections

The Department of Revenue continues to look for ways to efficiently and effectively collect delinquent tax debt.



### Accomplishments

- Delinquent tax collections
  - » FY21: \$288.1 million
  - » FY20: \$263.1 million
- Created Action Required Overdue Balance letter to replace Notice of Overdue Tax letter
  - » Sent when collection case opens with first bill, rather than with each new bill
  - » Estimated postage savings of \$21,500 annually
- Implemented wage attachments with a third-party payroll service provider
  - » Created ability to electronically send and receive wage attachment orders, updates, and releases and automatically process employer responses
  - » Improved time lag in updating wage attachment orders, creating a better experience for employers and debtors
  - » Reduced paper and mail costs and staff time to process employer responses
- Implemented large bank electronic levy process
  - » Created ability to electronically transmit and receive bank levies and responses
  - » Partnered with one large financial institution to implement the process
  - » Improved response time on levies and will save staff time and postage costs once fully implemented with large financial institutions



### Goals

- Use data analytics to identify high risk accounts
- Expand secure electronic file exchange for wage attachments and bank levies with third parties

# ISE Accomplishments and Goals

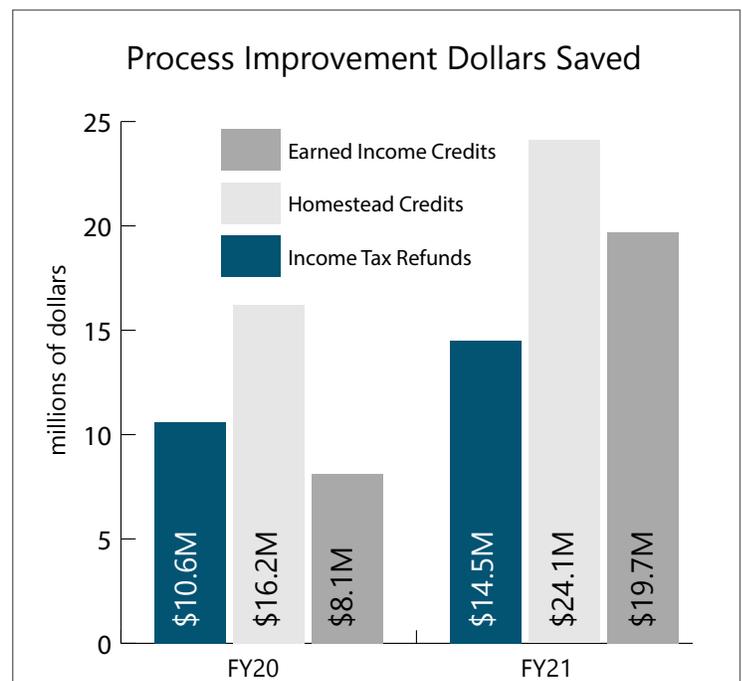
## Tax Operations and Office of Criminal Investigation

Improve individual income and credits tax fraud detection and other processes. DOR 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, wage statements from employers, 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.



### Accomplishments

- Stopped or adjusted homestead credits of \$24.1 million and earned income credits of \$19.7 million in FY21; \$16.2 million and \$8.1 million in FY20
- Stopped fraudulent income tax refunds of \$14.5 million in FY21; \$10.6 million in FY20
- Continuously improved the technology tools to identify fraudulent returns and identity theft
- Implemented a letter of intent and software testing for payroll service providers submitting wage statements, information returns, and withholding returns. This substantially improved data quality. The Federation of Tax Administrators recognized DOR with a technology award for this project.



### Goals

- Complete project to review/reissue all certificate of exempt status number to qualified recipients
- Modernize and improve temporary event processes, ensuring vendors are appropriately registered for a seller's permit, if required
- Continuously improve the technology tools to identify tax refund fraud and identity theft

# ISE Accomplishments and Goals

## Tax Operations – Unclaimed Property

In the 2013-15 biennial budget, the legislature transferred the Unclaimed Property program from the Wisconsin Office of State Treasurer to DOR. Since acquiring the program, DOR's goals were to ensure all claims are acted on within the statutory 90 days, enhance the systems to process claims and holder reports, provide for electronic filing of claim, and conduct a holder education campaign.



### Accomplishments

- Stayed well within the statutory timeline of 90 days for processing claims and met goal of an average processing time of 40 days for all quarters in FY19-21
- 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. An additional \$33.7 million was returned in FY20, of which \$5.4 million was from automatic data matching.



### Goals

- Continuously improve the automatic matching program and claims processing system
- Continue holder outreach to improve rates of holder compliance
- Implement unclaimed property legislation, if passed

# ISE Accomplishments and Goals

## Audit – Technology Initiatives

The Department of Revenue 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.



### 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 DOR
- 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 creating a more comprehensive display of audit information for customers
- Modernized the individual income working paper allowing for books and records audit integration, including an integrated working paper system allowing 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

- 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

# ISE Accomplishments and Goals

## Audit – Revenue Agent Billing Projects

The billing agent project continued to develop from the original allocation in the 2013-2015 biennial budget, encompassing a comprehensive inventory of projects for individual income tax. Agent positions were allocated to Compliance and Audit Bureaus, including within the occasional consumer use tax area.



### Accomplishments

- Contacted customers to resolve state tax implications of federal audit bill reports efficiently, using excellent customer service and promptly resolving issues for customers related to their IRS audits
- Researched and improved data matching models to generate and refine a comprehensive inventory of leads to be billed by revenue agents
- Increased productivity for consumer use tax projects by 30.0% while holding staffing levels constant
- Collected \$29.2 million in FY21, and \$24.6 million in FY20



### Goals

- Continue to evaluate operations and identify areas for ongoing improvement
- Explore opportunities to automate aspects of analysis and communication for improved accuracy and efficiency
- Sustain the productivity of consumer use tax efforts by implementing data-driven workflows

# ISE Accomplishments and Goals

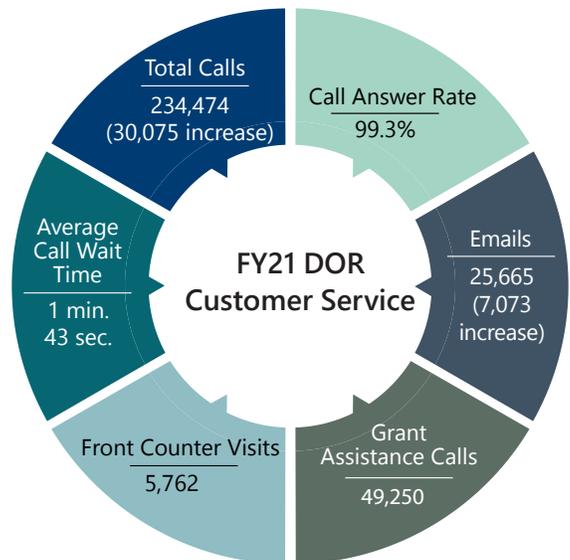
## Customer Service

The Customer Service Bureau provides timely, high-quality, and efficient assistance to taxpayers by telephone and email, and in-person. The Department of Revenue’s goal is to identify new educational and outreach opportunities to better assist taxpayers, and to expand technology and non-traditional communication offerings to taxpayers and partners.



### Accomplishments

- Implemented an online chat function as an additional channel for taxpayer communication
- Implemented a new call center routing system – Nice InContact
- Expanded outreach, trainings and resources available in Spanish and other languages
- Increased number of self-help videos and applications available on the DOR website



### Goals

- Expand online chat into other business areas
- Expand outreach to small and minority run businesses
- Expand self-help tools and applications available to taxpayers
- Increase social media outreach to businesses and taxpayers

# Division of the Wisconsin Lottery

The Wisconsin Lottery strives to provide the greatest possible property tax relief for Wisconsin homeowners by delivering entertaining games, providing outstanding customer service, and operating with integrity and social responsibility.



## SECURITY/OPERATIONS

Responsible for the physical security, information technology security, retailer inspections and investigations, player investigations, drawings and continuity of operations planning.



## RETAILER RELATIONS/SALES

Develops and implements the Lottery's sales programs. Provides retailer recruitment and sales support through field marketing representatives. Provides key accounts management to corporate accounts as well as manages contracting and accounting functions for all retailers.



## PRODUCT DEVELOPMENT/MARKETING

Provides research and development of instant and terminal-generated games, product management, market research and analysis, marketing communications (advertising, social media, public relations, winner awareness), and player relations which includes prize claims and payments as well as special events.

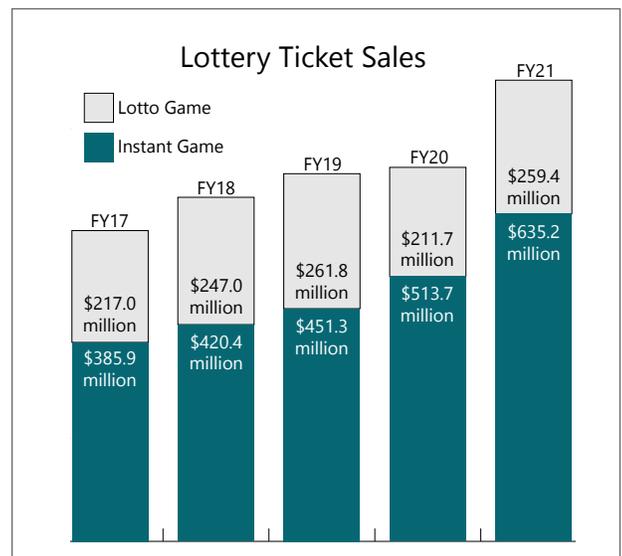
# Lottery Accomplishments and Goals



## Accomplishments

- Achieved record sales for Lotto and Scratch in FY20 and FY21
- Launched a record number of scratch games. On average, the Lottery launches 79 scratch games a year. During FY20, the Lottery launched 86 and in FY 21 launched 95.
- Added a second daily draw, called Midday Draw, to three lotto games Pick 3, Pick 4, and All or Nothing on June 14, 2020. The addition of these draws led to significant increases in sales for all three games. In total, it is estimated that Midday Draw added an additional \$12.1 million in sales or 15.0-23.0% increase per game.
- After major success with the previous Multiplier Family of Games offerings (groups of scratch tickets with similar look and features at various price points), the Lottery added a second Family launch and campaign in the spring of 2020. This second group, the Hot 7s Family, were strong performers, with sales significantly above average at each price point, selling 35-63% better than other games at the same price point.
- Over 100 new retailers began selling Lottery products

### Game Sales



## Goals

- Greatest possible property tax relief for Wisconsin homeowners
- Public trust and confidence in the Lottery brand
- Operational excellence
- Employer of choice
- Expanded player base
- Successful retailers
- Social responsibility