

2007 Innovations Awards Program
APPLICATION

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ID # (assigned by CSG): 07-S-46LAMTCMOBILETAX

Please provide the following information, adding space as necessary:

State: Louisiana

Assign Program Category (applicant): Government Operations-Revenue (Use list at end of application)

1. Program Name

MTC: Mobile Tax Collections Program

2. Administering Agency

Louisiana Department of Revenue

3. Contact Person (Name and Title)

Earl J. Millet Jr.,
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9. Please provide a two-sentence description of the program.

The Mobile Tax Collections (MTC) Program is an exclusive state of the art mobile computing solutions approach which employs the use of Tablet Personal Computers, wireless and stand-alone collection software applications; which allows department staff to operate as independent agents.

Standard office computing resources were made available for field collection activities, facilitating department tax officer field staff to increase productivity and effectiveness while ensuring a balance between positive taxpayer service and effective enforcement.

10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on April 2, 2007, to be considered.

This program started as a standalone application pilot program in November 2004, extended to a wireless application research project in 2005, and deployed Tablet PC's state-wide in January 2006. We presently have 3 Regional Offices utilizing the wireless access applications. We anticipate total wireless access by all Regional Offices by June 2007.

11. Why was the program created? What problem[s] or issue[s] was it designed to address?

Our agency had an aging computer system. It was not capable of leveraging the new technology such as the internet or graphical interfacing. Support costs for the underlying hardware platform of the legacy system was just too hard to manage. The Louisiana Department of Revenue needed to change to a new and modern integrated Tax System. This system had 25 year old technology and changes were cost intensive because of the need and use of programmers. In 2003 the Louisiana Department of Revenue (LDR) changed to a new computer system.

The Mobile Tax Collections program was created as a result of our new Federation of Tax Administrators- FTA award winning integrated tax system, the Delta System. This new system (Delta System) allowed for use of applications that were capable of adapting to the rapid changes at the Louisiana Department of Revenue. The Delta System is a fully integrated tax system which includes Revenue Accounting as part of the package and operates in Plain English – no codes. Changes are rapid and the training of employees are much quicker and easier.

Armed with this new award winning technology, the Mobile Tax Collections program (MTC) was developed utilizing the Tablet PC and wireless portable printers as the hardware components.

In addition, the Mobile Tax Collections Program was created as a means of enhancing collections and providing accurate and effective customer service to taxpayers via field contact. Our field presence and productivity have increased with the ability to access the network from any location at any time. Utilizing the wireless connectivity enables the employees to connect to LDR's network, providing them access to pertinent information from

the Mobile PC, while decreasing and/or eliminating time otherwise spent preparing print outs, mapping routes, and completing tasks associated with the follow up of field work.

Field collectors needed the ability to access taxpayer information remotely; document collection activity; and print vital tax information. Prior to the implementation of the MTC program, our field collectors spent over 90% of their time in office collection activities and 10% in field collection activities. The MTC program allows for more time in the field which now averages over 45%. The program was designed as a means of streamlining the collection process in the field.

The program was created in order to:

- Enhance the field collection program
- Allow for more efficient and effective taxpayer assistance
- Eliminate the clutter of carrying multiple files with outdated information to the taxpayer's place of business
- Reduce the amount of incorrect information provided to taxpayers,
- Reduce the amount of time spent updating files when a Tax Officer returns to the office

12. Describe the specific activities and operations of the program in chronological order.

Louisiana Secretary of Revenue, Cynthia Bridges commissioned a team to study the best practices available to collect delinquent taxes through an expanded field presence.

As a result of this directive a project team was organized and assembled that consisted of a cross section of the Louisiana Department of Revenue and included system programmers, Information Technology Director, Regional Tax Director (Project Manager), Collection Managers, and Tax Officers to initiate the pilot program. Specialized task groups were then formed to investigate *technology* and *operational* issues.

The *technology task group*, consisting of tax officers, supervisors, and division directors were brought together to brainstorm with IT software developers and research analysts to evaluate equipment and software solutions to automate the collection process. This task group's search focused on hardware (Tablet PC) which frees the user from concerns about connectivity, compatibility, functionality, complexity of operation, screen size, and style of input device. The task group tested and developed system strategies and operational guidelines.

Once specific technologies were identified, the *technology task group* conducted field trials. This team studied the previous field collection process, the type of equipment used in the field and what could be done to make the process better. Based on their findings our Information Technology Division developed a program and adapted it to our field visits.

Members of the *operational task group* visited the state of Texas to look at their automated field collection process. Our task group worked with state of Texas in the field as a means of viewing the ease with which they were able to operate with their automated process. They did not have to worry about carrying massive amounts of paper and equipment with them in the field.

Phase One - Standalone

A Pilot Standalone Program was formally launched in January 2005. In this environment, the tax officer selects accounts from their desktop computer to attempt field visits. They are then downloaded to the standalone folder on the Tablet PC. The information on the downloaded file was only current to the date it was downloaded. The tax officer then visited the taxpayer with the Tablet PC in hand rather than stacks of paper files. They could view taxpayer information, make changes, and add notes within this standalone environment while out in the field. They would then come into the office and upload this information directly into our system.

The project team selected 2 tax officers from each regional office to participate in onsite training. *Technical* training included: use and care of equipment, handwriting recognition, voice recognition, and upload/download procedures. *Operational* training included: initial contact, taxpayer customer relations, and best practices for field activities.

Technical components deployed in this phase were:

- Bluetooth enabled keyboard and printer
- Slate platform Motion LE1600 Tablet
- Fingerprint identification and login (Biometrics)

Phase Two - Wireless

In December of 2006, a decision was made to select three of the regional offices to test and deploy wireless functionality to the **Mobile Tax Collections Program**. Through the use of a wirelessly accessible virtually private network, the tax officers are now able to securely access the information normally only available to them in the office. The Tax Officers can now remain in the field for longer periods of time, therefore making more field contacts in less time.

Wireless functionality enabled field tax officers to do the following *operational* enhancements in *real time*:

- Access taxpayer information
- Make changes to accounts
- Identify and register previously unregistered businesses
- Identify closed businesses and make relevant account changes
- Eliminate the need for updating accounts when returning to the office.

Wireless functionality was also enhanced by the following *technical* enhancements:

- The RSA SecurID authentication
- SLL-VPN (Clientless Virtual Private Network) with two factor authentication
- EVDO (Revision A) wireless access provided by Verizon and Sprint via Sierra PCMCIA card.

By the end of June 2007 the wireless component will be expanded to include all eight of the regional offices.

13. Why is the program a new and creative approach or method?

We recognized that our agency needed a more proactive approach by encouraging *voluntary compliance*, with enforcement in its proper place as a secondary measure. To be customer-focused, the MTC program provided the opportunity for the Louisiana Department of Revenue to meet and deal with our taxpayers in the field, while understanding what motivates our customers so that we can improve our ability to provide prompt and courteous customer services.

We were looking for a model program that was a completely secured wireless system and one that could interface with our current new integrated tax system, the Delta System. With this, came the challenges of testing, developing, documenting, writing policies and procedures, and using applications that are capable of adapting to the rapid changes at the Louisiana Department of Revenue.

The MTC program allows for LDR to be creative and flexible. It also allowed for placing more people “in the field,” by leveraging technology to assist in identifying noncompliant citizens and businesses. This technology can also be utilized for outreach to educate taxpayers through seminars and workshops.

Some of the program start up discussions included the following:

- Financial: Cost and Budget requirements and restrictions
- Operational: Staffing requirements, Time Lines for Delivery
- Technical: Integrated Tax System, Application Testing and Quality Assurance, Complexity and User Interface
- External Stakeholders: Impact on State of Louisiana, Impact on Outside Agencies

Thirty years ago, a tax officer in the field was armed with IBM punch cards, a pen, and outdated information when they contacted a taxpayer. More recently tax officers relied on paper files, tax forms, envelopes, tax guides, and booklets. Unfortunately, the information was often inaccurate. Over time, as budget concerns and technical limitations persisted, the LDR field presence was significantly reduced which also affected field tax collections.

The MTC program addressed *all of these issues* and resulted in a noticeably increased field presence. Additionally, it has increased tax collections and increased *voluntary compliance*.

14. What were the program’s start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

Tablet PC’s and accessories (\$2550 x 40 units) \$102,000

IT Implementation Staff (1000 hours x \$55 per hour) \$55,000

15. What are the program's annual operational costs?

Part of the operational budget of the Louisiana Department of Revenue

IT Support Staff (200 hours x \$40 per hour) \$8,000

Supervisory and Administrative staff \$4,000

Wireless service (25 devices x \$59 per month) \$17,700

16. How is the program funded?

This program did not have a specific funding source. It was funded by the Louisiana Department of Revenue's existing operational budget.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

NO

18. What equipment, technology and software are used to operate and administer this program?

The technology of the Tablet PC has two key characteristics, which are enabled through Windows XP Tablet Edition – handwriting recognition and enhanced mobility. The Tablet PC's enhanced mobility is a function of the device class and the fact that you can write directly on the screen as if it were a pad of paper.

Planning decisions were made to test and select the appropriate type of hardware. This included decisions regarding using the Tablet PC's Pen stylus or the touch screen system. We determined that the drop down box approach was a more efficient way to work in the field because of the ease of use. The pen stylus system along with the use of the Tablet PC was a far superior way to work in the field as compared to the clam shell type note book PC.

The technique by which a computer system can recognize characters and other symbols written by hand in natural **handwriting** is one of the key essentials of our Mobile Tax Collections program. Instead of using an attached keyboard or key pad, the handwriting recognition feature turns the handwriting into digital text.

We selected as initial hardware, a Tablet PC from Motion Computing, the LE1600 Motion Tablet PC. Motion Computing, which is located in Austin Texas, was formed by two former Dell executives. This Tablet PC has a sleek and slate design that takes advantage of all the functionality expected of a modern notebook computer. It's thin, light and durable and built around a magnesium alloy chassis. It has a 12.1-inch display screen.

For additional security, we are utilizing the Finger print technology (biometrics). Our select Tablet PC – Motion 1600- has an integrated fingerprint scanner. The user can 'swipe' their finger across the scanner for recognition. Effectively it uses a very small space on the tablet. The scanner is enabled through Omni Pass software from Softex Inc. The Omni Pass software supports multiple users and can learn and remember all of your application and web

passwords. The software contains an enrollment package and can associate fingerprints with multiple system passwords. That means you can protect files, folders and even Internet accounts with a fingerprint.

The software also includes the capability to add other authentication methods such as a smart card. This device allows organizations to accurately authenticate authorized users to access sensitive data and information with the use of secure biometric fingerprint recognition technology.

We also employed the use of the wireless blue tooth technology for our selected wireless portable printers and the blue tooth wireless keyboards.

We are currently using the following:

- Motion LE1600 Tablet PC
- Hewlett Packard 450btw printer (Bluetooth)
- Verizon Wireless AirCard (PC Card)
- RSA SecurID (Two-factor Authentication)
- Cisco SSL-VPN (Clientless Virtual Private Networking)

Enhancements expected in June '07 will include:

- Citrix Presentation Server (Application Publishing)
- Citrix Access Gateway (SSL-VPN with 'Wireless aware' technology)
- VeriSign Digital Certificates

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

Yes.

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20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

While several states have a field collection program, most are manually driven. We are not aware of any program in any other state utilizing a *consolidated and integrated* tax system with real-time wireless access and Tablet PC's for collection activities in the field.

The IRS uses laptops and **wired/off-line connectivity** for their field collection program. The Texas Comptrollers uses wireless connectivity; however they are not accessing a *consolidated and integrated* tax system.

21. Has the program been fully implemented? If NO, what actions remain to be taken?

The program has not yet been fully implemented. We have one more phase to complete. This phase is expected to be completed in June '07. This remaining phase will extend wireless to all tax officers. Presently we have 40 Tablet PC's in our state-wide standalone collection application.

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

It is the job of a field tax officer to collect taxes that have not been remitted to the state, and prevent taxpayers from withholding tax money from the state to gain a competitive advantage in business. For example, a corporation might collect tax money due the state and then use it to cover other business expenses. Our success in evaluating the MTC program's effectiveness depends upon direct contact with taxpayers, requiring our tax officers to visit taxpayer businesses, flea markets, roadside vendors, and trade shows.

Before visiting a taxpayer, our field tax officers must have up-to-date information on the taxpayer's status to prevent officers from taking collection action or seizing the property of a business that has already paid its taxes. Before the implementation of the MTC program, our tax officers often prepare for field visits by printing taxpayer information from the computer system the day before they go on the road or by using the Standalone Collection Application to upload and download collection information. If a taxpayer claims to have mailed a payment to the department within the last day or two, the tax officer has no way to verify the payment without a phone call or a trip back to the office.

Our tax officer staffing levels fell steadily during the last couple of years, and many field collectors must remain in the office to provide assistance to increasing numbers of taxpayers who visit local regional offices. This situation keeps the tax officers from promoting voluntary compliance and collecting delinquent tax dollars in the field.

The MTC program and its wireless technology gives the tax officer the ability to remotely access taxpayer information; document collection activity; and print vital tax information using a wireless tablet computer and a wireless bubble-jet printer. As a result, the tax officer staff increased their field time and productivity to provide timelier taxpayer service and improve tax compliance.

This program has been extremely effective in increasing our field presence as a means of enforcement and compliance. A recent drive in one of our more problematic areas of the state netted collections of over \$250,000.00, cleared over \$150,000.00 in accounts receivables, and assisted us in closing out over a hundred businesses that we found were no longer operating. This was accomplished with only two days of field work. The only pitfall to the wireless component is connectivity in certain areas of the state. This problem is being addressed by using different wireless providers depending on where the regional office is located. We are also looking into wireless cards that allow for multiple providers.

At a high level, the MTC has succeeded in doing the following for LDR:

- Increased field presence
- Increased number of field cases worked per occasion
- Reduced time spent updating information
- Reduced amount of time needed to prepare for field visits
- Closed files due to business closures verified while out in the field

23. How has the program grown and/or changed since its inception?

The program can be described as a three phased conceptual approach.

The first phase was started as a pilot program in November 2004 and consisted of a cross section of the Louisiana Department of Revenue employees. The concept was to start as a standalone application utilizing Ethernet connections to upload and download selected collection data.

The second phase was initiated due to the rapid expansion of technology. In October 2005 the pilot was expanded to a research and development project. At that time, every regional office began using the standalone application.

The third phase was implemented in December of 2006, when the wireless component was implemented in three regional offices. By the end of June 2007 the wireless application will be expanded to include all eight of regional offices.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

It would be important that other states have a *fully integrated tax system* in order to be successful with a field application conversion. Most states are still working with legacy systems and are now beginning to research new and improved applications. Only after consolidating into an integrated tax system can they effectively leverage mobile technologies such as wireless and Tablet PC's.

The startup costs of this project should be considered by others wishing to adopt this program. Specifically, states should be sure to consider the IT implementation staff expenses even if they plan to redirect existing staff to the project. LDR discovered that a dedicated IT liaison, or project manager, was required to successfully coordinate the technology implementation with field user requirements and preferences.

Specific technical issues to address include:

- Convertible or Slate tablet ergonomics (size, weight, style)
- Power requirements (batteries, car chargers)
- Wireless WAN provider selection.

We discovered it was impractical to standardize our selection of only one provider, for connectivity coverage throughout the state was significantly different for each provider. Presently we are not able to locate a single provider that offered complete coverage with adequate bandwidth speeds.

LDR had a unique advantage over all other Louisiana agencies. Specifically, LDR has a staffed 'Innovations' Team dedicated to the research and development activities required throughout the department. This team focuses on the strategic technology planning needs of the department as well as individual user communities.

This Innovations Team was actively engaged throughout this program and played a crucial role in adopting the most appropriate and mature technologies.

2007 Innovations Awards Program Program Categories and Subcategories

Use these as guidelines to determine the appropriate Program Category for your state's submission and list that program category on page one of this application. Choose only one.

Infrastructure and Economic Development

- Business/Commerce
- Economic Development
- Transportation

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- Emergency Management
- Public Safety

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- Elections
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- Health Services
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- Human Services

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