SAP Solution Brief
SAP for Public Sector and SAP Customer Relationship Management

Collect Delinquent Revenues by Deploying a Tax Amnesty Program

Quick Facts

Summary
State and local governments must collect all taxes owed in order to meet budgetary demands. To encourage constituents to address their tax obligations, many governments offer tax amnesty programs. Public sector organizations can create and execute effective tax amnesty programs with the SAP® Customer Relationship Management application and SAP Consulting services. Using the software and services, governments can increase revenue receipts, enhance constituent service, and improve transparency.

Business Challenges
- Maximize collection of all taxes due
- Fund public programs without raising taxes or enacting new ones
- Design, market, and execute an effective tax amnesty campaign
- Automate and streamline the process of identifying, contacting, and communicating with taxpayers

Key Features
- **Identification of and communication with delinquent taxpayers** – Notify constituents about online tax amnesty programs and encourage them to pay overdue taxes
- **Amnesty application review** – Provide application forms, capture and review data, and send personalized communications to encourage compliance
- **Collection of delinquent tax revenues** – Receive payments, record receipt of funds, and update taxpayer records
- **Reporting** – Monitor progress and track program statistics

Business Benefits
- **Increased revenue receipts** through the collection of delinquent taxes
- **Greater taxpayer compliance** thanks to visibility into taxpayer liabilities, payments, and status
- **Enhanced citizen services** with greater transparency into government operations

For More Information
Call your SAP representative, or visit us online at www.sap.com/industries/publicsector/public.

For state and local governments, collecting every tax dollar owed is essential to meet the challenges posed by difficult economic conditions. Tax amnesty programs can encourage delinquent taxpayers to meet their obligations. The SAP® Customer Relationship Management (SAP CRM) application together with SAP Consulting can help public sector organizations create and execute effective tax amnesty programs that can increase revenue receipts, enhance constituent service, and improve transparency.

In the best of times, state and local governments cannot afford to overlook revenues owed by taxpayers. When facing the current economic challenges, the imperative is greater. To fund critical programs and services and avoid raising taxes or enacting new ones, public administrations must maximize the collection of all taxes. For many governments, offering a tax amnesty program can be a productive way to maximize the receipt of revenues.

However, most governments lack the technology foundation and expertise necessary to execute an effective tax amnesty program. Siloed business processes and nonintegrated software applications can make it difficult to efficiently identify, contact, and communicate with taxpayers. Many legacy back-end financial and operational systems cannot reliably aggregate data, track payments, or reconcile taxpayer accounts. What's more, few organizations have the expertise or available resources needed to create and manage a new tax amnesty program.

SAP offers functionally rich software such as SAP CRM along with expert consulting services that can help you design, market, and execute an effective tax amnesty campaign. Designed for public sector organizations, this SAP software can help you efficiently plan, implement, and run your program. The SAP Consulting organization provides unparalleled expertise in using the software to automate communications with taxpayers and maximize revenue collection, without compromising your staff's ability to perform routine tasks.

TARGETED SOFTWARE AND SERVICES TO MEET YOUR GOALS

Tax amnesty programs seek to identify taxpayers who owe funds due to nonreporting, underreporting, underpayment, or nonpayment of taxes. These programs typically allow taxpayers to avoid penalties and interest on the funds owed if they make payment within a relatively short time frame. In many cases, these programs surface previously unknown filers who would not otherwise have been identified. Once identified through an amnesty program, previously noncompliant taxpayers tend to file returns and make payments, further boosting ongoing revenue collection.

Each government organization requires different support for its tax amnesty program. Some organizations need powerful customer relationship management functionality and consulting services, while others require revenue accounting features or access to hosted, on-demand software. No matter what your revenue collection goals, SAP software and services are ideal to support your unique tax amnesty program. With nearly 30 years of public sector and financial expertise, we can deliver a customized selection of software and services to help you meet your revenue collection targets.

SAP software and services can help you streamline the following tasks.

Identify and Send Notice to Taxpayers

SAP software and services can help you identify taxpayers who should be contacted about the tax amnesty program and streamline communications. For example, you can import taxpayer master data and transactional data about taxes due from your legacy systems to SAP CRM. The software can help you identify taxpayers and perform address verification.

Using your legacy software or SAP CRM, you can notify taxpayers about the availability of the online program, the associated time frame to register, and the steps needed to file an application. You can use the software to allow taxpayers to register for the program online.

Once taxpayers are registered, you can use SAP CRM to categorize them as either known or unknown to your agency. Known taxpayers – who may already have registered to file electronically – can provide their name and e-mail address to facilitate further communication. Unknown taxpayers register and enter contact information as well as tax type and account information, if available.

Based on the registration information, you can assess taxpayer liability and determine whether taxpayers are eligible to participate in the program. You can then use SAP CRM to notify taxpayers of their status and communicate with them about next steps in the amnesty application process.

Capture and Review Amnesty Applications

You can use SAP software and services to create a foundation to handle the amnesty application processes. SAP CRM can provide the appropriate application form, depending on whether the taxpayer is a filer or a nonfiler and has known or unknown liabilities. The form can be prepopulated with any known information about the taxpayer and liabilities, and the taxpayer can add further details. For taxpayers who were previously unknown to your agency, the software provides a blank application form.

Once a taxpayer submits an application – in paper or electronic form – SAP CRM helps you capture it and store it for later retrieval. The software generates automatic e-mail acknowledgements of the application receipt.

Based on role-specific security, your employees can access the application and review the information submitted. In processing the application, employees can use SAP CRM to contact taxpayers and engage in personalized communications. For example, they can advise nonfilers of additional forms that must be completed to determine tax liability. Employees can also use the software to support efficient, professional case management practices, thereby engaging the taxpayer and encouraging continued program participation.

Collect Delinquent Taxes

You can also use SAP CRM to support the timely collection, receipt, and processing of delinquent taxes. Taxpayers can submit payment in full, make scheduled payments during the amnesty period, or make payments from their financial institution. The software supports payments made by check, credit card, or debit and credit transactions processed by the Automated Clearing House (ACH).

When taxpayers meet their financial obligations, SAP CRM can help you record the receipt of the funds in your accounting systems. With the financial functionality of the SAP ERP application or integration to your legacy accounting software, you can process payments and reconcile taxpayer accounts.

Monitor Progress and Report Program Statistics

As your tax amnesty program continues, you can use reporting features in SAP CRM to track taxpayer status and monitor payments. Taxpayers with online access can also track their liabilities throughout the process. Your employees can access the same view of the data that taxpayers see. With this shared view, your agency can record e-mails, phone calls, correspondence, and payments within the taxpayer's case file. Because they have this information at their fingertips, your employees can provide rapid response, enhancing service and transparency.

Report generation features help your organization get information needed to support smart decision making. SAP CRM supports online reports, such as:

- Total applications filed by tax type
- Total funds collected by tax type
- Taxpayers making deferred payments
- Taxpayers who have paid in full
- Potential applications outstanding

TAX TYPES INCLUDED IN TAX AMNESTY PROGRAMS

When you use the SAP® Customer Relationship Management application to support a tax amnesty program, you can collect a variety of tax types, including the following:

- Personal income tax
- Corporate income tax
- Sales and use tax
- Employer withholding tax
- Motor fuel tax
- Communications services tax
- Estate tax
- Tourist development tax
- Pollutants tax

SAP offers functionally rich software such as SAP Customer Relationship Management along with expert consulting services that can help you design, market, and execute an effective tax amnesty campaign.

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MAXIMIZED REVENUES, ENHANCED SERVICE

With the support of SAP CRM and SAP Consulting services, you can design and execute a tax amnesty program that delivers dramatic operational benefits. By collecting delinquent taxes from known and unknown filers, you can increase the receipt of revenues and reduce the need to enact new taxes or raise existing rates.

The program can help you gain insight into taxpayer liabilities, payments, and status. By identifying and contacting previously noncompliant taxpayers, you can create an environment that encourages them to pay their fair share of taxes for years to come. Together, these benefits can help you increase the transparency of your operations to stakeholders while enhancing constituent service.

By building the tax amnesty program using software and services from SAP, you can help modernize your IT infrastructure and build a platform for the future. With these modular, scalable solutions, you can leverage your IT investment by enhancing process efficiency and achieving positive outcomes that match your strategic goals.

FIND OUT MORE

For more information on how you can use SAP software and services to support a tax amnesty program, contact your SAP representative today or visit us on the Web at www.sap.com/industries/publicsector/public.

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