

TAX AND REVENUE MANAGEMENT FOR PUBLIC SECTOR

CAPTURE ALL APPROPRIATE REVENUES AND INCREASE COMPLIANCE

It is essential that agencies charged with administering and collecting taxes capture all appropriate revenues while easing the compliance process. The SAP® Tax and Revenue Management for Public Sector package provides a single view of the taxpayer, helping you increase collections and maximize compliance.

Tax is the lifeblood of government; but as we experience some of the worst economic conditions in decades, tax revenues are collapsing. Under these circumstances, increasing taxes to supplement the budget shortfall is not an option. Consequently, we are witnessing a dramatic increase in public borrowing to support business recovery and social programs.

Agencies charged with administering and collecting taxes and revenues must capture all appropriate revenues while easing the compliance process for the public. The SAP® Tax and Revenue Management for Public Sector package provides a single view of the taxpayer and supports multiple revenue types, helping you increase collections and maximize compliance. The software is service enabled, configurable, upgradable, and standardized and supports the tax and revenue management lifecycle at lower risk and cost than custom-developed solutions.

Fully Integrated Software Helps Reduce Cost, Improve Service

All government organizations need to reduce costs while providing increasing levels of service to the public. The fragmented nature of tax and revenue processes limits an agency's ability to obtain a unified view of revenue liability and payments. The result is that constituent service suffers and voluntary compliance plummets.

Compliance and revenues can be increased by consolidating various tax and revenue activities, which improves productivity and simplifies the compli-

ance process. SAP Tax and Revenue Management for Public Sector supports holistic and efficient tax and revenue administration with fully integrated software. This proven and robust software supports common functions and processes across all of the government agencies responsible for revenue collection.

Outdated Systems Compromise Your Agency's Mission

Addressing the needs of taxpayers is a complex balancing act. Equally challenging are requirements to cost-effectively and judiciously manage payments and disbursements, handle compliance and auditing, assess delinquencies and penalties, and distribute funds to appropriate agencies.

Applications that are disconnected and have separate systems for each revenue and payment type, and for each step in the revenue lifecycle, provide neither the flexibility nor the efficiency needed to run a modern tax agency. Common challenges shared by revenue agencies include:

- **Uncaptured revenue** with no reliable method for detecting and reducing avoidance or evasion
- **Low compliance**, since different employees and systems handle each tax type, and a single point of visibility into taxpayers' overall records and filing obligations is almost impossible – resulting in low audit coverage and recovery rates
- **Escalating operational costs** caused by increasing complexity and volume of tax rules and circumstances of the taxpayer



- **Poor customer satisfaction** caused by complex filing processes and limited channels of access that hinder taxpayer interaction
- **Inefficient billing and collection operations**, since multiple systems and paper-based processes for each type of revenue or transaction create redundant data capture and inefficient billing processes
- **Underperforming enforcement revenues** caused by poorly targeted collections, a focus on inappropriate collection methods, and lack of document-matching capabilities

In the United States, for example, US\$1 out of every \$10 collected goes to administrative costs. These problems not only compromise your ability to efficiently and cost-effectively assess, collect, disburse, and analyze revenues, but they also reflect negatively on the mission of your agency. Uncollected revenues contribute to budget gaps and shortfalls, directly impacting a government's ability to deliver services and programs.

Administer Tax Processes Uniformly and Effectively

SAP software for tax and revenue management helps governments capture all appropriate revenues and increase compliance rates.

Unified Taxpayer Service

Through taxpayer online services, constituents and business can file tax returns and pay tax obligations 24x7. The solution provides multiple taxpayer access points to speed up, simplify, and reduce barriers to taxpayer interaction by integrating multiple communication channels and providing "one-stop" account maintenance. You can deliver consistent taxpayer services and have comprehensive visibility of taxpayer interactions across the stages of the tax lifecycle.

Timely Return Filing and Payment Processing

The software allows tax returns to be filed through multiple channels, validates the return, conducts exception handling, and calculates tax liability. SAP Tax and Revenue Management for Public Sector lets you automate the complete tax-filing process. E-filing functionality updates data entry errors up front, resulting in faster processing of forms. The solution easily scales and supports global standardized electronic payment formats, such as electronic data interchange and country-specific formats.

Efficient Billing, Collections, and Disbursement Processing

Billing activities are supported through the management, tracking, accounting, and reporting of information related to tax payments, accounts receivable,



billing, and refund activities. Payment request and collection management activities are processed automatically, using your agency's business rules and taxpayer histories. The software allows you to treat your customers flexibly based on their creditworthiness, socio-demographic, and lifestyle data. This will cut costs and increase efficiency in credit and collections processes.

Comprehensive Case Management

The software has a central repository for managing information triggered by various events that can originate in the system and from other sources and channels.

Integrated Revenue Accounting

Accounting and control functions are fully integrated with tax and revenue management processes. This integration reduces IT and operational costs and processing cycle times while improving fiscal transparency and financial accountability.

Extensive Correspondence and Contact Management

You can automatically create outbound correspondence in connection with tax returns, incoming correspondence requests, and payment processes. You can store all constituent interaction in one consolidated view, irrespective of format or source, enabling your agency to present a consistent message to taxpayers.

Consistent Audit and Compliance

Returns for audit are chosen through a rules engine, by random sample, or by an income document-matching program. An audit case is created for the selected taxpayer, and an activity work list supports the audit process for the auditor. The software's comprehensive business intelligence and data-mining functionalities help you discover norms, trends, exceptions, and deviations in the data – supporting government audit detection and compliance monitoring. The customer relationship management features of the software allow you to proactively notify taxpayers about tax law changes that will affect their compliance.

Performance Management

Improve visibility and control using key performance indicators and performance scorecards to manage and track agency performance, identify potential issues, and trigger activities to support business performance optimization.

Measurement functionalities let you score against internal service standards (such as first-call response rates) using a consolidated view of performance and accountability measures.

Cost Control

You can decrease costs per dollar collected and reduce processing costs via multichannel filing functions (including online), as well as taxpayer self-services. The entire cash flow process improves with funds generated in a timely manner, payments quickly posted, and fast remittance of returns to taxpayer accounts.

Property Tax Management

By providing a citizen-centric and property-centric view of taxpayer holdings, you can take control of the entire property tax lifecycle – from assessment to revenue accounting.

Streamline Collections and Improve Constituent Service

SAP software for tax and revenue management helps you enhance revenue collection efficiency and constituent services through consolidated and coordinated tax processes. You can:

- **Unify the entire tax and revenue management lifecycle** via one consolidated, service-enabled software package covering the various stages of tax administration and supporting all revenue and receivable types

- **Increase voluntary compliance** by streamlining revenue administration processes through a “one-stop” online collection function
- **Foster a culture of taxpayer-oriented service** by providing a single face of the agency to taxpayers
- **Improve taxpayer transparency and detect noncompliance** with comprehensive functions for information discovery and delivery
- **Maximize recovery of funds** by managing, tracking, and reporting on the activities, appeals, rulings, and results of investigations to ensure enforcement and compliance
- **Respond to changing agency needs while avoiding legacy IT costs** by using software that avoids the high costs of custom development and can adapt to changing tax legislation or organizational requirements
- **Resolve cases faster and reduce days taxes outstanding** by accurately selecting cases for audit and quickly determining appropriate collection processes based on taxpayer history and other data

Can You Afford to Wait?

To learn more about how SAP software can help you effectively manage the tax and revenue lifecycle, call your SAP representative today or visit us on the Web at www.sap.com/publicsector.

Summary

In today's difficult economic environment, when tax increases are simply not an option, agencies charged with administering and collecting taxes must capture all appropriate revenues – while easing the compliance process. The SAP® Tax and Revenue Management for Public Sector package provides a single view of the taxpayer, helping you increase collections and maximize compliance.

Business Challenges

- Collapsing tax revenues
- Balancing the needs of taxpayers with the urgency of maximizing collections
- Reducing administrative costs

Key Features

- **Returns filing and payment processing** – Process returns filed through multiple channels
- **Billing, collections, and disbursement processing** – Use your agency's business rules and taxpayer histories for automatic processing
- **Case management** – Use a central repository for managing information triggered by various events
- **Integrated revenue accounting** – Fully integrate revenue accounting with tax and revenue management processes
- **Correspondence and contact management** – Automatically create outbound correspondence in connection with tax returns, incoming correspondence requests, and payment processes
- **Audit and compliance** – Use interactive dashboards to analyze taxpayer data, along with predictive modeling to determine where audits may be most productive
- **Performance management** – Improve visibility and control using key performance indicators and performance scorecards to manage and track agency performance and identify potential issues

Business Benefits

- **Share one single view of the taxpayer** with a consolidated view of the total obligation of taxpayers that helps you capture additional revenues and improve voluntary compliance
- **Reduce costs** with multichannel filing and taxpayer self-services
- **Improve taxpayer transparency and detect noncompliance** with comprehensive functions for information discovery and delivery
- **Reduce days taxes outstanding** with intelligent collection strategies based on taxpayer history and intelligence

For More Information

Call your SAP representative, or visit us online at www.sap.com/publicsector.

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