



State of Wisconsin • DEPARTMENT OF REVENUE

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Scott Walker
Governor

Richard G. Chandler
Secretary of Revenue

March 30, 2015

Scott Neitzel, Secretary
Department of Administration
Office of the Secretary
101 East Wilson Street, 10th Floor
Madison, WI 53702

Dear Secretary Neitzel:

Attached is the Department of Revenue's Annual Information Technology (IT) Plan for fiscal year 2015-16.

This plan is aligned with our agency's mission. It continues our dedication to customer service and operating efficiently for the taxpayer of Wisconsin.

Sincerely,

A handwritten signature in cursive script that reads 'Richard G. Chandler'.

Richard G. Chandler
Secretary of Revenue

Enclosure

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1. Agency Overview

The Department of Revenue's mission is to administer Wisconsin's tax system to provide revenue to fund state and local government services.

Our business strategy is to focus on continuous improvement and look at innovative and creative ways to improve operations while providing excellent products and services. We continue to focus on measuring our work outcomes to reduce risks and deliver tangible value for the citizens of Wisconsin in the services we provide.

Our vision is to provide leadership in four key areas: implementing good tax policy with an emphasis on job creation, providing excellent customer service, operating efficiently and maintaining a positive work environment. We continue to focus on lowering the overall tax burden on our citizens and businesses, making the taxpaying process easier for our customers and using taxpayer dollars wisely when operating the agency.

The Department recognizes the role Information Technology (IT) plays in the successful achievement of its business strategy. The knowledge and information found in our IT systems offers a wealth of value not only to improve management and operational decision-making, but also in identifying new sources of value, innovation, and operational improvement.

A part of the Department's business strategy for the next year is to continue its implementation of business analytics. Analytics enhances the Department's ability to collect taxes by improving our means of identifying audit candidates and improving our collection activities. Analytics allows us to prioritize our collection and audit activities, providing a higher rate of return on the work being completed by Department employees.

Tax refund fraud associated with identity theft (IDT) is a complex and rapidly changing threat facing the state's tax system. IDT refund fraud occurs when a refund seeking identity thief obtains an individual's identifying information and uses it to file a fraudulent tax return. The prevention and detection of tax fraud will continue to be a top priority within the Department.

A portion of the business applications used by the department's State and Local Finance Division are running on antiquated mainframe technologies that result in substantial support and maintenance costs. The Department will continue to move forward on this multi-phase multi-year initiative to modernize these legacy applications to a modern integrated software platform.

Privacy and security will continue to be a top priority as we head into FY16. The Department will continue to administer privacy and security training, which will include live tests addressing building access, password protection, flash drive and USB port security, as well as phishing. This is a very important aspect of protecting the confidential taxpayer information we are entrusted with.

To enable the Department to continue harnessing the value of technology, our focus will continue to be on IT simplification. By simplifying our technology environment we are able to deliver better business performance, greater flexibility, and higher levels of productivity.

Continually focusing on simplifying our technology environment allows us to create value for the Department in three ways: by generating financial capacity that can be invested in new growth opportunities, by managing risk, and by increasing our technological capabilities. This allows DOR to be more responsive and to innovate faster than ever before.

2. Agency Information Technology Budget

Program/Appropriation (All Funds)	FY15
Integrated Property Tax Systems (IPAS)	\$2,373,300
Information Technology	\$7,168,183
Integrated Tax System (WINPAS)	\$8,168,100
Division of Technology Services (DTS)	\$8,450,000

3. Agency Projects

The following are the Department of Revenue’s IT projects expected to cost \$1,000,000 or more. These include all IT projects that are starting, ongoing or ending anytime between July 1, 2015 and June 30, 2016.

a) Lottery Gaming System Contract Rebid

1) Project Name: Lottery Gaming System Contract RFP			
2) Project Type: <input checked="" type="checkbox"/> New FY16 <input type="checkbox"/> Ongoing			
3) Project Description: The Wisconsin Lottery’s current multi-year contract for the lottery gaming system and services ends in June 2015. The current contract will have to be extended.			
4) Project Schedule	Start: Fall 2015	Expected Completion: Fall 2017	
5) Application Platform:	<input type="checkbox"/> Mainframe	<input type="checkbox"/> Web	<input type="checkbox"/> Client-Server
	<input type="checkbox"/> Physical	<input type="checkbox"/> Virtual	
6) Application Type:	<input type="checkbox"/> In-house Developed	<input type="checkbox"/> COTS	<input type="checkbox"/> SaaS
	<input checked="" type="checkbox"/> Vendor Managed/hosted	<input type="checkbox"/> Other (specify) _____	
7) Technical Architecture Components: N/A			
8) Estimated Total Project Hours: 5000		8a.) Estimated Total Project Cost: \$13mil/yr	
9) Related Projects and Dependencies: None			
10) Project Sponsorship and Funding (please complete the information below)			
Executive Sponsor: Jack Jablonski		Division: Secretary's Office	
Business Sponsor: Mike Edmonds		Division: Lottery	

Senior Project Manager: TBD		IT Authority: Rick Offenbecher	
Is Full Funding for Project Approved/Secured?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Funding Source for the Project:		<input type="checkbox"/> GPR \$ _____	<input type="checkbox"/> PR \$ _____
		<input type="checkbox"/> FED \$ _____	<input checked="" type="checkbox"/> SEG \$ _____
1.1) Issues that may influence successful execution of the project: It is anticipated that the losing proposers will protest the contract award.			

4. Potential Agency Projects

The following are the Department of Revenue’s potential IT projects expected to cost \$1,000,000 or more. These projects are just conceptual projects or projects that might be initiated in FY16 due to potential legislative changes.

Potential Project Name: Advanced Tax Analytics
Description: Advanced Tax Analytics will enhance DOR's ability to collect taxes by improving our means of identifying audit candidates and improving our collection activities. Analytics would allow us to prioritize our collection and audit activities, providing a higher rate of return on the work being completed by Department employees.
Resourcing: GPR

5. IT Infrastructure Projects

The Department of Revenue has not identified any IT Infrastructure related projects or expenditures over \$100,000 for FY16.

6. Issues

The following are issues that may affect DOR’s ability to support or execute this agency IT plan for FY 16:

- Funding Reduction or Lapse Requirements

Reduction in IT funding would have an impact on the agency’s ability to complete the projects outlined in this plan.
- Staffing Levels/Workforce Planning

We have been taking steps to ensure cross training on all aspects of our IT portfolio. However, there are still areas where loss of key staff would have a negative impact on a project or support function.
- DET Rates and Vendor Maintenance & Support Costs

Substantial increases or changes in DET's rate structure or increases in vendor costs for maintenance and support on our deployed hardware and software infrastructure could affect items listed on this plan by competing for funding.

- **Legislation**

State and/or federal tax legislation often results in system modifications. If the nature or magnitude of changes is high and requires significant IT resources to accomplish, the plan may be negatively impacted.