



State of Wisconsin • DEPARTMENT OF REVENUE

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Scott Walker
Governor

Richard G. Chandler
Secretary of Revenue

March 30, 2016

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 2016-17.

This plan is aligned with our agency's mission. It continues our dedication to customer service and operating efficiently for the taxpayers 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 and goals 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 FY17. 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, higher levels of productivity and a better user experience.

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 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, 2016 and June 30, 2017.

a) Lottery Gaming System Conversion

1) Project Name: Lottery Gaming System Conversion			
2) Project Type: <input checked="" type="checkbox"/> New FY17 <input type="checkbox"/> Ongoing			
3) Project Description: The Wisconsin Lottery recently signed a new contract for its gaming system and services. The new system will be operational in May 2017, and includes replacement of retailer equipment and peripherals.			
4) Project Schedule	Start: March 2016	Expected Completion: May 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: 17,000		8a.) Estimated Total Project Cost: \$600,000	
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: Pat Lashore		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 checked="" type="checkbox"/> SEG \$600,000	
		<input type="checkbox"/> FED \$ _____	
11) Issues that may influence successful execution of the project: There are liquidated damages in the contract if the system is not operational in May 2017.			

b) Image Processing and Data Verification Migration

1) Project Name: Image Processing and Data Verification Migration Project			
2) Project Type: <input checked="" type="checkbox"/> New FY17 <input type="checkbox"/> Ongoing			
3) Project Description: Migrate existing scanning and data capture functionality from IBM's IFP product to equivalent functionality in Kofax image processing software. This Solution will include, <ul style="list-style-type: none"> • 2016 tax forms with and without remittances • Correspondence received through the mailroom, district and home offices • Remittances received through the mailroom, including electronic deposit of remittances using Deposit21 software • DNR forms processed by the Department of Revenue 			
4) Project Schedule	Start: May 2016	Expected Completion: July 2017	
5) Application Platform:	<input type="checkbox"/> Mainframe	<input type="checkbox"/> Web	<input checked="" type="checkbox"/> Client-Server
	<input type="checkbox"/> Physical	<input type="checkbox"/> Virtual	
6) Application Type:	<input type="checkbox"/> In-house Developed	<input checked="" type="checkbox"/> COTS	<input type="checkbox"/> SaaS
	<input 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: \$1,000,000	
9) Related Projects and Dependencies: None			
10) Project Sponsorship and Funding (please complete the information below)			
Executive Sponsor: Rick Offenbecher		Division: Technology Services	
Business Sponsor: Vicki Gibbons		Division: Income Sales & Excise Tax	
Senior Project Manager: TBD		IT Authority: Patrick Grant	
Is Full Funding for Project Approved/Secured? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Funding Source for the Project: <input checked="" type="checkbox"/> GPR \$1,000,000 <input type="checkbox"/> PR \$ _____ <input checked="" type="checkbox"/> SEG \$ _____ <input type="checkbox"/> FED \$ _____			
11) Issues that may influence successful execution of the project:			

3. Potential Agency Projects

The Department of Revenue has not identified any potential IT projects expected to cost \$1,000,000 or more for FY17.

4. IT Infrastructure Projects

The Department of Revenue has not identified any IT Infrastructure related projects or expenditures over \$100,000 for FY17.

5. Office 365 Migration Plans

The Department of Revenue is planning to migrate to Office 365 as soon as possible. When the department's Microsoft enterprise license agreement expires on June 30th, we will be entering into a new agreement with upgraded Microsoft Enterprise Cloud Suite licensing. DOR will be ready to begin migrating to O365 in late July. The department is currently working on plans to take advantage of this product suite to help manage costs, increase user experience and simplify our technology environment. The department is currently waiting for safeguard requirements for Office 365 from the IRS, an understanding of these requirements will be critical before moving forward with any migration plans.

6. Voice over Internet Protocol (VoIP) Plans

With the state's legacy Centrex telephone system coming to end of life in 2020, the department plans to migrate to the new enterprise Voice over Internet Protocol (VoIP) infrastructure and service. The department will be working closely with the DOA Division of Enterprise Technology (DET) to insure that the network infrastructure at each of the department's offices is capable and ready to handle the demands of this new service. The department will be identify the individual needs of our employees and putting together migration plans in early FY17.

7. *Response removed for Web publishing purposes.*

8. Application Portfolio Assessment Results

Please see Attachment A.

9. Issues

The following are issues that may affect DOR's ability to support or execute this agency IT plan for FY 17:

- 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

Technology projects with the department are competing with many enterprise projects for the same staff resources. This is causing delays in projects both within the department and the enterprise.

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. The timely recruitment of skill technology staff continues to be challenge.

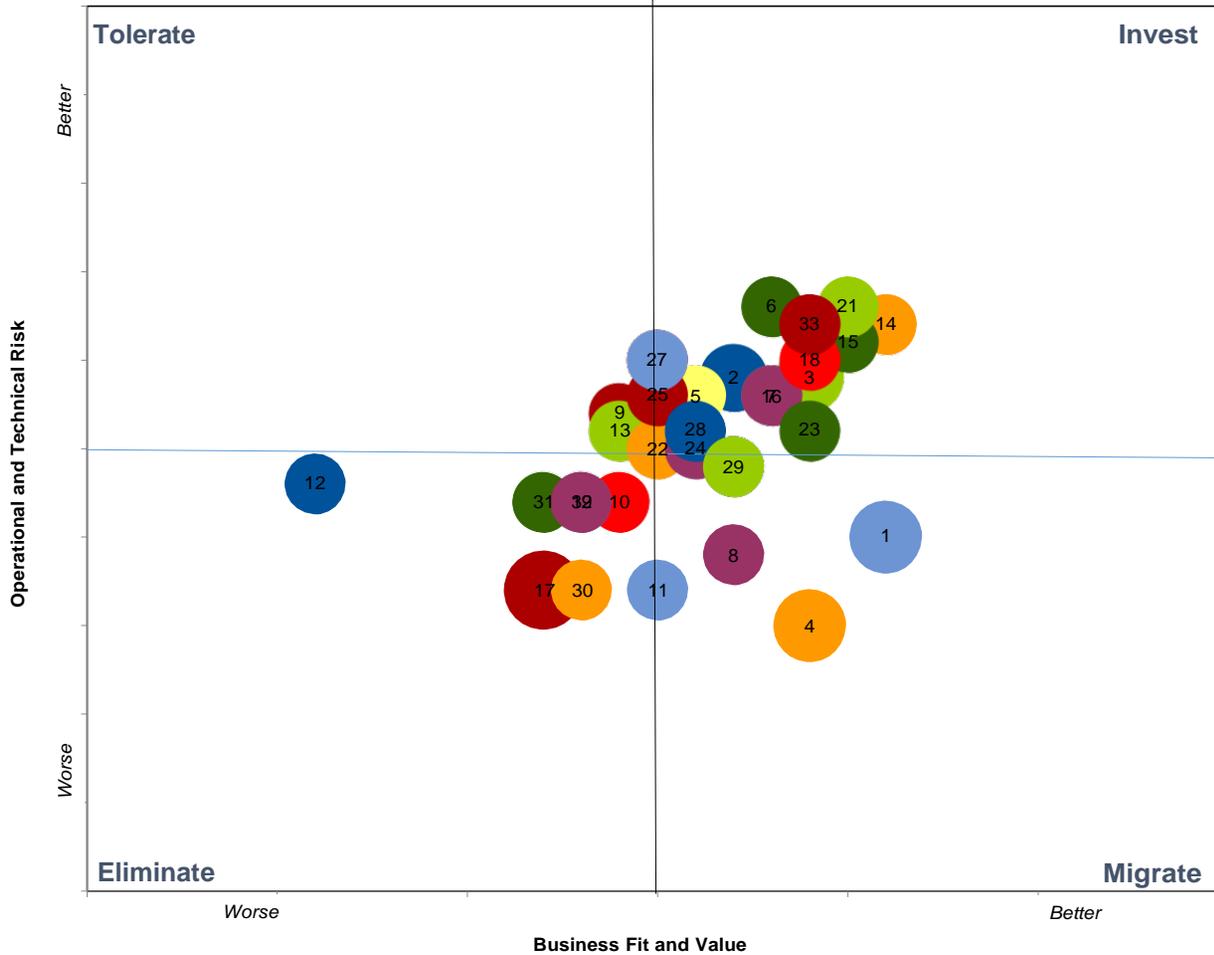
- DET Rates and Vendor Maintenance & Support Costs

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.

Department of Revenue Application Portfolio Assessment

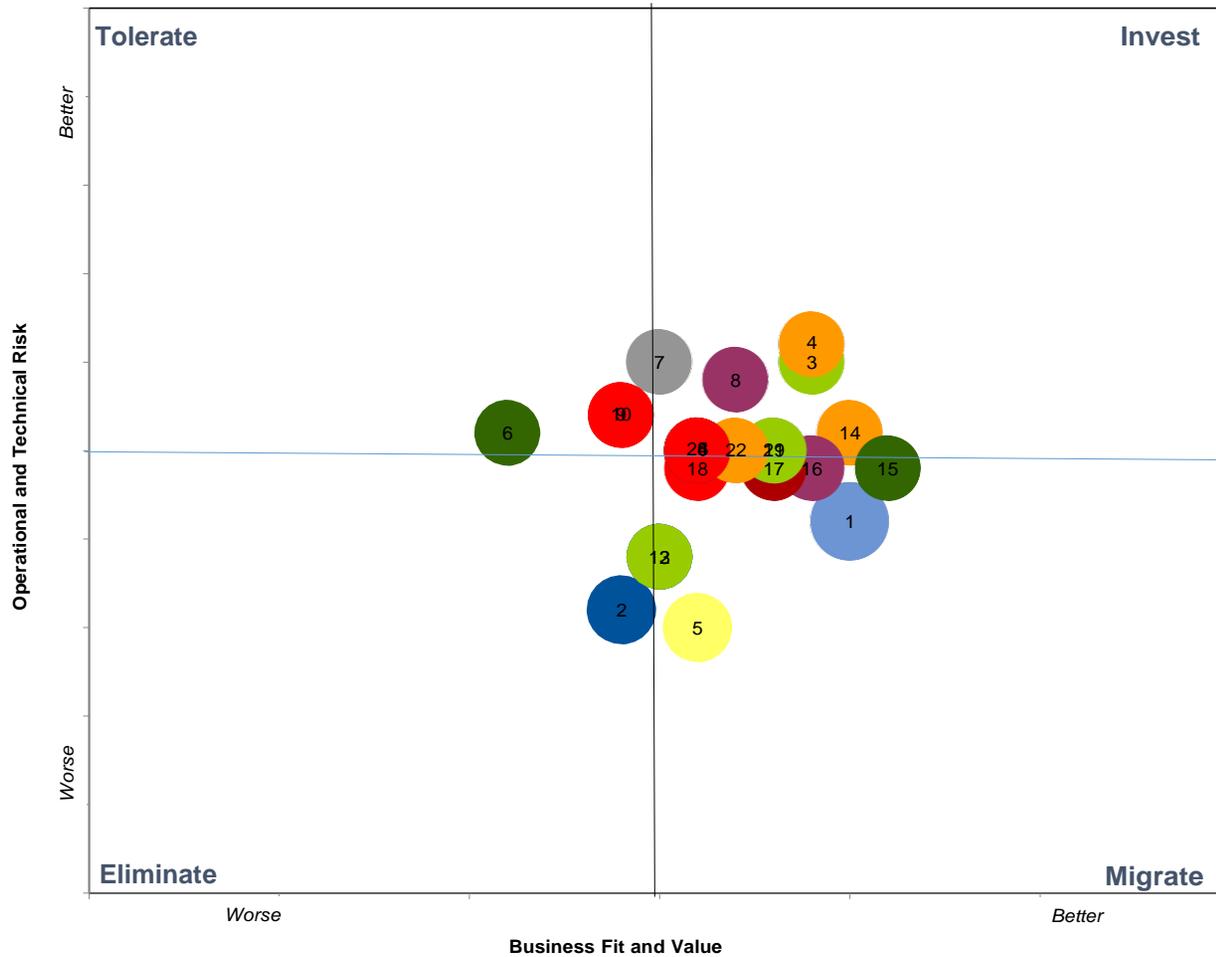


Bubble	Application
1	Adobe form for liquor license filing
2	Adobe Forms for electronic filing
3	Adobe Forms for Payment Plan
4	Audit Statistical Analysis Mainframe Programs
5	Call Center Anywhere
6	Delinquent Tax Internet Posting
7	Estimated Tax Payment Inquiry (web/mobile)
8	Field Audit Excel Templates & Word Letter Template
9	File Transfer for W2, 1099, etc
10	IRS e-file Participants (eParts)
11	Liquor License Database
12	Modernized eFile (MeF) Viewer
13	Monarch
14	My Tax Account
15	Online Forms Request
16	Refund Inquiry - Web/Mobile
17	SAS Data Warehouse
18	View 1099-G Online
19	W2-G Gambling database
20	WI e-File
21	WINPAS
22	IPAS
23	iCare
24	Manufacturing M-Forms
25	Electronic Real Estate Transfer Return
26	Government Officials Web Application
27	Property Assessment Data System
28	Report 2 Web Application
29	Manufacturing Assessment Rolls
30	Utility Billing System
31	Mainframe Systems - LGS
32	Mainframe Systems - Telco and Utility Tax
33	Adobe e-filing forms

Notes:

1. Larger bubbles indicates a worsening cost profile
2. Application numbering starts over on second chart to increase graph clarity

Department of Revenue Application Portfolio Assessment (continued)



Bubble	Application
1	SAS Statistical Analysis
2	Legislative Tracker
3	WINPAS - Individual Income Tax Sample
4	WINPAS - Corporate Tax Sample
5	Property Tax Datasets
6	PARS
7	Training Tracker
8	Performance Evaluation
9	Public Open Records Tracking System (POTS)
10	Pandemic Reporting System
11	Legal Interface
12	Appeals Tracking and Notification System
13	Iscrub
14	GTECH System
15	Lottery Internet Sites
16	GoldMine
17	GMPop
18	Retailer Performance Program
19	Winner Awareness - Access
20	Caselog
21	Fingerprint Scanner System
22	Sawtooth
23	SPSS
24	GTECH Problem Reporting Application
25	GTECH Internal Control System
26	Quantum Vision Random Number Generator

Notes:

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