



## Wisconsin improves revenue collection and gains efficiency with business analytics

### Industry

Government

### Business Issue

Data was spread out in multiple, isolated systems that slowed the collection of tax dollars owed to the state.

### Solution

SAS Data Integration Server, DataFlux® data quality suite, SAS Enterprise BI Server and SAS® Enterprise Miner™

### Benefits

- Dramatic efficiency gains: Reports that took 20 minutes for one staffer to pull together manually can be done automatically in five seconds, saving 1,500 personnel hours.
- The state brought in \$32 million in revenue more quickly than could be done in the past and discovered \$5 million that might have been lost.
- Hundreds of employees access information daily that once required a special request and a custom-coded report.

The state of Wisconsin's Department of Revenue (DOR) is saving time and money with a data warehouse solution based on SAS® Business Analytics. The state has eliminated thousands of hours in tedious, manual data-matching activities and has implemented a collections prioritization system that is helping the state collect millions in tax revenue faster.

Like many states across the US, Wisconsin is dealing with a dramatic reduction in revenue as a result of the economic crisis. To complicate matters further, the era of one person living at one address and working for one employer for decades is gone. It's been replaced by workers who spend part of the year self-employed and the other part working for an employer, while also owning a small side business. Changes in how sales taxes are collected have also affected the state. The result: The data flowing into the state has increased dramatically, while the ability to organize and use that data has not.

If DOR staffers were trying to determine if someone owed back taxes, they needed to log on to multiple, separate systems. "We were crippled for a number of years with a large technical framework where each of our multiple systems did very specific things," explains Roger Ervin, Secretary of Revenue for the state of Wisconsin. "It was a challenge to navigate through all of the different systems."

"And collection agents needed to be trained on every single one of them,"

says Susan Dukes, Program and Policy Analyst for the state.

With the data warehouse, Wisconsin DOR has what Dukes calls "this really nice one-stop shop." The warehouse is populated with a dozen data sources – expected to grow to 30 – and approximately 2 terabytes of data. With the warehouse and SAS BI Server, the state can now:

- Collect more tax dollars more efficiently. For example, collection agents can create a Wage Certification Report and issue a wage attachment – a process that each agent does multiple times each day – in five seconds versus 20 minutes. In the first six months, the DOR's Compliance Bureau estimates it saved 1,500 personnel hours and brought in \$5 million in collections that might otherwise have been missed with the previous process.
- Prioritize to enhance collections. By better selecting returns to audit and prioritizing those audits, the DOR collected \$32 million in a short period of time. Without being able to focus their efforts, it would have taken well over a year to collect those same outstanding debts.
- Stay on top of the federal audit reports. These reports help the DOR both adjust state taxes and potentially find targets for state audits. Prior to establishing the data warehouse solution, the department received more audit reports than it could process in a year.

“With this data warehouse, we’ve been able to keep our costs low and our productivity high.”

**Roger Ervin**  
Secretary of Revenue  
State of Wisconsin

- Provide better customer service. The DOR can now respond to inquiries, such as when a refund will be processed, more quickly. And with all of the data at their fingertips, an auditor is less likely to need to repeatedly contact a taxpayer undergoing an audit.

### Finding a forward-looking solution

“We needed a product that would bring all these processes together and do it in real time, but also give us the ability to look toward the future,” Ervin says. The DOR-selected SAS product was procured by the Wisconsin Department of Revenue through a competitive bid process. “It (the data warehouse) has helped us with strategic planning and bringing the right financial resources to the long-term operations of the organization,” Ervin says. “It’s also been great to see our IT staff and our business users working so harmoniously together.”

It was also important that the solution be business-user friendly. The data warehouse solution gives IT the tools to be much more efficient and provides a framework for business users to access information without needing IT support.

For instance, by utilizing the easy-to-use, point-and-click interface – rather than hand coding – the DOR’s IT staff spends less time developing applications and reports. Because everyone codes in a slightly different way, changes previously had to be made by the person who originally did the work. With the SAS interface, the project’s history is embedded in the code, so any team member can work on any project.

For the user, that pays off in a number of different ways. For one, reports are now designed so that users can simply download the information versus requesting it from IT. Second, IT has more time to create automated reports for different business users.

“In the past, people would wait and wait even though the data was sitting there,” says Janna Baganz, Director, Business Intelligence Services. Only about 20 staffers requested reports from her department. With the new data warehouse in place, more than 500 employees can access data to help them with their daily jobs. The revenue department is also moving to a paperless system. Auditors no longer pull paper tax returns. Instead, they call them up online, where

the point-and-click interface makes it easy to compare lines from one year’s return to another year’s.

Without needing to constantly submit a request for IT support, research and policy can spend more time looking at the big picture – using analytics to identify trends and understand how taxes affect economic development and different types of residents. In addition to helping auditors discover which taxpayers (or non-payers) should be audited, they are also using analytics to look at taxpayer burden based on frequency of moves or length of time living in Wisconsin. The overall goal is to make taxation as fair and efficient as possible, and to (ultimately) avoid raising taxes.

“With this data warehouse, we’ve been able to keep our costs low and our productivity high. It’s what people expect from us and what we expect from ourselves,” Ervin says.



**SAS Institute Inc. World Headquarters +1 919 677 8000**

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