

Revenue impact for government

Accurately forecast the effects of disruption and stimulus on revenue projections



One-third of government revenue is from consumption and sales taxes



A third of government revenue is from income taxes



Some government agencies have already forecast more than a 10% decrease in revenue due to COVID-19

The Issue

Federal and state/provincial revenue agencies, and other governmental organizations that collect a variety of taxes, license and user fees are responsible for effectively forecasting revenues and understanding the potential impacts of disruptive events. The global outbreak of COVID-19 has created an unprecedented slowdown in revenue-generating activities that fund government capital and operational costs. While governments are quickly enacting economic stimulus measures, a true picture of revenue loss is still difficult to obtain. Responding to this complex crisis requires a multifaceted approach, including the ability to quickly integrate new data, make accurate, multilevel forecasts and provide data-driven insights for leaders.

The Challenges



Manage diverse data sources. If you are unable to access, integrate and manage the data needed to understand the potential impact, you can't get a complete picture of expected revenue. SAS® helps ensure that you have access to the data you need.



Perform what-if analysis. Without a way to accurately test multiple strategies and scenarios, it's difficult to determine a course of action and its effect on future revenue streams. SAS enables you to directly modify the forecast goal. As the goal changes, related parameters are automatically adjusted to show the changes required to achieve the new goal.



Build accurate revenue forecasts. Quickly creating an accurate representation of implemented or proposed tax and revenue policies empowers policymakers to be agile and take swift actions. We enable you to generate large quantities of high-quality forecasts quickly. You can streamline your forecasting processes so you can focus efforts on the most important, high-value decisions.

Our Approach

SAS helps governments use large volumes of historical data from tax and license systems, publicly available sources and economic indicators to quickly understand the current revenue situation. Disruptive events create uncertainty into revenue projections. We approach the problem by providing software and services to help you:

Access all relevant data. Quickly access and prepare relevant agency and third-party data for modeling, simulation and insight generation.

Forecast the new normal. Identify trends that can provide timely insights regarding the magnitude of revenue changes and the sectors and populations affected.

Improve forecasting models. Use existing revenue data combined with leading economic indicators to model and forecast future revenue.

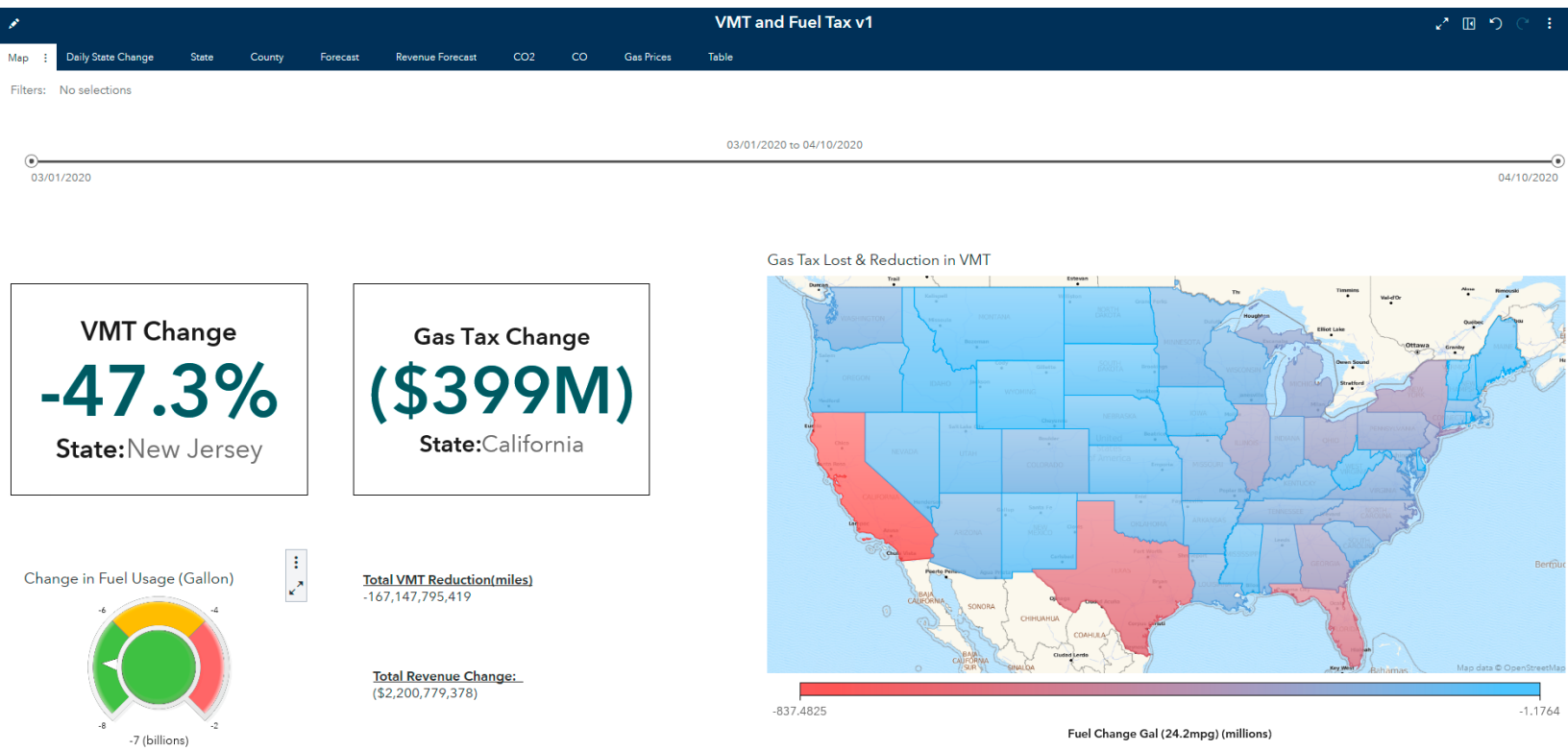
Identify the effects of policy changes. Perform microsimulations using existing tax or revenue data (e.g., tax returns) to better understand the potential impact of policy decisions on revenue streams.

Provide real-time tracking and visualization. Improve the accuracy of analytical insights on factors such as types and counts, revenue levels, geographic and income-level distributions, deviations from prior periods or expected levels and more.

The SAS® Difference

While understanding current revenue trends and forecasting revenues can be a challenge in ordinary times, disruptive events further complicate the process. Adjusting forecasts and simulating policies can be time-consuming due to integrating new data sources and the need to execute constant iterations. SAS can help by providing:

- Data management and data quality tools to ingest and prepare new or unconventional data sources now critical to generating insights.
- Insightful and interactive visualizations that highlight sectors, regions or programs that are the most affected.
- Scenario analysis linked to visualizations that show the effect of potential changes.
- Automatic, large-scale forecasting that enables time series and predictive modeling for the most accurate forecasts given today's unprecedented uncertainty.
- A solution that can use your institutional knowledge and models, allowing comparison to ensure the most accurate models are used.
- An interactive microsimulation interface that can incorporate large volumes of data for the most accurate results.
- Industry experts with years of experience in forecasting and simulation that can augment your team for faster results.



Learn more at the [SAS COVID-19 Resource Hub](#)

