



Washington State Department of Revenue Data Warehouse

September 11, 2007

1

Desired Outcome

Efficiency, Improvement, Innovations &
Accountability in Department Programs

The Data Warehouse (DW) consolidates and organizes data from different systems so users can easily access, manipulate and analyze the data.

2

Data Warehouse Background

- Sept. '99 - team to study data warehousing
- Jan. '01 --applied for technology pool funds
 - Obtained 1.2 million funding for Jul. '01 - Jun. '03
- Business and IT project team formed to develop and implement
- Iterative approach - start small with successes along the way

3

Data Warehouse Background

- Multiple vendors helped build the data warehouse
 - Required to be on-site
 - Knowledge transfer with DOR employees
- Implemented June 2003
 - BRMS, Excise Tax, ESD, IRS
- We continue to build to the warehouse

4

Data Warehouse - Audit

■ Uses

- Audit selection
- Audit plan
- Resale certificate look-up
- Find audits with a particular adjustment
- Find audits of a NAICS code
- Research a particular account
 - ESD and IRS data

■ Results

- Easier access to data
- Tandem data is current
- ESD data can be compared to Tandem
- IRS data, although not "today's" filings, is available
- Quicker to research multiple accounts
- Internal matching
- Lists of accounts meeting Audit Selection Ideas criteria

5

Data Warehouse - Compliance

■ Uses

- Assists in faster and better decisions
- Identify unregistered business leads
- Score accounts
- instantaneous information on every delinquency

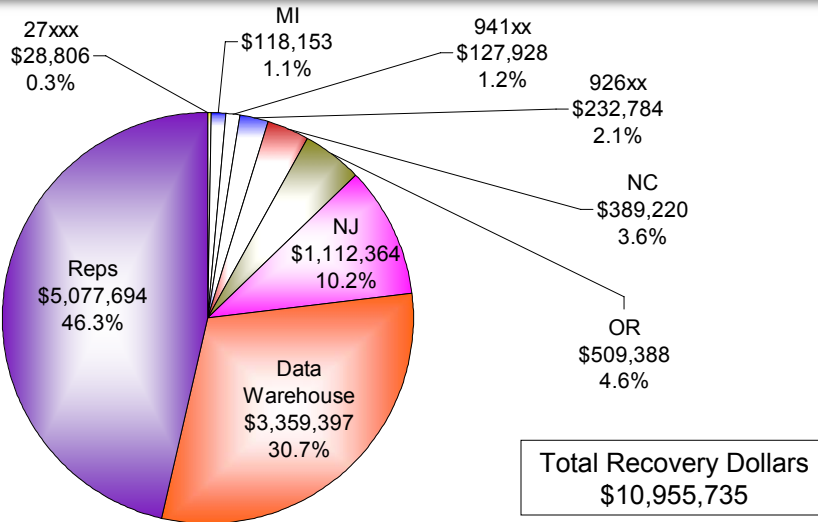
■ Results

- 6,440 leads generated
- 20% of leads generated recovery
- \$10,955,735 recovery dollars
- \$8,573 average recovery per case

6



Dollar Recovery By Project 04-06

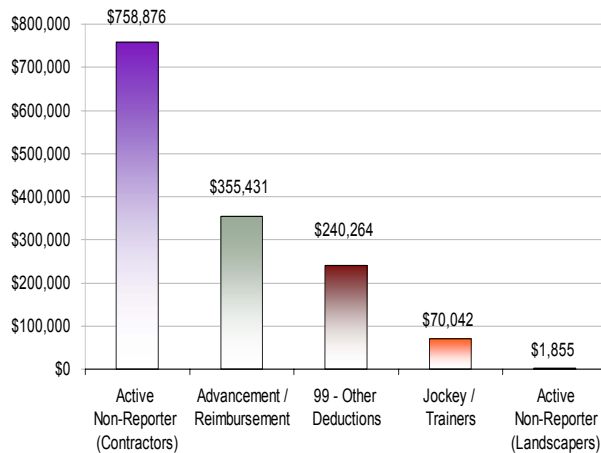


Data Warehouse - TAA

■ Uses

- Enhances account selection for discovery efforts.
- Identifies targeted educational needs.
- Provides accurate fiscal note analysis data.

■ Results



Dollars Assessed

E-File 99-Other Deduction Case Study

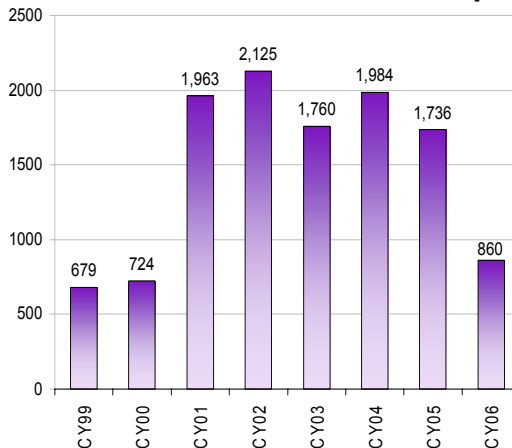
Assessed	Dollars	Hours	\$ Per Hour
28	\$351,089	208	\$1,688

Data Warehouse - IS

■ Uses

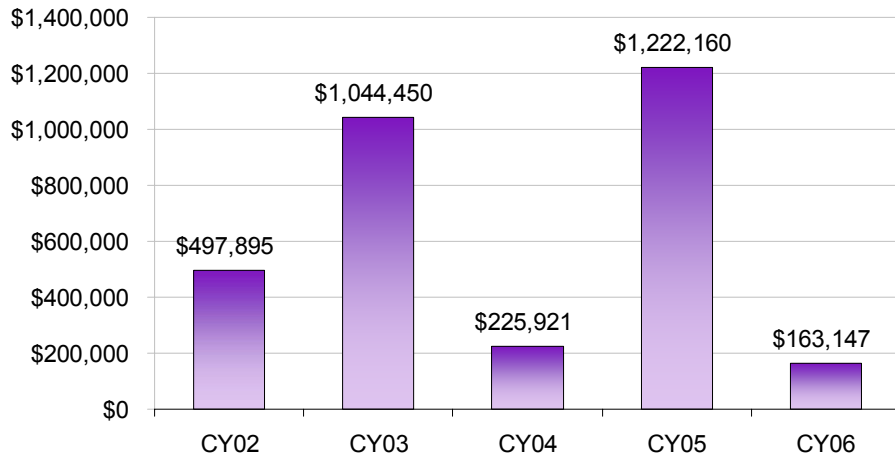
- Reduce amount of time programmers spend producing reports
- Increase customers ability to access data
- Reduce amount of time it takes customers to receive ad hoc reports.

Hours to Create Ad-Hoc Reports





Expenditures



11



Challenges & Outcomes

- Used in audit selection
- Warehouse is one factor of many in recovery
- Cost of consultants
- Cross matches with other state agencies
- ROI

12

Challenges & Outcomes

- Maintaining IRS Data
- Identifying user's wants and needs
- Staff training
- Enhancing soft match capabilities
- Expansion to field staff
 - Creating processes/queries

13

Challenges & Outcomes

- Working with large data sets
- Scoring models
 - Less false positives
 - Predictive
- E-file is reducing taxpayer errors
- The right vendor?

14

Next Steps - Iteration 4

- Add new data
- Improve Processes
 - Research
 - Workload efficiencies
 - Unregistered/non-compliant taxpayer identification
- Manage Better
 - Measures
 - Industry trends
 - Predictive modeling

15

Next Steps - Iteration 4

- 2 year contract with multiple scopes of work (SOW)
- Keep each SOW to 6 months or less
 - Rapid incremental delivery & reduced risks

16

Next Steps - Iteration 4

Project Cost and Resources:

- Total Contract \$750,000
- Each SOW \$150,000 - \$300,000 (approximately)
- 1 Project Manger/3 Technical FTE's
- Estimated Equipment Cost
 - \$55,000 FY06
 - \$45,000 FY07

17

Conclusion

Questions

18