

Strategic Lean Project Report



For Reporting Period: January 1, 2015, through June 30, 2015

I. General Information:

Lead agency name: Department of Revenue

Partner agencies: None

Improvement project title: Tax Assessment Review-Taxpayer Account Administration (TAA)

Date improvement project was initiated: 5/19/2014

Project type: New Project

Project is directly connected to:

Results Washington performance measure

Agency Strategic Plan

Other

If applicable, specify the alignment:

More efficient process within a Department Division

Report reviewed and approved by: Vikki Smith, Acting Director

II. Project Summary:

The Department of Revenue improved the TAA Division's tax assessment review process, resulting in a reduction in the time it takes to issue a tax assessment by 80% from an average of 33 days to 7 days.

III. Project Details:

Identify the problem:

- TAA teams did not have a standard procedure for reviewing tax assessments, which created confusion and uncertainty.
- The length of time to complete a tax assessment review often required examiners and reviewers to have to go back and re-familiarize themselves with the specific account information and assessment details, creating re-work.
- An unacceptable percentage of tax assessments contained math errors, requiring reviewers and managers to spend additional time rechecking math calculations.

Problem statement:

Prior to this project, the time it took for a tax assessment review was 33 days compared to our target of 10-15 days, which the TAA Division wanted to reach by December 1, 2014.

Improvement description:

- The TAA Division instituted a "minor corrections" rule to make the review process more efficient. The new rule allows reviewers to make minor changes, often eliminating the need for subsequent reviews.

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- The TAA Division standardized review procedures to reduce the number of duplicate reviews and rework loops.
- The TAA Division held assessment review training classes to improve consistency and assessment review skills.

Customer involvement: The Lean project lead surveyed tax assessment reviewers regarding their perception of training provided to examiners and reviewers, their perception regarding assessment tools (Word and Excel), what they felt the two top reasons causing math errors, and any suggestions they had to improve the review process and eliminate errors.

The Lean project participants conducted a Gemba walk with each TAA team to discuss the team’s process for reviewing tax assessments. The project team also included a member from another division that recently improved a similar process.

IV. Project Details:

Improved process as measured by: <i>(Click those that apply)</i>	Specific results achieved: <i>(Complete the narrative boxes below)</i>	Total Impact: <i>(Actuals; Current Reporting Period)</i>	Results status:
<input checked="" type="checkbox"/> Time	Decreased average number of days to issue tax assessments from 33 days to 7 days.	<p>Since tax assessment reviews are being completed an average of 26 business days faster than before, taxpayers are receiving refund requests more than one month sooner, which saves the state over \$200K in interest payments to taxpayers.</p> <p>On average, tax assessment billings are being issued to taxpayers one month sooner than before. With revenues being received earlier, the state has the potential of increasing interest income by \$275K.</p>	Final
<input checked="" type="checkbox"/> Time	Decreased average amount of time needed to complete a tax assessment review from 13 hours to 3 hours.	6-month savings (Dec 1, 2014 - May 31, 2015: 380 X 10 = 3,800 hours) The TAA Division was able to repurpose staff time to devote to new (additional) and increasing workloads in tax programs without adding staff (taking over the Tax Incentive Report Tracking System administration moved from another division; working a significant increase of renewable energy program applications and apportionment reconciliations; supporting Liquor Control Board with work dealing with marijuana changes associated with recent legislation).	Final

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