

## Department of Community and Economic Development (DCED)

### Municipal Statistics

#### Justification for the nomination – Digital Government: Government to Citizen (G to C)

#### ❖ **Concise description of the business problem and solution, including length of time in operations**

<http://www.newpa.com/default.aspx?id=137>

One of the key responsibilities of DCED's Governor's Center for Local Government Services is the maintenance of a tax register for all Earned Income Tax (EIT) and Emergency and Municipal Services Tax (previously called Occupational Privilege Tax) (EMST) levies by municipal governments and school districts as required under the Local Tax Enabling Act (Act 511). This information is used by employers across the country that have employment centers in Pennsylvania to extract the correct tax withholding information for their employees and to know the correct tax collection office where withholdings are to be filed.

Under the provisions of the Homeowners Tax Relief Act (Act 72 of 2004), DCED/GCLGS had to modernize and update the existing Earned Income Tax Register and provide for the inclusion of tax rates on Personal Income Taxes that were authorized under Act 72 which has now been superseded by Act 1 of 2006, the Taxpayer Relief Act.

Due to the above legislation, the DCED/GCLGS has developed and rolled out a new electronic tax report and filing system. The Municipal Statistics System program is an integrated data collection, processing, storage and retrieval system providing a central information clearinghouse for local government tax and financial information.

#### ❖ **Significance to the improvement of the operation of government**

The new e-filing system is much more user friendly and uses the Commonwealth's PA Login where the counties and municipalities have to use only one user-id to access multiple sites on the Commonwealth's web site. The Tax module also uses the Geo Coding services to access the street address and the coordinates to provide to employers the correct taxing jurisdiction for employees. The system is available 24/7 and last minute filers can file on time. The users can use the Map Search capability and then choose the county specific municipality from the drop down menu.

❖ **Benefits realized by Service recipients, taxpayers, agency or state.**

The forms now perform cross checks and validations where applicable. For example, if the municipality reports an EIT tax in the tax module, then they must report revenues from that tax on the Annual Audit and Financial Report (AFR) form, and vice-versa. Also, the rules for the Tax module are data-driven, because they change frequently. New taxes, as well as their maximum rates (if any) can quickly be added to the system without reprogramming the system.

There are 4 modules in the Municipal Statistics System: the Tax information Form; the Report of Elected and Appointed officials; the Survey of Financial Condition Form; and the Annual Audit and Financial Report.

- ❖ The Tax information Form: This form contains tax information for municipalities, counties and school districts including the different rates for the real estate, earned income, emergency and municipal services and other taxes. The information filed on this form is then used to generate the earned income and emergency and municipal services tax register with the rates for the withholding taxes that is used all over the country by employers.

<http://munstatspa.dced.state.pa.us/Registers.aspx>

- ❖ Employers can also do address searches for the municipal and school district tax-rates for both home and work locations. Reports on all other taxes levied by local governments are also available and used extensively for policy development and comparative study by legislative staff, state executive offices, local governments, academicians and others.

<http://munstatspa.dced.state.pa.us/FindLocalTax.aspx>

- ❖ Report of Elected and Appointed officials: This module contains information on all elected and key appointed positions in both county and municipal governments. The module also contains demographic data such as Municipal and Police Service levels, planning and zoning ordinances, and administration of Uniform Construction Code. This information is also shared electronically with the Department of Transportation as part of the Liquid Fuel Tax reporting requirements; and has eliminated the need for local governments to file the form twice.

<http://munstatspa.dced.state.pa.us/EAOReports.aspx?M=L>

<http://munstatspa.dced.state.pa.us/EAOReports.aspx?M=D>

- ❖ Survey of Financial Condition Form: This module contains information on the fiscal condition of local governments. This information is also shared with the Department of Transportation as the disbursement of the State Liquid Fuels Tax funds is dependent on the proper submission of this form. The users should have a login id to sign on to electronically file.

<https://munstatspa.dced.state.pa.us/login.aspx>

- ❖ Annual Audit and Financial Report: This module contains information on county and municipal revenue, expenditures, and debt and capital improvements. Reports can provide detailed information on a broad range of fiscal indicators and trend analysis on local government fiscal condition. This information is also used for policy development and comparative purposes by legislators, academicians, researchers and local governments.
- ❖ The average Page views in the first quarter of 2007 have increased by 54% and average Hits by 59% since the system went live in April of 2006

**Savings within the agency are expected to be significant:  
Realized return on investment, short-term/long-term  
payback.**

As more local governments e-file Center staff will be able to focus on more the quality of the data and less on direct input of data. Less time will need to be spent in addressing inconsistencies in the data filed as the controls in the system will prevent data that doesn't reconcile and meet certain business rules from being submitted.

As the transition to e-filing occurs we will be able to reduce staff complement by 1 individual which is the equivalent of approximately \$50,000 annually in 2007 costs. Additional cost savings will occur in our IT Department as the outdated and problematic software will no longer need to be maintained.

Access to data by external users will also save considerable time for GCLGS by reducing the number of inquiries concerning the data given the user friendly environment of the reports. It will result in improved customer relations and less frustration by external users. These users will likewise save significant time given the ease of e-filing and of access to reporting information.

In summary we will see:

- ❖ Reduced software maintenance cost, particularly when taxes change
- ❖ More of the error-checking is automated and more municipalities are e-filing
- ❖ More accurate data
- ❖ Ease of use

## Technology:

The system is developed using Microsoft .NET 1.2 framework.

Uses Oracle database as the backend

The reports are created using Microsoft SQL 2005 reports engine.



