



**EMPLOYMENT, BANKING, AND REVENUE DELIVERY CENTER**

# My PA Tax Hub: The “PATH” to Improving Taxpayer Services

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## Executive Summary

The Pennsylvania Department of Revenue is responsible for the fair, efficient and accurate administration of tax and Lottery programs to fund programs and services to benefit all Pennsylvanians.

The administration of major tax types, including Motor Fuels, Individual Taxes and Property Tax/Rent Rebate, was supported by several mainframe applications, most of which were built in mid- to late-1980s. While these systems were well-established and efficient with core processing for the department, they were becoming increasingly costly to maintain and could not keep pace with modern customer demands for online services and digital self-service. Attempts to offer taxpayer services through external web applications and integration software had proven to be overly complex to implement. As a result, these projects were limited in scope to high-volume services or high-revenue taxpayers.

The [My Pennsylvania Tax Hub \(myPATH\)](#) is an intuitive and user-friendly online system that allows taxpayers to register, renew, file returns, pay balances and manage their accounts online. It is a commercial off the shelf (COTS) tax administration solution built using Microsoft tools and technology to run on industry-standard servers and modern web browser clients. It provides a complete solution that is architected for performance and scalability.

The myPATH system addresses strategic business and technology goals for the Department of Revenue. It aligns to the Governor's digital transformation goals through the utilization of enterprise design standards for websites and online services and gathering customer feedback to drive continuous improvement and innovation. myPATH also supports the Governor's goal for increased efficiency in state government operations.

By expanding the services available online to taxpayers, myPATH enables them to have more insight into their tax accounts, file tax returns electronically, receive correspondence online and communicate with the department through an online service. The first phase of myPATH was implemented in January of 2019 and provided new services to Motor Fuels customers. Since then, 40 new services have been added to myPATH over the course of three additional project phases.

myPATH performs all the math calculations for users, helping to reduce common filing errors that delay processing. With fewer filings to review manually, staff can focus on other job-related tasks. Additional outcomes of the myPATH project include:

- Approximately 35,000 Property Tax/Rent Rebate (PTRR) applications submitted online in 2021, resulting in a 4.36% reduction in errors requiring manual adjustment.
- Nearly 80% of PTRR applicants who provided customer feedback "strongly agreed" they had a positive experience using myPATH.
- An 8% reduction in errors requiring manual adjustment on Personal Income Tax (PA40) returns.
- An 85% adoption rate of myPATH by International Fuel Tax Agreement customers and a 90% reduction in errors in returns filed electronically.
- A 30% increase in electronic payments submitted from 2021 to 2022 in myPATH.

## **Idea**

The Department of Revenue's mission is to administer Pennsylvania tax and Lottery programs fairly, efficiently and accurately. It is responsible for collecting all Pennsylvania taxes, including corporate taxes and taxes on inheritance, personal income, sales and use, realty transfer and motor fuel.

The administration of major tax types was supported by several mainframe applications, most of which were built in mid- to late-1980s. While these systems were well-established and efficient with core processing for the department, they could not keep pace with modern customer demands for online services and digital self-service and were becoming increasingly costly to maintain. Attempts to offer taxpayer services through external web applications and integration software had proven to be overly complex to implement, thereby limiting online expansion to high-volume services or high-revenue taxpayers.

The department was looking for a commercial off-the-shelf (COTS) product that would modernize its aging taxing systems and provide an integrated solution for both the internal business users and the taxpayer community. The department also wanted a solution that could be configured without significant customization to reduce complexity and long-term maintenance costs.

Below are the key goals established by the department for the project.

1. Implement an integrated tax system and related infrastructure to support all in-scope agency tax types and business needs into the future.
2. Streamline agency processes and utilize improved access to data to improve customer service and tax compliance.
3. Enable taxpayers to do business with the department through new and more effective online self-service options.
4. Implement the new modernized tax system on time and within budget.
5. Improve public confidence in the Department of Revenue.
6. Develop and promote opportunities for enhancing organizational capacity.
7. Promote tax policies to improve the tax administration.

To achieve the department's goals, the new system needed to greatly expand the services available to customers, including return filing options, payment services, direct deposit refunds, online correspondence and enhanced customer support capabilities. These expanded services will increase the accuracy of the information that is submitted to the department, reduce the need for manual corrections, reduce inaccurate notices due to data capture errors and decrease the time for receiving tax refunds.

## **Implementation**

The department entered into a multi-year project to modernize its legacy tax systems using a COTS solution called GenTax provided by Fast Enterprises. The scope of the project was to modernize the taxes supported by the mainframe environment, which encompassed Motor Fuels, Individual Taxes (PA40) and Property Tax/Rent Rebate (PTRR). The project started in May 2018.

The COTS product was specifically built to support the business of revenue agencies. The solution is built using Microsoft tools and technology to run on industry-standard servers and modern web browser clients. It provides a complete solution that is architected for performance and scalability. By leveraging a well-defined and mature COTS product, the IT staff who support the Department of Revenue can better focus on business process improvement rather than technology implementation.

The project team was made up of resources from the business, IT and the vendor. The size and composition of the team has varied over the course of the project from 57 to 125 resources in the current phase. Currently, we have 35 business resources, 30 from IT and 60 from the vendor. Throughout every stage, the business and IT has ensured that the appropriate leaders and subject matter experts were assigned to the project, decisions were being made quickly and issues were escalated to the vendor when necessary. The business was flexible and willing to embrace the product and modify business processes when needed. IT staff has embraced a new development methodology based on using core functionality and learned new tools of the product, which it can now leverage in lieu of custom development.

Another significant factor in the success of the project was having an implementor that was also the product owner. As such, the vendor had a vested interest in the success of the project and could ensure that experienced resources were assigned so that product standards were being followed, core functionality was being utilized and product developers were able to extend the product when functionality was lacking. In addition, the vendor can leverage the experience of its previous product implementation projects.

During the third phase of the project, the department updated the original scope to implement all remaining taxes into the COTS product and the related online portal, myPATH. The final phase of the project now includes all remaining business taxes administered by the department including, corporation, sales, and employer withholding taxes. While some of these tax types already have online services available, they will be expanded to include filing options for all Corporation Specialty taxes, improved bulk filing options, additional account administration functions and have tighter integration with the department's credit card vendor. myPATH will replace the services currently offered in the department's e-Tides and PA100 online applications and will eventually become the central location for all the online services offered by the department. This phase will be completed in December of 2022.

## **Impact**

myPATH has significantly expanded and enhanced the services available to Pennsylvania taxpayers with 40 new services that support both high volume/high revenue taxpayers and our low volume/niche taxpayers.

New services available in myPATH include:

- Filing options for 30 tax forms/reports, including amended filing
- Expanded payment options that include making a bill payment, wage garnishment payment, lien payoff, bank attachment, estimated and extension payments
- Registering for a new tax account

- Maintaining customer demographics
- Checking the status of a refund or rebate
- Viewing estimated payments and credits on your account
- Securely responding to a request for information
- Viewing correspondence
- Saving and maintaining banking information
- Verifying identity
- Sending the department a direct, secure message
- Requesting reimbursements.
- Registering for a myPATH account
- Requesting and managing third party access
- Chat feature that provides customers with dynamic assistance
- Customer experience survey for online submissions.

Property Tax Rent Rebate (PTRR) did not have an online filing option prior to the implementation of myPATH. The program provides benefits to approximately 480,000 Pennsylvania's annually, including older adults and people with disabilities. Online PTRR was available for the first time in 2021 and received 16,800 applications through the first four months and a total of 35,000 applications for the year. In 2022, the department received 33,000 online PTRR applications through the first four months, which is almost the double the number received during the same period in 2021. Nearly 80% of property tax/rent rebate applicants who provided customer feedback "strongly agreed" they had a positive experience using myPATH.

In 2021, the department received 176,000 Personal Income Tax (PA40) returns through myPATH, with only 2% of them requiring manual review. For comparison, paper returns have a 10% error rate and Modernized e-file (MeF) returns a 4.5% error rate. In the first four months of 2022, the department received 212,000 PA40 returns.

Approximately 85% of International Fuel Tax Agreement customers are using online services in myPATH, resulting in 90% reduction in errors in returns filed electronically compared to paper.

myPATH improves the user experience through use of enterprise design standards to provide a consistent look and feel, digital accessibility best practices and a mobile-friendly layout. All taxpayer accounts are protected by multi-factor authentication established during the sign-up process.

myPATH has also implemented many services that do not require the customer to log in. For example, a taxpayer can file their Personal Income Tax return (PA40) by simply providing information from their prior year's return or providing their birthdate and PA driver's license number. This offers a convenient and free filing option for an annual taxpayer without requiring the overhead of establishing a security account with another password to remember. Communication has been made more efficient and secure through an online service. In the legacy environment, the taxpayer was required to respond to correspondence by U.S. or unsecured email. A customer can now respond through myPATH by providing their Taxpayer Identification Number and an ID number printed on the notice they received from the department. They can also provide supporting documentation in their response if needed.

myPATH provides taxpayers with electronic payment options for a variety of items. They have the option to pay using their bank account via ACH debit. Below is a comparison of electronic payments submitted over the same period in 2021 and 2022.

<b>Transaction Type</b>	<b>2021 Jan - April</b>	<b>2022 Jan - April</b>
Estimated/Extension Payment	60,859	101,000
Make a Bill Payment	44,328	22,681
Make a Bill/Lien Payment	3,042	2,684
Make a Wage Garnishment Payment	146	525
Pay off a Lien	149	274
ACH Payment	49,018	78,215
Total Transactions	158,874	206,599

Another feature of myPATH is the ability for a support technician to view the screens that a user has navigated with the information that was entered. This has enhanced the department's ability to support its customers and resolve issues more effectively. The screen viewing feature was used 8,000 times in 2021 and 3,700 times during the first four months of 2022.

Overall, the response from taxpayers about myPATH has been very positive. The following table lists the top 10 items for which customers provide feedback.

	Number of Responses	Average Rate on 5-point Scale
Personal Income Tax Return (PA40) 2020	36,945	3.88
Estimated/Extension Payment	34,962	4.10
Make a Bill Payment	18,600	4.00
Request Access Letter	15,292	2.93
IFTA Return	7,468	4.76
Verify Access Letter	4,228	3.82
Logon Registration	4,133	3.57
Property Tax/Rent Rebate Application (PTRR) 2020	3,066	4.51
Response to Request for Information	2,382	3.73
Verify Account Access	2,276	2.60

The department continues to review the feedback to find new opportunities to improve the experience of using myPATH.

The full implementation of myPATH in December 2022 will replace the services currently offered in the e-Tides and PA100 online applications and make it the central location for all the online services offered by the department, thereby achieving the goals set forth for the project and positioning the Department of Revenue for future success.