

**Customer-Focused Service**  
**Enhancements to Online Tax Filing System (E-file)**  
**Category: Digital Government: Government to Citizen**  
**Washington**

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## **Executive Summary**

The Washington State Department of Revenue (Revenue) is continuously working to make doing business with the state of Washington easier and more convenient for taxpayers. Our agency has a proven track record of employing efficient and effective methods and tools to provide top-notch customer service in everything from filing and paying taxes to communicating with our customers.

Recent customer-focused service enhancements to Revenue's online business licensing and tax filing system (E-file) include an online, integrated amended return system and the availability of Live Chat for our citizens and taxpayers. Both of these new services support the Department's focus on improving government efficiency and finding ways to make it easier for people to do business with the state of Washington, while simplifying our internal processes and maximizing staff resources.

Taxpayers have been able to file their returns online through Revenue's E-file system since 1998, but amended returns still had to be filed on paper. Being able to file amended returns online is a service that many taxpayers had requested. In addition to filing amended returns, the new system also allows a taxpayer to make a payment or request a credit or a refund.

The new electronic amended return system offers significant benefits to both taxpayers and the Department. Some of the benefits to the agency include a reduction in staff time to process paper amended returns, and a reduction in examiner time reviewing, verifying and recalculating amended return figures.

Communication with the Department had been limited to in-person, phone calls, U.S. Postal Service, and email; there was no existing internet chat service available for quick, simple questions.

The Live Chat option allows customers to quickly and conveniently talk with a tax information specialist and get answers to basic tax questions.

Revenue launched Live Chat, becoming one of the first Washington State agencies to offer a Live Chat option on its website. Likewise, Washington is only one of a handful of states that use Live Chat in their tax department. This capability enables the agency to respond to more taxpayer questions more quickly.

## **Business Problem and Solution**

### **Problem**

Revenue is continuously looking for ways to better serve citizens and businesses by providing streamlined service, while simplifying our internal processes and maximizing staff resources. To better serve our taxpayers and increase staff efficiency, the Department enhanced its online filing system by developing a new online amended return system in May 2013, and by launching Live Chat service to its website in January 2014.

Taxpayers have been able to file their returns online through Revenue's E-file system since 1998, but amended returns still had to be filed on paper or online by secure message. Often the requests lacked sufficient information to complete the amended return which led to additional taxpayer contact.

Revenue receives about 40,000 amended returns each year. Previously, amending a tax return required a significant amount of work for taxpayers and staff. Taxpayers had to write out the new information on paper or in a secure email message and send it to the Department.

Most taxpayers chose to send their amended returns through the Secure Messaging System. Unfortunately, amended returns received through secure email often were incomplete or incorrect, and staff had to contact the taxpayer to obtain or verify the information needed to complete the adjustment.

Additionally, the amended return could not be processed using the agency's integrated document management system. Instead, a staff member had to manually distribute each one.

The addition of Live Chat is another example of how Revenue makes customer-focused service a top priority. There was no existing internet chat service with DOR available to taxpayers. Many taxpayers who had quick, simple, or easy questions were hesitant to send an email or pick up the telephone to ask them for fear that waiting for a response would take too long or that the wait on hold would be too long and not worth the effort. Consequently, they did not ask.

In support of the agency's commitment to provide exceptional customer service, live chat was added to our existing lineup of communication tools in January 2014. Having the option of Live Chat readily available allows taxpayers to receive quick answers to basic questions and receive links taking them directly to where they need to go on our website.

### **Solution**

Revenue staff knew the amended return process could be better. They assigned an internal design and implementation team to come up with a solution. The team consisted of representatives from the Taxpayer Account Administration and Taxpayer Services Divisions, along with Information Services, and together the team designed the new application.

Using Lean principles, the implementation team enhanced the existing E-File system to include the feature to amend previously filed returns, increasing customer service as

well as eliminating handoffs and rework. By providing a quick and easy way for taxpayers to complete and submit their amended return, and utilizing the error checking features of E-file, DOR provided increased customer service and accuracy. The team concentrated on efficiencies by linking payments to the submitted returns and directing the amended returns into the current integrated document management system work flow to eliminate the need for work distributions, thus decreasing hand offs.

The online amended return application launched May 9, 2013, on the Department's secure *My Account* web page. With this new feature, taxpayers have the ability to amend any filed return simply by going into My Account on the DOR internet site and selecting a previously filed return. If the return was filed electronically, the original return will launch, allowing taxpayers to change the numbers they want to update. If the return was filed on paper, a new return is presented and the corrected return can be entered. The application automatically checks for errors and calculates the tax difference for the taxpayer. Finally, this new system provides taxpayers with the opportunity to make a payment for the amount due, request a credit be applied to another return, or request a credit or refund.

In support of the agency's commitment to provide exceptional customer service, Live Chat was added to the Department's website as another tool for taxpayer communication.

Several live chat programs were researched to find one that met both our customer needs as well as all of the statutory and regulatory requirements for taxpayer communications. We needed a solution that was quick to acquire, easy to implement and use, and just as important, affordable.

Our research led us to a specific vendor whose live chat solution met all of our requirements as well as offering some that we were surprised to see at this price point. Within six weeks, we were able to go live with a chat software that agents and taxpayers were both quick to start using.

The new online amended return system and the addition of the live chat feature has enhanced the level of service to all customers, significantly improved the efficiency of DOR's day-to-day operations which lead to increased production and performance across the agency.

### **Significance & Benefits**

Since the online amended return application launch in May 2013, 96,359 amended returns have been filed using the new electronic application. Feedback from taxpayers has been very positive. The amended returns have been received with complete information, significantly reducing the need for additional taxpayer contact.

The new application significantly reduces the amount of time staff spends to prep, batch and scan paper amended returns, and review, verify and re-calculate amended return figures. Time for staff to review and complete an amended return has been reduced in half – from 17 minutes to seven minutes, leading to quicker return time to issue credits and refunds. It also improves the tracking of the amended returns and overall customer service.

	<b>Electronic Amended Returns Filed</b>	<b>Staff Hours Saved</b>
FY13*	5,023	837
FY14	48,737	8,123
FY15**	42,599	7,100
<b>Total</b>	<b>96,359</b>	<b>16,060</b>

\*May 9, 2013 thru June 30, 2013

\*\*July 1, 2014 thru April 27, 2015

The new system supports the Governor’s focus on Lean by eliminating handoffs and rework, and increasing customer service and satisfaction. Feedback from taxpayers has been very positive. Some of the comments include:

- “Just wonderful and easy to use, so logical.”
- “We just wanted to let you know how great we think the new amendment procedure is. So much better than before when it was all through writing. I just used it for the first time and loved it.”
- “...it was much easier than the old way.”
- “I’m pretty impressed with the online system for correcting errors - all my corrections were done easily.”

Revenue became one of the first Washington State agencies to offer a Live Chat option on its website. Likewise, Washington is only one of a handful of states that use Live Chat in their tax department.

Since the launch of Live Chat in January 2014, Revenue has responded to more than 17,000 chats with citizens. Ninety-four percent of chats were answered within 60 seconds, with the average wait time being 10 seconds. The majority of questions are indeed quick and easy to respond to. The ability to send links to taxpayers has greatly reduced the amount of time necessary for taxpayers to locate needed forms, publications, tax returns, specific information from our website, as well as being able to redirect taxpayers to other agencies if the question is not one that our agency deals with. Likewise, if there is question that cannot be answered using chat, the taxpayer is given the link to the DOR website where they can request a finding tax ruling. Numerous compliments have been received from customers that they appreciate the option of communicating through this channel.

Live Chat has the added benefit of reducing the total number of inbound phone calls. Chat agents can handle up to five chats simultaneously and we have seen a corresponding drop in the number of calls that mirrors the number of chats received. We expect this trend to continue with the net result being more taxpayer contacts responded to with no additional staffing needs.

Washington is not unique in its experience of trying to manage resource limitations in the face of increasing demand for services. Streamlining by leveraging technology is the key to meeting this demand. The new online amended return system and the addition of the live chat feature has enhanced the level of service to all customers, significantly improving the efficiency of Revenue’s day-to-day operations, which has resulted in increased production and performance across the agency.