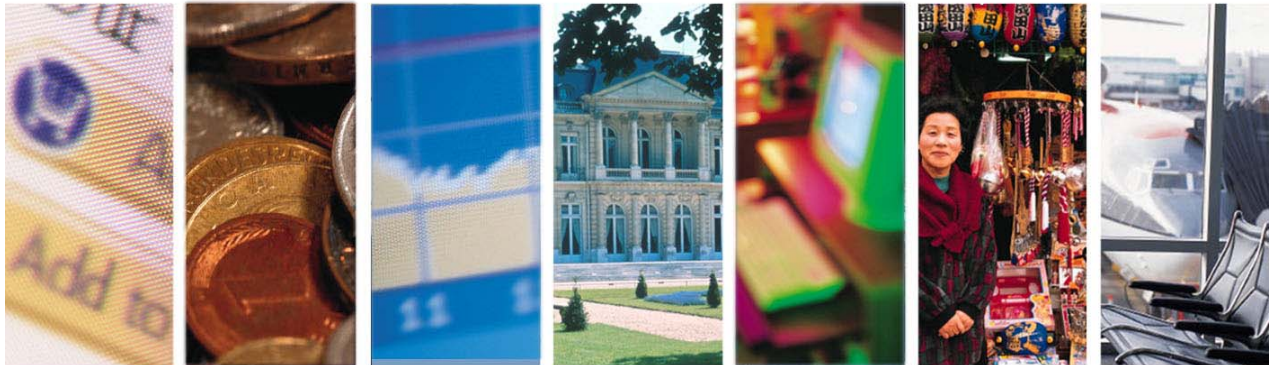




INFORMATION NOTE

Strategies for Improving the Take-up Rates of Electronic Services

Prepared by
Forum on Tax Administration
Taxpayer Services Sub-group

March 2006



CENTRE FOR TAX POLICY AND ADMINISTRATION

ABOUT THIS DOCUMENT

Purpose

The purpose of this note is to share information concerning the strategies employed by a number of national revenue bodies to increase the take-up rates of electronic services, in particular the electronic filing of tax returns.

Background

Since its establishment in July 2002, the Forum on Tax Administration (FTA), a subsidiary body of the OECD's Committee on Fiscal Affairs (CFA), has operated with the broadly stated mandate *to develop effective responses to current administrative issues in a collaborative way, and engage in exploratory dialogue on the strategic issues that may emerge in the medium to long term.* To carry out this mandate, the Forum's work is directly supported by two specialist Sub-groups—Compliance and Taxpayer Services (previously e-services)—that each carry out a program of work agreed by member countries.

The Taxpayer Services Sub-group exists to provide a forum for members to share experiences and knowledge of approaches to taxpayer service delivery, in particular through the use of modern technology. In this context, it is expected to: 1) periodically monitor and report on trends in taxpayer service delivery, with a particular focus on the development of electronic/online services; 2) examine ways to promote the uptake and use of electronic services by revenue bodies; 3) examine options for cross-border administrative simplification and consistency; and 4) assist, as appropriate, other groups of the CFA. This document is a by-product of the Sub-group's work.

Caveat

National revenue bodies face a varied environment within which administers their taxation system. Jurisdictions differ in respect of their policy and legislative environment and their administrative practices and culture. As such, a standard approach to tax administration may be neither practical nor desirable in a particular instance.

The documents forming the OECD tax guidance series need to be interpreted with this in mind. Care should always be taken when considering a country's practices to fully appreciate the complex factors that have shaped a particular approach.

Inquiries and further information

Inquiries concerning any matters raised in this note should be directed to Richard Highfield (Head, CTPA Tax Administration and Consumption Taxes Division), phone +33 (0)1 4524 9463 or e-mail (richard.highfield@oecd.org).

SUMMARY

In its 2005 report ‘Survey of Trends in Taxpayer Service Delivery Using New Technologies’, the Forum reported that revenue bodies in a number of countries had made substantial progress in successfully applying modern technology for the delivery of services to taxpayers. In particular, considerable progress was being made with the establishment of systems of electronic return filing and tax payments. To further assist member countries, it was thought useful to gather more information on the specific strategies that had been employed in a number of countries to achieve the good rates of take-up being achieved.

This note summarizes the findings of a survey across 8 member countries to gather information on the key strategies employed to promote increased take-up of electronic services. The key findings are as follows:

- Revenue bodies that have achieved a relatively high take-up of electronic services typically have a multi-faceted set of strategies to promote usage by taxpayers.
- Information campaigns utilising a variety of channels are an essential component of revenue bodies’ set of strategies.
- The use of incentives (e.g. faster refunds of overpaid taxes and extended filing periods) appears to play a significant role in encouraging a good rate of take-up, particularly concerning the personal income tax.
- Tax professionals, who prepare a fair proportion of tax returns in many countries, are critical stakeholders to the effective operation of electronic filing systems and should be consulted widely and regularly on the development and operation of electronic filing systems.
- Revenue bodies that have implemented mandatory electronic filing arrangements have typically targeted larger businesses and taken a cautious ‘softly/softly approach’ in the early years of these arrangements.
- Short of imposing mandatory requirements which may present their own problems, there are no “silver bullets” for rapid success towards achieving good outcomes; a considerable investment of time, money, and staff is inevitably required over a fair period of time to achieve a good level of success.

Revenue bodies that are at an early stage in their development of electronic services are encouraged to examine the approaches and experiences of surveyed bodies. If considered helpful, individual countries should be approached to gather further information.

SURVEY OF STRATEGIES FOR PROMOTING ELECTRONIC SERVICES

Background

1. The Forum's report 'Survey of Trends in Taxpayer Service Delivery Using New Technologies' published in February 2005 revealed that revenue bodies in a number of countries had made substantial progress in successfully applying modern technology for the delivery of services to taxpayers. For example, some key findings of the survey included:
 - Substantial progress had been made since 2000 (the year of the last survey) in the use of electronic filing by taxpayers and their agents for *personal income tax administration* purposes; indicative of this progress is the fact that in 2003, the take-up rate for these services exceeded 50% in five revenue bodies, with four achieving 80% or more (3 without mandatory requirements); progress in other areas (e.g. *VAT, corporate income tax*), largely covering businesses, was considerably less advanced, although a small number of revenue bodies had demonstrated that very high overall take-up rates (i.e. over 50%) can be achieved.
 - The Internet has become a significant tool for the delivery of services to taxpayers; generally speaking, revenue bodies have substantially increased the information content, functionality, and "user-friendliness" of their websites since the last survey; over half of the revenue bodies in member countries offered transaction services via their Internet sites in 2004.
2. During discussion of the survey's preliminary findings at a meeting of the Taxpayer Services Sub-group, country representatives expressed interest in gathering additional information from selected revenue bodies on the specific strategies employed by them to promote the use of electronic services, in particular, the electronic filing of tax returns, and the results of those strategies. The Internal Revenue Service (USA) offered to gather such information from a number of countries that typified their use and experience with various strategies. The purpose of the exercise was to gather and share information of both positive and negative experiences that these revenue bodies have had, and to establish a base of information on the strategies employed.

The 2005 Survey

3. An agreed survey questionnaire form was sent to a select number of member countries in April 2005. Eight member countries were included in the original survey—Australia, Austria, Canada, Denmark, Iceland, Norway, Switzerland, and the United States of America. (In addition, two other countries (i.e., Korea and Chile) involved with the Sub-group's work volunteered information later in 2005 that is also reflected in the findings of this work.)
4. The survey defined a range of strategy categories—information campaigns (e.g., mass marketing, targeted mail), incentives (e.g., tax rebates, faster refunds, longer filing periods, reduced return data needs), mandatory requirements, direct support (e.g., free software, online help facility) and other) and requested each country to identify (for each strategy they supported) details related to activities undertaken and stakeholders involved, the outcomes achieved, lessons learned and types of research conducted to support each strategy.
5. A summary of the information gathered from surveyed revenue bodies is set out in Table 1 below. The detailed survey responses received from each country are summarized in Annex 1.

Table 1. Summary of Survey Responses

Strategy and information category	Country responses							
	Australia	Austria	Canada	Denmark	Iceland	Norway	Switzerland	USA
Information campaigns	✓	✓	✓	✓	✓	✓	✓	✓
Use of incentives	✓	✓	✓	✓	✓	✓	✓	✓
Mandatory programs	✓	✓	✓	✓	✓		✓	✓
Direct support	✓	✓	✓	✓	✓	✓	✓	
Other strategies		✓	✓		✓		✓	
Outcomes achieved	✓	✓	✓	✓	✓	✓	✓	✓
Lessons learned		✓	✓	✓	✓	✓	✓	✓
Research conducted	✓	✓	✓	✓	✓	✓	✓	✓

Survey results – general observations and findings

- The key observations and findings from the survey are set out hereunder.

Information Campaigns

- The majority of countries have used media campaigns in the form of print advertisements, TV and radio segments, editorials, direct or targeted mail, video news releases, flyers, brochures, posters and promotional CDs. Outreach efforts in the form of seminars, trade show presentations, visits to tax agents, information kiosks, volunteer assistance programs, and telephone contacts were reported. (Australia, Canada, USA).
- Cooperative marketing efforts such as press conferences with the Federal Minister Finance, news releases featuring the Minister of National Revenue, partnering with business start up programs and information sharing on non-government websites such as chamber of tax professionals, chamber of commerce, targeted mail through tax professional associations, and joint marketing ventures with tax professionals and software developers (Austria, Canada, Norway, USA) were reported.
- External websites were developed for the public providing internet guidance, on-line help, free e-payments, and free internet site locations. Site optimization for external search engines and seasonal rotating messages on the homepage and electronic mailing list subscriptions were suggested. Internal websites for promotion, marketing and electronic services information to employees were also provided. (Canada, Denmark, USA).
- Multilingual marketing campaigns, forms and/or software were also provided by Switzerland and USA. Chile provides leaflets and maps that identify approximately 800 Internet access centers that are available for filing on-line.

Incentives

11. Faster refunds and direct deposit of refunds were common among the majority of countries. (i.e. Austria, Canada, Denmark, Switzerland, and the USA). Incentives were also prevalent in the form of extended due dates and deferred filing for system users. These were supported by Australia, Austria, and USA. Penalty rebates or delayed penalties (three years after change in regulation) were implemented by the USA and Canada.
12. Free software for low income filers was also offered by Canada. Chile offers the availability of more than 780 internet access centers; most of them free. These are located at shopping centers, offices of the revenue body and mobile access points.
13. Educational programs for school children, citizens and migrants were also offered in addition to on-going seminars for tax professionals by several countries. (Austria, Denmark, Switzerland, USA.)
14. Advance tax notice, preliminary estimated tax amounts and various tax guides; in addition to pre-populated service for the small scale businessman were offered by the Republic of Korea. Monetary incentives were also offered as follows: A rebate of \$10-20 was offered to the taxpayer when self e-filing and a rebate of \$10 per e-filed return (maximum \$1,000) was also offered to the tax professional by the Republic of Korea. Taxpayers can also use their existing certificates when using e-services and each notice of tax filing has a taxpayer's PIN that can be used when they sign up for e-services.
15. Unique ideas included preliminary filing assessments on the web, free certified copies of their last three year tax returns (Iceland), competitions between local tax offices having the best achievements (Norway), and peer recognition awards for tax professionals were also offered (USA). The Republic of Korea also rewarded their district tax offices where taxpayers achieved a high use of e-file.

Mandatory Requirements

16. Delegates from a number of countries commented that their experiences with mandatory filing requirements had been generally positive and for the most part introduced without much resistance or complaint from taxpayer. For some, problems arose with huge filing volumes on peak filing dates, a situation others had avoided by flattening out return filing requirements. A number of delegates also indicated that they had given waivers in the first year of implementation to give taxpayers more time to prepare for the new requirements. Still others indicated that while progress is being achieved in automating the corporate tax return per se, this has been achieved with an "abbreviated" set of arrangements (i.e. an electronic return without important financial statements such as balance sheets, profit and loss statements, etc.)
17. The majority of countries that have implemented mandatory requirements have typically targeted large businesses (using turnover rates or asset size criteria). For example:
 - *Australia*: Businesses with annual turnover > \$20 million.
 - *Austria*: Businesses with internet access and annual turnover > € 100,000.
 - *United States*: Corporations and exempt bodies with assets over \$50 million and \$100 million respectively.
18. In addition, in some countries tax professionals submitting monthly VAT and annual income tax, corporate tax and VAT returns are typically required to file electronically. Some are required/encouraged to do so by receiving generous extensions of time to file. Austria did not enforce the first year of mandatory requirements by law (tolerance rule).
19. Third parties including employers and financial institutions are required to report information documents such as payments, and interest, which are used in some countries as the basis for pre-filled declarations for nationals and multinationals.

(Denmark, Switzerland). Third parties in the USA and Canada filing 250 and 500 information returns respectively are also required to file electronically (magnetic media, DVD, CD, diskette) without any pre-filled declaration requirements.

20. In addition, software vendors must have their product certified by the government revenue agency to ensure the public is provided with quality tax preparation software.
21. Finally, Canada reported that in order to encourage use of electronic payment methods it undertook an extensive communications strategy informing clients of their payment options prior to closing of cash counters in the local tax offices.

Direct Support

22. An on-line help facility (context sensitive help) and/or on-line learning (with helpful hints and suggestions) is provided by all who responded. Error checking can be invoked at anytime throughout the on-line process. Software vendor support is also provided for software solutions.
23. Call Centers and personal telephone assistance is also offered by specially trained staff. In Iceland, the development team for tax returns on the web takes part in Helpdesk activities to get the feeling for “problems” first hand. In the Republic of Korea, taxpayers were shown and coached on how to use e-filing by installing a Helpdesk in the tax office. In addition, they ran a call center and increased staffing during filing season for e-service user’s convenience.
24. Australia reported the provision of an *On-line services set up kit* to assist clients with installation of their digital certificate which is required to ensure their security when accessing certain services.

Other Strategies

25. Balancing the load on tax personnel, phone systems and computers works well in Iceland. Personal income tax extensions for e-filers distributed randomly over a week removes the stress on taxpayers, tax personnel and phone and computer systems. Everyone gets a week, but some get up to two weeks to e-file. Performance problems are rare!
26. Iceland recommends being careful when “improving services”. People have a wide variety of computers, operating systems and browsers. To make things easier to those with little or no technical knowledge or with bad internet connections, it’s sometimes better to postpone the execution of a great idea rather than making a big chunk of the users download a new browser. During development the focus is on the inexperienced user. If anything can be misunderstood it will be. The Republic of Korea also queries and collects the opinions of their users for incorporation when upgrading their systems.
27. Canada also formed an Inter-Branch Electronic Services Marketing Planning Committee as an initiative where committee members meet to discuss their marketing strategy, obtain an increased awareness of common vision/goals, shared practices, ideas and information and promotes electronic services collectively.

Outcome of Activities

28. All agencies have experienced successful outcomes to each/ most of their strategies, which are briefly described hereunder:

Australia

- Reported an increase in electronically filed returns from self preparers from 28,000 in 1999 to 1.1 million in 2004.
- 96% of tax agents rate the Tax Agent Portal as useful or very useful.
- 70% with >10 clients are regular users.

Austria

- Increase in registered e-filers from 120,000 in 2003 to 700,000 in 2005.

- Increase of the e-file usage rate for monthly preliminary VAT statements from 10% in 2003 to 75% in 2005.

Canada

- Increased awareness of CRA website, electronic filing options and e-payments.
- Increased number of electronically filed returns and payments and direct deposit users/decreased processing costs.
- Reached Canadian public throughout the country including ethnic, linguistic and Aboriginal minorities.
- Increased level of comfort in encouraging clients to use electronic services to answer their questions.
- Access to electronic filing for low income groups and seniors.
- Established strong relationships between tax professionals/clients and the CRA.

Chile

- Internet use for filing on-line is at 83%.
- The cost per inquiry of telephone assistance compared to internet help is €2.30 vs. €0.30.
- 50% of new internet filing was done at the nationwide network of internet access points (both public and private).

Denmark

- Annual settlement records are generated automatically if the reported information (pre-filled tax returns) is sufficient. 73% of taxpayers need do nothing.
- Of the remaining 27%, 58% declared electronically in 2001 and 67% in 2003.

Iceland

- Improved acceptance and usage of e-services.
- Over 99% of tax professional prepared returns are filed electronically.
- Filing electronically is very popular – “almost fun”.
- There has been no need to market personal income tax or corporate income tax returns electronically – word of mouth has done the trick.
- Happy taxpayers are more likely to be compliant taxpayers when a helpdesk facility can be called as needed.
- 33% of personal income tax returns and 80% of corporate income tax (CIT) returns come through 3rd party software (offered by one company).

Korea

- Taxpayers print tax-certificates from their own PC and use them as an official document.
- Taxpayers can pay taxes by entering their bank name, account number and password.
- 58.2% of total businesses subscribe to e-services.
- E-file take up rates for the major taxes are: 68% (VAT), 75% (personal income tax), 97% (corporate tax) and 75% withholding tax.
- 65% of 6 main certificates are issued on-line.
- 5% of notice cases are notified by email.
- 10% of monies received electronically come via e-payments.
- E-filing by tax accountants represents 60-70% of total e-filing.

Norway

- Increase in e-filed returns due to marketing campaigns:
 - o from approximately 36% in 2004 to approximately 55% of all Individual Income Tax Filers and Payers in 2005 due to marketing campaigns.
 - o from approximately 24% in 2003 to 39% of all tax professionals in 2004. (60% expected in 2005).
 - o from approximately 20% in 2003 to approximately 40% of all VAT payers in 2004.
- A lot of effort has been made in helping Tax and VAT-payers to start e-filing.

- Early e-file awards contributed to level out the peaks (before due date) and to increase the e-filing rate in total. Money awards to the best field offices have been a success.
- Extending the e-filing period has drastically increased the e-filing rate.
- Cooperation with software developers is invaluable.

Switzerland

- Significant increase of e-filers in 2005 (+25%).
- Incentives result in high quality and constantly improved tax forms.
- Information reaching a large number of taxpayer population.

USA

- Increased e-file returns from 40 million in 2001 to 62 million in 2004.
- Increased electronic payments.
- Nationwide recognition of tax professionals result in continued support of and increase in e-filed returns.
- Articles related to the penalty rebate program reached 8 million businesses/picked up by several trade magazines.

29. A few unsuccessful strategies were also reported. Iceland reported that sending flyers to everyone filing VAT returns and tax withholding returns was largely a complete failure resulting in less than a handful of new e-filers. This was due to the fact that ... “the person filing the return is not usually the same person standing in line at the bank.”

Lessons Learned

30. For the most part, those countries investing time in building relationships with organizations and other third parties found it time consuming but very useful in order to create a demand-oriented e-filing system. Third parties are definitely good allies.
31. Many countries also reported that self-help is provided to clients as much as possible but telephone resource help should always be available.
32. Denmark’s direct phone calls to 90,000 enterprises resulted in very positive reactions and their pre-filled declarations resulted in ease of use for the citizen to complete their return on-line.
33. When reflecting on its flyer campaign, Iceland indicated that... “even though you have the right target group, a good message and offer extensive support, your message can easily get lost in a pile of junk mail.” They also indicated that their telephone campaign worked but was labour intensive and time consuming. Extensions of time were excellent incentives and paying attention to little things can make a big difference.
34. Norway found that explanatory information in general is a good tool, especially targeted information as an efficient way to stimulate e-filing rates. They also agreed that incentives work and promote positive attitudes among users (especially in contrast to mandatory requirements). In addition, they also commented on the importance of e-learning when filing taxes.
35. Both Norway and Switzerland said important lessons were learned from solution testing and plausibility tests to avoid false entries. Switzerland also indicated that they had certainty that calculations and carryovers were accurate.
36. The USA learned that tax forums and education seminars increased participation in the electronic filing program and awareness of electronic filing and paying programs increased due to the investment in marketing campaigns.

Research Conducted to Support the Strategy

37. The majority of countries conducted surveys to obtain perceptions (attitudes) and experiences (satisfaction) with electronic filing products and services. Those surveyed included tax practitioners, business and individual taxpayers. Internal system database queries were conducted to determine how many taxpayers would be affected by mandates. Pre and post-TV ad campaign awareness surveys were conducted by several countries. Focus group with tax offices, testing of TV ads and incentives were carried out in addition to one-on-one discussions with tax professionals and taxpayers. Client profiling, statistical and demographic analyses were reported by several countries. Feedback from Helpdesk personnel was collected and analysed. Ongoing consultations with other stakeholders and partners were also reinforced. Statistics on browsers and versions was also collected before making improvements.
38. The Republic of Korea in particular, invested in face-to-face interviews with tax accountants in the early stages of development of e-services due to their important role, resulting in tax accountants now having the ability to issue their client's certificate and get client's tax related information at his office via e-services.

CONCLUSIONS

39. There are many “good practice” conclusions that can be drawn from the survey feedback as reflected in the outcomes of activities.
40. It is apparent that the majority of information campaigns have been effective in increasing awareness and usage of electronic products and services, though word of mouth has also been effective in some cases. Relationship building may be time consuming but pays off in the end. Incentives, especially in the form of extensions have a positive impact as do monetary awards and peer recognition. Mandates, while never popular, have a positive impact on electronic filing but for the most part are not strictly enforced during the first year of implementation. On-line support is a must but direct support is still the preferred method by the general public.
41. Finally, there is the investment of staff, money, and effort over a fair period of time that are prerequisite elements for all of the strategies that must be deployed high levels of success.

Annex 1: Summary of Country Survey Responses

What Ideas Has Australia Successfully Implemented or Considered to Encourage Its Citizens to Use Electronic Programs?

Strategy Type/Specific Strategy and Type of Tax ¹	Activities and Players	Outcome of your Activities ²	Lessons Learned	Type of Research Conducted to Support the Strategy
Information campaigns (e.g. mass marketing, targeted mail)				
Marketing campaign - e-tax - an electronic tax return preparation and lodgement program for individuals	- Print advertisements - Direct email/mail to previous year's users - Video and audio news clips - Radio tax tips - Flyers and posters - Events and expos	Increase in electronically lodged returns from self-preparers from 28,000 in 1999 to 1.1 million in 2004.		
Marketing campaign - Business Portal – online lodgement of activity statements, check accounts online, update details online etc.	- Print advertisements - Radio advertisements - Seminars and presentations - Inclusion in existing publications - Promotional flyers - Editorial in small business magazines, newspapers - Promotional CD	Electronic lodgement of activity statements (as a percentage of all lodgements) has increased from 31% in 2003-04 to 35.5% in 2004-05 (the portal was released on March 17 2004).		- Listening to the community - Making it easier to comply - Business perceptions survey - Survey of business experience with Business Activity Statement
Marketing campaign – Tax Agent Portal – online lodgement of activity statements, check client accounts online, update client details, manage clients online, collect reports online etc.	- ATO staff visits to Tax Agents (7000 per year) - Satellite Seminar to all Tax Agents - Quarterly newsletter - Annual Tax Agent Portal guide - Practical tips on website	96% of tax agents rate the portal as useful or very useful 43% of tax agents reported there had been a net decrease in costs as a direct result of using the portal 70% with >10 clients are regular users - Most used method to interact with ATO. 19% in		- Tax Agent Portal survey - Tax practitioner group research

¹ Different approaches may be needed for different types of taxes

² Include your successes and activities you considered but may not have been as successful.

Strategy Type/Specific Strategy and Type of Tax ¹	Activities and Players	Outcome of your Activities ²	Lessons Learned	Type of Research Conducted to Support the Strategy
Incentives (e.g. tax rebates, faster refunds, longer filing periods, reduced return data needs)		12/03 to 51% by 12/04		
Two-week deferral for clients who lodge and pay their quarterly activity statement online	- Incentive available to clients who lodge and pay their quarterly activity statement through the Business Portal. - Incentive available to clients who lodge and pay their quarterly activity statement through the Tax Agent Portal.	Electronic lodgement of activity statements (as a percentage of all lodgements) has increased from 31% in 2003-04 to 35.5% in 2004-05 (the portal was released on March 17 2004).		- Listening to the community - Making it easier to comply - Business perceptions survey - Survey of business experience with Business Activity Statement
Mandatory requirements				
Electronic lodgement and payment of activity statements	- Large business clients to lodge and pay activity statements electronically Players- - Parliament	Business clients with a turnover of more than \$20 million are required to lodge their activity statements electronically.		
Direct support (e.g. free software, online help facility)				
Clients require a free digital certificate to ensure their security when accessing certain online services	- Development of the <i>Online services set-up kit</i> to assist clients with installation of their digital certificate - Online learning available since August 04 87% agreed the Tax Agent Portal has good response times	Clients automatically receive the <i>Online services set-up kit</i> containing all software required to access our online services		
Other				

What Ideas Has Austria Successfully Implemented or Considered To Encourage Its Citizens to Use Electronic Programs?

Strategy Type/ Specific Strategy and Type of Tax ³	Activities and Players	Outcome of your Activities ⁴	Lessons Learned	Type of Research Conducted to Support the Strategy
Information campaigns (e.g. mass marketing, targeted mail) Marketing Campaign – Income Tax, Corporate Tax and VAT	- Press conferences with the Federal Minister of Finance - Information folders distributed in the local tax offices - Targeted mail to employees - Reference to e-filing on the (paper) tax returns - Information package on the website of the Federal Ministry of Finance - Cooperative marketing campaign sharing with the chamber of tax professionals and the chamber of commerce	Increase of registered e-Filers from 120.000 in 2003 to 700.000 in 2005.	The cooperation between the Federal Ministry of Finance, the chamber of tax professionals and the chamber of commerce was time-consuming but very useful in order to create a demand-oriented e-filing system.	Usability survey
Incentives (e.g. tax rebates, faster refunds, longer filing periods, reduced return data needs) Legal incentive – Income Tax, Corporate Tax and VAT	- Extending the filing period from end of April to end of June - Faster refunds for employee Income Tax returns - Educational seminars for the chamber of tax professionals and the chamber of commerce	Increase in e-filed returns		- Total number of business and individual returns filed - E-File usage rates - E-File potential
Mandatory requirements Legal mandates – Income Tax, Corporate Tax and VAT	1) All companies which have - an internet access and - an annual turnover of more than 100.000 € are required to file the monthly preliminary VAT statement and the annual Income Tax, Corporate Tax and VAT return electronically. 2) All tax professionals are required to file the monthly preliminary VAT statement and the annual Income Tax, Corporate Tax and VAT return of their clients electronically.	Increase of the E-File usage rate for the monthly preliminary VAT statement from 10% in 2003 to 75% in 2005. E-File usage rate for the annual Income Tax, Corporate Tax and VAT return of 50% in 2005.	In the first year the mandatory requirements were not enforced by law (tolerance rule).	Queries of our own internal systems to determine how many taxpayers would be affected by the mandate.

³ Different approaches may be needed for different types of taxes

⁴ Include your successes and activities you considered but may not have been as successful.

Strategy Type/ Specific Strategy and Type of Tax ³	Activities and Players	Outcome of your Activities ⁴	Lessons Learned	Type of Research Conducted to Support the Strategy
Direct support (e.g. free software, online help facility) Convenience and usability	• Online help facility • Hotline • E-Filing via online-dialog (HTML) and via file-upload (XML)			
Other				
Additional service	Electronic information about • the tax account and • the tax file Electronic application for various tax matters			

What Ideas Has Canada Successfully Implemented or Considered To Encourage Its Citizens to Use Electronic Programs?

Strategy Type/ Specific Strategy and Type of Tax ⁵	Activities and Players	Outcome of your Activities ⁶	Lessons Learned	Type of Research Conducted to Support the Strategy
Information campaigns (e.g. mass marketing, targeted mail)				
Marketing Campaign – for Individual Income Tax Filers and Businesses	Media: TV ads, newspaper publishing, etc. - National TV Advertisement - National Print Advertisement (published in English, French, Punjabi, Chinese) - TV and radio information segments - Video News Release featuring the Minister of National Revenue - News Canada, (provides a range of print, web and broad-cast feature news packaging, distribution and monitoring services)	- Increased clients' awareness of the CRA website - Increased the number of electronically filed returns - Reached the Canadian public throughout the country, including ethnic, linguistic, and Aboriginal minorities - Increased the number of direct deposit users and payments made electronically		- Pre- and post-TV ad campaign awareness survey - Government of Canada post-TV ad campaign survey - Focus group testing of TV ad - Public opinion research survey - Taxpayer attitudinal tracking study - Taxpayer filing tracking study - One-on-one discussions with tax professionals and businesses
	Training & Information Provided to Staff: - Training for CRA telephone and counter agents who deal with the public to promote awareness of CRA's electronic services - A Tax Information Resource Kit outlining CRA's programs and services is provided annually to Members of Parliament and Senators - Internal Communications promoting electronic services to CRA staff Players: - Minister - Tax Services Offices, Call Centres, Tax Centres - Members of Parliament and Senators	- Greater awareness of online products - Increased level of comfort in encouraging clients to use electronic services to answer their questions - Ability for field staff to promote new electronic services	.	Training products are reviewed annually to ensure that they contain the latest information about electronic programs and services

⁵ Different approaches may be needed for different types of taxes

⁶ Include your successes and activities you considered but may not have been as successful.

Strategy Type/ Specific Strategy and Type of Tax ⁵	Activities and Players	Outcome of your Activities ⁶	Lessons Learned	Type of Research Conducted to Support the Strategy
	- Universities and Community Colleges Outreach, Trade Shows, Seminars & Conferences: - Forums with the financial Community (CGA & CA) - The Community Volunteer Income Tax Program assists low income filers to complete and file returns – equipped to provide electronic filing - Meetings with national tax and accounting firms - Trade Shows - The CRA will be offering an electronic services information kiosk and seminars on its electronic services - Database of Industry Associations – to advise members of new initiatives or significant changes - EFILE Recruitment information seminars to educate third-party tax preparers on the latest enhancements - Software seminars - Outreach activities by CRA staff in field offices using promotional material - Partner with Industry Canada business start-up program - Re-educates clients regarding electronic services <u>Players:</u> - IT professionals and e-services developers from all areas – private and public Promotional Materials: Messaging in tax packages - Promotion of electronic services: brochures, posters, tax publications, tent cards, bookmarks, pamphlets, notices, stuffers and targeted mailout campaigns - Articles in newsletter to universities and	- Increased awareness of the CRA website, electronic filing options, and e-payments - Improved opinion of the Government of Canada and CRA on service delivery - Access to electronic filing for low income groups and seniors generally not comfortable with electronic channel - Target audiences reached - Increased visits to website to use CRA's electronic services - Established strong relationships between tax professionals/clients and CRA - Opportunity to receive positive feedback from tax professionals and clients		One-on-one discussions with tax professionals and businesses
				- Client awareness and satisfaction surveys - Focus group testing - Statistics gathered - Client profiling

Strategy Type/ Specific Strategy and Type of Tax ⁵	Activities and Players	Outcome of your Activities ⁶	Lessons Learned	Type of Research Conducted to Support the Strategy
	- community colleges - CRA news releases - Video in lobbies of field offices - Queue messages on CRA telephone lines			
	Websites: - CRA external Internet website for the Public: - CRA Homepage features seasonal rotating messages - Electronic mailing list subscription offered - CRA site optimization for external search engines - Government of Canada website partner - Canadian Gateway website promotes CRA's services - CRA internal website: - Promotes electronic services to staff - Future development of new website for promotion, marketing & electronic services information for employees	- Makes the best possible use of the valuable real estate on the home page - Increased awareness of electronic services - Opportunity to obtain feedback from clients on the value of CRA's electronic services - Increased awareness of electronic services internally to CRA employees - Increased awareness of marketing activities to CRA employees - Greater awareness among stakeholders of related products and possibilities for ongoing marketing		- Client satisfaction surveys conducted - Ongoing consultations with other stakeholders and partners
Incentives (e.g. tax rebates, faster refunds, and Faster Refunds, processing, and increased return accuracy Free Software for low income Canadians	- CRA processing of income tax returns <u>Players:</u> - Software vendors - CRA employees	- Decreased processing costs, less input errors, saves time - Current numbers suggest 60% of Canadians benefit from free software offerings		

Strategy Type/ Specific Strategy and Type of Tax ⁶	Activities and Players	Outcome of your Activities ⁶	Lessons Learned	Type of Research Conducted to Support the Strategy
Mandatory requirements				

Strategy Type/ Specific Strategy and Type of Tax ⁵	Activities and Players	Outcome of your Activities ⁶	Lessons Learned	Type of Research Conducted to Support the Strategy
SOFTWARE CERTIFICATION	- Software vendors must have their product certified by the CRA - Regulation 205.1 of the Income Tax Act requires filers of Information Returns with more than 500 Information slips to file on magnetic media (DVD, CD, diskette) <u>Players:</u> - Software vendors - CRA employees	- Ensuring the public is provided with quality tax preparation software - Communication strategy to inform clients who fell into this category of the requirements. Direct mail to clients informed them of the change in the Regulation, and informed them of the consequence of not complying - Penalties were assessed three years after the change in regulation (time lapse was to allow filers time to adapt) Will force clients to use the other available options for making payments - Internet banking, Telephone banking, paying at a Financial Institution, mailing in payment.	- Substantial reduction in the number of clients filing large paper Information returns - Legislation can encourage use of electronic service	Consultation with the Payroll community through Canadian Payroll Association, one-on-one meetings with large filers
	Communications strategy to inform clients of payment options prior to closing the cash counters.			Analysis of the cost of maintaining current cash counter operations.

Strategy Type/ Specific Strategy and Type of Tax ⁶	Activities and Players	Outcome of your Activities ⁶	Lessons Learned	Type of Research Conducted to Support the Strategy
Proposed closing of cash counters in CRA offices				
Direct support (e.g. free software, online help facility)				
SOFTWARE VENDORS	• Telephone and online support services for clients • CRA e-service Helpdesk provides personal assistance to clients via telephone	• User satisfaction with the service is achieved and users are encouraged to return to the CRA website • Also, users will recommend the CRA website to other users	• When a user needs help, the CRA provides it in the most useful way • Allow the client to self-help as much as possible, but have telephone resource help readily available	
ONLINE HELP				
Other				

Strategy Type/ Specific Strategy and Type of Tax ⁶	Activities and Players	Outcome of your Activities ⁶	Lessons Learned	Type of Research Conducted to Support the Strategy
CRA MARKETING COMMITTEE	The Inter-Branch Electronic Services Marketing Planning Committee is an initiative where committee members meet to discuss CRA's marketing strategy	As well as an increased awareness of common vision/goals, shared practices, ideas and information, the Marketing Committee promotes CRA's electronic services collectively, and addresses issues related to marketing, including the development of new initiatives.		

What Ideas Has Denmark Successfully Implemented or Considered To Encourage Its Citizens to Use Electronic Programs?

Strategy Type/ Specific Strategy and Type of Tax ⁷	Activities and Players	Outcome of your Activities ⁸	Lessons Learned	Type of Research Conducted to Support the Strategy
Information campaigns (e.g. mass marketing, targeted mail) Marketing campaign for submission of Personal income Tax Return PFTR (<i>Pre-Filled Tax Return</i>) VAT: Direct phone call to 90.000 enterprises	- TV and Radio Commercials – produced by CCTA - Comprehensive internet guidance - Internet facilities as: - The taxpayers digital ring binder with information about: - Reported data etc. - Present and former Tax Returns and statements, paid taxes and like wise - Tax Calculation programs - Payments facilities - On line help is offered by the local tax administration. - E-filing of Tax Return - CCTA Press release - Reporter newsletter - Website for free e-payment Players: - Employers, Taxpayer - Tax professional VAT: Phone from local customs and tax authority	If CCTA finds the reported information sufficient, the annual settlement is generated automatically. Those taxpayers do not have to do anything. That goes for 73 pct. of all taxpayers. Of the remaining 27 pct. 58 pct. declared electronically in 2001 and 67 pct. in 2003. VAT: 35.000 new on-line.	Increased use of electronic filing, paying and calculation programs. VAT: Very positive reactions from enterprises	- Approaches from citizen and professional - Press and media coverage - Focus groups with local Tax officers. - Tax Professionals satisfaction study
Incentives (e.g. tax rebates, faster refunds, longer filing periods, reduced return data needs) Incentive: Program for taxpayer and tax professionals Form PFTR.	- Fast refunding of overpaid tax. - Automatically return of overpaid tax to taxpayer's bank account.	Increased application in order to urge taxpayer to electronic file the Tax Return.	Increased participation in electronic filing program	

⁷ **Different approaches may be needed for different types of taxes**

⁸ **Include your successes and activities you considered but may not have been as successful.**

Strategy Type/ Specific Strategy and Type of Tax ⁷	Activities and Players	Outcome of your Activities ⁸	Lessons Learned	Type of Research Conducted to Support the Strategy
VAT: Small deduction for one year (15 – 50 Danish kr. per declaration)	Education programs for: schoolchildren, citizens, migrants (in foreign language) and on-going seminars for tax professional all over the country.	VAT: “Marketing light” on electronic filing.	VAT: Unfortunately a lot of problems at local customs and tax authority	
Mandatory requirements				
Employers, financial institutions etc. (obliged by law to report payments, interest etc.)		The basis for the pre filled declaration.	Very ease for the citizen to complete the tax return on line	
Direct support (e.g. free software, online help facility)				
	Telephone support service for clients Help Desk			
	Call Centers are established in 2005			
Other				

What Ideas Has Iceland Successfully Implemented or Considered To Encourage Its Citizens to Use Electronic Programs?

Strategy Type/ Specific Strategy and Type of Tax ⁹	Activities and Players	Outcome of your Activities ¹⁰	Lessons Learned	Type of Research Conducted to Support the Strategy
Information campaigns (e.g. mass marketing, targeted mail)				
Fliers sent to everyone filing VAT returns and tax withholding returns.	Benefits of e-filing were detailed on the flyer and hotline specially set up for this program to help people taking the first steps to file electronically. Sent to all individuals and companies which file these returns.	Utter failure, less than a handful of new e-filers. One of the problems with these returns is that it is usually not the same person who stands in line in the Bank as the one who fills out the return.	Even though you have the right target group, good message and offer extensive support.... your message can easily get lost in the pile of junk mail.	
Telephone campaign, VAT returns and tax withholding returns.	Employees at the Internal Revenue Directorate called individuals and companies encouraging the use e-services and offering help.	Improved take-up of e-services.	This kind of campaign works, but it is very labor intensive and time consuming.	Feedback from Helpdesk personnel and customers who called for help.
Targeted mail to "known" users of software which supports direct use of e-services.	Benefits of e-filing were detailed and other helpful information was included in a letter to customers we knew could easily start using direct e-services.	Seems to be giving improved take-up of e-services.		Helpdesk personnel has collected some info on the software used by our customers which was used here.
Constant reminder of the benefits of e-filing	Colorful envelopes with text used to send VAT and tax withholding forms to taxpayers.	Seems to be giving improved take-up of e-services.		
Incentives (e.g. tax rebates, faster refunds, longer filing periods, reduced return data needs)				
e-filers can apply for extension (PIT)	Persons filing their PIT return electronically, can apply for an extension electronically and it is automatically given (1-2 weeks). Given our excellent results with extensions	85-90% of PIT returns filed electronically. 2001 (35%), 2002 (63%), 2003 (81%), 2004 (86%)	Extensions are excellent incentives for the citizens of Lazytown!	

⁹ **Different approaches may be needed for different types of taxes**

¹⁰ **Include your successes and activities you considered but may not have been as successful.**

Strategy Type/ Specific Strategy and Type of Tax ⁹	Activities and Players	Outcome of your Activities ¹⁰	Lessons Learned	Type of Research Conducted to Support the Strategy
Extensions for e-filers of VAT and tax withholding.	for e-filers of PIT, we are sure we could get excellent results here using the same incentives.	Unfortunately, we can not offer these incentives for VAT and tax withholding within the current legal framework. We hope to use them in the future.		
Additional services for e-filers. PIT returns.	e-filers can get preliminary assessment on the web. e-filers can get free certified copies of their tax returns (last three years). These copies are digitally signed and can be used or sent wherever a certified copy is needed. Bank account for refunds can be selected, etc.	All these services make it just natural to file electronically.		
Mandatory requirements				
Accountants and bookkeepers practically required to file PIT and CIT returns electronically for their clients.	Accountants and bookkeepers are given very generous extensions, PROVIDED, they file electronically.	Over 99% of these tax returns are filed electronically.	Accountants and bookkeepers are valuable allies.	It was clear accountants and bookkeepers would only be able to file returns for small portions of their clients if they were not given extensions.
Direct support (e.g. free software, online help facility)				
Context sensitive help and helpful hints and suggestions, PIT and CIT. (Context sensitive help is also used in other services)	When filing using the tax return on the web the users get context sensitive help as they go along. They can also invoke complete error checking at any time. Errors that need to be fixed before sending in the tax return are pointed out. Helpful hints and suggestions are given and are just as likely to point out legal ways to lower your taxes as pointing out something that might be in error! Accountants and bookkeepers can also utilize this checking from their software.	Filing electronically is very popular (almost fun, like one of our customers said). We have not needed any marketing for filing PIT and CIT returns electronically, word of mouth has done the trick.		
Helpdesk, also outside office hours.	During peak periods personnel from the Internal Revenue Directorate and from the tax offices around the country makeup a Helpdesk both for technical questions and tax related questions. The development team for the tax returns on the web takes part in the Helpdesk	Almost anyone can file electronically when a Helpdesk can be called if needed. Happy taxpayers are more likely to be compliant taxpayers.	Small problems can become big problems if the customers don't know the answer and have no one to call.	

Strategy Type/ Specific Strategy and Type of Tax ⁹	Activities and Players	Outcome of your Activities ¹⁰	Lessons Learned	Type of Research Conducted to Support the Strategy
	activities. It is very good for the members of the team to get a feeling for the "problems" first hand.			
Other				
Balancing the load on tax personnel, phone systems and computers. PIT, extensions for e-filers (filing directly on the web) distributed randomly over a week (everyone gets at least a week, but some get up to two weeks extension). Sensible, but no unnecessary technical restrictions.	Tax payers, tax personnel, phone systems and computer systems benefit from this. By spreading the load on phones, computers and personnel, people get much better service. It is not cost effective to have just one deadline and have to add a lot of resources just to deal with that or have performance or service problems because of the load.	This works! Everything is running more smoothly and both customers and tax personnel are happier and performance problems are very rare. The image of the tax authorities has improved dramatically due to this and other steps taken in connection with e-services.	Think Outside the Box!	Assuming many people would be filing their tax return at the last minute we knew there could be performance problems for our systems.
Attention to detail	People have a wide variety of computers, operating systems and browsers. To make things easier it is sometimes better to postpone the execution of a great idea rather than making a big chunk of the users download a new browser. In all e-services, offered to the public, we think it is of utmost importance to pay attention to the "little things". If anything can be misunderstood it will. Murphy is definitely busy. During development the focus is on the inexperienced user. We respond quickly and change our systems if we feel we are getting too many questions related to certain parts of our services.	Our most sensitive customers (those with little or no technical knowledge or with bad internet connections) remain our loyal customers. Happier customers and the Helpdesk can concentrate on more important issues.	Be careful when "improving" services. Little things can make a big difference.	Last year's statistics on browsers and versions. Feedback from Helpdesk.
Specifications for banks and software developers to use our services.	In some cases it is just as natural to communicate with customers through 3 rd party software (for example salary systems) or banks. For this purpose we have created specifications to make it easier for them to communicate (XML) with us.	33% of PIT returns and 80% of CIT returns come through 3 rd party software (just one software house now offering this software). Most of the salary systems on the market offer direct e-filing. One of the biggest banks offers direct VAT filing for their customers.	Banks and software houses are important allies.	

What Ideas Has Norway Successfully Implemented or Considered To Encourage Its Citizens to Use Electronic Programs?

Strategy Type/ Specific Strategy and Type of Tax ¹¹	Activities and Players	Outcome of your Activities ¹²	Lessons Learned	Type of Research Conducted to Support the Strategy
Information campaigns (e.g. mass marketing, targeted mail)				
Marketing campaign – Individual Income Tax Filers and Payers	Activities: - Radio commercials – Advertising Agency - Cinema commercials – Advertising Agency - Print Ads – Advertising Agency - Press releases (Paper/ Television/Radio/Web) – supported by Norwegian politicians. - Extensive activities by staff in field offices – Tax administration employees Players: - Tax administration - Tax administration – Field offices. - Norwegian politicians (Minister of Finance included).	Increase in e-filed returns (hard to measure the effect of this cause itself) Total increase (all causes taken into account): From app. 36 % in 2004 to app. 55% of all Individual Income Tax Filers and Payers in 2005.	Information is in general a good tool	Based on experience and well known facts. Statistics.
Marketing campaign – Tax professionals	Activities: - Press releases (Paper/ Television/Radio/Web) – supported by Norwegian politicians. - Extensive activities by staff in field offices – Tax administration employees (see Incentives) - Targeted campaigns through Tax professionals associations. Players: - Tax administration - Tax administration – Field offices. - Norwegian politicians - Tax professionals associations. - SW vendors (accounting systems)	Increase in e-filed returns (hard to measure the effect of this cause itself) Total increase (all causes taken into account): From app. 24% in 2003 to app. 39% of all Tax professionals in 2004. The 2005 numbers are not ready at this time- (expected 60%)	Information is in general a good tool Especially targeted information is an efficient way to stimulate the e-filing rate. 92% of filing by fully integrated SW vendors. 8% by manually filling in forms in the portal.	Based on experience and well known facts. Statistics.

¹¹ Different approaches may be needed for different types of taxes

¹² Include your successes and activities you considered but may not have been as successful.

Strategy Type/ Specific Strategy and Type of Tax ¹¹	Activities and Players	Outcome of your Activities ¹²	Lessons Learned	Type of Research Conducted to Support the Strategy
Marketing campaign - VAT	ACTIVITIES: • Extensive activities by staff in field offices – Tax administration employees (see Incentives) • Targeted campaigns through Tax professionals associations. Players: • Tax administration • Tax administration – Field offices. • Tax professionals associations.	Increase in e-filed returns (hard to measure the effect of this cause itself) Total increase (all causes taken into account): From app. 20% in 2003 to app. 40% of all VAT payers in 2004.	Information is in general a good tool Especially targeted information is an efficient way to stimulate the e-filing rate.	Based on experience and well known facts.
Incentives (e.g. tax rebates, faster refunds, longer filing periods, reduced return data needs)				
Incentives – Individual Income Tax Filers and Payers	Activities: • E-filing projects as part of program area for administration of e-services development. • Er@-program (e-filing and e-services) management • Early e-filing awards • Complete e-filing service (everyone qualified to e-file, service for individual tax filing completed 2005) • Online help during form-filing • Competition in increased filing volumes. Rewards given to the local tax office having the best achievements in bringing taxpayers from paper based to electronic filing. Players: • Tax administration	Early e-filing awards contributed both to level out the peaks (before due date), and to increase the e-filing rate in total.	Incentives work and make positive attitudes among the users/taxpayers (especially in contrast to mandatory requirements).	Based on experience and interviews (taxpayer / user surveys)
Incentives – Tax professionals	Activities • Longer e-filing periods (i.e. due date	Extending the e-filing period has drastically	Incentives work and make positive attitudes	Based on experience and interviews (taxpayer / user

Strategy Type/ Specific Strategy and Type of Tax ¹¹	Activities and Players	Outcome of your Activities ¹²	Lessons Learned	Type of Research Conducted to Support the Strategy
	- regular filing + 1 month) - Online help in filing in forms - Cooperating Tax software developers supporting e-filing (makes e-filing easier than traditional filing) Players: - Tax administration - Software developers	increased the e-filing rate (hard to measure the effect of this cause alone). The cooperation with software developers is invaluable. The rate would have been quite low without this cooperation.	among the users/taxpayers (especially in contrast to mandatory requirements).	surveys)
Incentives – VAT	Activities - Online help during form-filing - Cooperating VAT-software developers supporting e-filing (makes e-filing easier than traditional filing) Players: - Tax administration - Software developers	The electronic form is quite small, and so far the most VAT-payers do this e-filing manually. The VAT-software integration still has large potential.	Still focusing the VAT-software integration.	Based on experience and surveys (VAT-software developers)
Incentives – Tax Administration Field Offices	- Highest e-filing rate Awards – Best Field in Norway Players: - Tax administration	The Field Offices has put a lot of effort into helping Tax and VAT-payers to start e-filing. They have done local marketing campaigns and offering special support to e-filing.	Money Awards to the best Field Office has been a success.	Based on experience.
Mandatory requirements				
No mandatory requirements for e-filing.				
Users to see own benefit from using e-filing instead of filing by paper forms.				
Direct support (e.g. free software, online help facility)				
Build "e-knowledge" in tax Adm. Establish support	- Telephone support - e-learning - SW vendors support for SW solutions (accounting systems) developed and integrated with tax filing - Players: Tax administration - Software vendors/developers	Considerable increase in all filing types.	- Direct support preferred. - user interface – self explaining. - Test of solution very important - E-learning. Many users do not take time for e-learning when filing taxes.	Support systems must be developed. Focus on both intern support (employees) and external end user support.

Strategy Type/ Specific Strategy and Type of Tax ¹¹	Activities and Players	Outcome of your Activities ¹²	Lessons Learned	Type of Research Conducted to Support the Strategy
Other				

What Ideas Has Switzerland Successfully Implemented or Considered To Encourage Its Citizens to Use Electronic Programs?

Strategy Type/ Specific Strategy and Type of Tax ¹³	Activities and Players	Outcome of your Activities ¹⁴	Lessons Learned	Type of Research Conducted to Support the Strategy
Information campaigns (e.g. mass marketing, targeted mail)				
- Marketing campaigns on income and capital taxes for individuals	- Poster advertising for internet tax return - Announcements on municipality notice boards - Multilingual forms in French, German and Italian (some in English) - Multilingual software (salary certificate)	- Significant increase of e-filers in 2005 (+ 25%)	- Certainty that calculations and carryovers are accurate - Use of plausibility tests to avoid false entries	- Exchanges with taxpayers and tax professionals - Consultation of reports made available of OECD members
Incentives (e.g. tax rebates, faster refunds, longer filing periods, reduced return data needs)				
- E-filing for individuals (increasingly used by tax professionals) - Direct mail marketing to tax professionals and interested individuals - Fast track reimbursements	- Training courses offered by the Swiss Tax Conference (Cantons) - Technical and practical presentations re new salary certificate - Reporting and comparison studies in specialized magazines - Articles and reports in radio, TV, newspapers and journals	- High quality and constantly improved tax forms - Information reaching large numbers of our taxpayer population		- Strong reference to market needs
Mandatory requirements				
	- Introduction of declaration procedure for multinationals (instead of withholding)			
Direct support (e.g. free software, online help facility)				
- Help desk for income and capital taxes - e-salary certificate	- Qualified support by specially trained staff - e-salary certificate			
Other				
	- Consultations with software developers			

¹³ Different approaches may be needed for different types of taxes

¹⁴ Include your successes and activities you considered but may not have been as successful.

What Ideas Has the United States Successfully Implemented or Considered To Encourage Its Citizens to Use Electronic Programs?

Strategy Type/ Specific Strategy and Type of Tax ¹⁵	Activities and Players	Outcome of your Activities ¹⁶	Lessons Learned	What Type of Research was Conducted to Support the Initiative?
Information campaigns (e.g. mass marketing, targeted mail)				
Marketing Campaign – Form 1040 Individual Income Tax Filers and Payers	• TV Commercials – Advertising Agency • Radio Commercials – Advertising Agency • Outreach activities by staff in field offices – IRS employees • Print Ads • Spanish-Language Marketing Campaign • Cooperative marketing campaign sharing with tax professionals and software developers Players: • States that have mandated e-filing of tax returns • Tax Professionals	Increase in e-filed returns from 40 Million in 2001 to 62 Million in 2004 Increased electronic payments	Awareness of electronic filing and paying programs increased.	• One-on-One discussions with Taxpayers and Tax Professionals on e-file • Tax Professional Attitudinal Tracking Study • Taxpayer Attitudinal Tracking Study • Tax Professional Satisfaction Study • Taxpayer Satisfaction Study
Incentives (e.g. rebates, faster refunds, longer filing periods, reduced tax return data needs)				
Incentive Program for Tax Professionals – Form 1040 Individual Income Tax	• Annual nationwide recognition for high e-file volume and quality of returns - o Peer recognition - o Exemplary tax professional awards - o Award Dinners	• Continued support of and increase in e-filed returns		• Total number and quality of business and individual returns filed • E-File usage rates • E-File potential
Tax Forums (All tax types that can be filed electronically)	• Educational seminars for Tax Preparers around the country • Offer Continuing Professional Education credits	Increased applications to become a Tax Professional who files tax returns electronically	Increased participation in electronic filing program	• Tax Professional Satisfaction Surveys • Tax Professional Communication Tracker
Penalty Rebate Program (Form 941 employment tax)	• Direct mail marketing to Tax Professionals • Information pushed through partnership	• Articles reached 8 Million businesses • Articles picked		• Focus groups on incentives for those willing to use

¹⁵ Different approaches may be needed for different types of taxes.

¹⁶ Include your successes and activities you considered but may not have been as successful.

Strategy Type/ Specific Strategy and Type of Tax ¹⁵	Activities and Players	Outcome of your Activities ¹⁶	Lessons Learned	What Type of Research was Conducted to Support the Initiative?
	outreach channels to trade associations • IRS Press Release and Social Security Administration /IRS Reporter newsletter • Website keyword Electronic Federal Tax Payment System-penalty. • Tax Professional kits • Website for free e-payment marketing materials Players - • Tax Professionals • Trade Associations	up by several trade publications • Distribution of free marketing materials		an electronic means to pay their employment taxes
Mandated requirements				
Mandates (Corporation Returns and Tax Exempt Returns)	• Regulations require certain large corporations and tax-exempt organizations to electronically file their income tax or annual information returns Players- • Congress	• For tax returns that are due in 2006, regulations require that large corporations with total assets of \$50 million or more file their Forms 1120 and 1120S electronically. • For tax returns that are due in 2006, regulations require that tax-exempt organizations with total assets of \$100 million or more file their Form 990 electronically.		• Queries of our own internal systems to determine how many taxpayers would be affected by the mandate.
Direct support (e.g. free software, online help facility)				
Other				