

FORUM ON TAX ADMINISTRATION

Survey of Trends in Taxpayer Service Delivery Using New Technologies

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CENTRE FOR TAX POLICY AND ADMINISTRATION

SURVEY OF TRENDS IN TAXPAYER SERVICE DELIVERY USING NEW TECHNOLOGIES

EXECUTIVE SUMMARY AND ACTION REQUIRED

This report summarises the findings of a survey initiated by the Forum on Tax Administration to assess country member progress with the options identified in the Ottawa Framework Conditions in relation to taxpayer services (described in Box 1 of this report). This matter was previously considered by the CFA in January 2001 when a report on the tax administration aspects of electronic commerce was presented, along with the findings of a country survey (covering 15 countries), and a number of associated recommendations. At its January 2001 meeting, the CFA endorsed a recommendation that ... ***“member countries actively pursue the options identified to implement the Taxation Framework Conditions in relation to taxpayer services”***.

The key findings from this survey (covering all member countries) are as follows:

- There has been substantial progress since 2000 in the *scope and nature* of electronic services offered to taxpayers and their agents by virtually all national revenue bodies in OECD countries.
- Notwithstanding this progress, considerable potential exists for many national revenue bodies to substantially increase the take-up rates for the various services offered, especially by businesses.
- Substantial progress has been made since 2000 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 authorities, with four achieving 80% or more (3 without mandatory requirements); progress in other areas (e.g. *VAT, corporate income tax*), largely covering businesses, is considerably less advanced, although a small number of countries have 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 authorities in member countries offered transaction services via their Internet sites in 2004.
- Customer segmentation approaches to the delivery of services to taxpayers have become increasingly significant (e.g. website information groupings, dedicated portals, account managers for large taxpayers, specialist inquiry and consultative services for tax professionals) in line with modern management and marketing approaches to service delivery.
- The significant role played by tax professionals in day-to-day tax administration in many countries is receiving increasing recognition; over one half of revenue authorities have identified tax professionals as a critical service delivery stakeholder and provide a range of tailored services (e.g. dedicated call centre phone services, dedicated internet portals with transaction capabilities) in recognition of this factor.
- There has been considerable growth in the provision of electronic payment facilities; notwithstanding this development, the take-up of these services has been slow, most likely due to taxpayers’ concerns around security and fears of fraud.

- Less than one half of revenue authorities in member countries have evolved a comprehensive set of performance standards that guide the delivery of services to taxpayers, thus making it difficult to draw conclusions for these bodies as to the standards of service generally offered, and to determine the extent of any service delivery improvements resulting from the use of new technologies.
- There is a clear trend of revenue authorities devoting an increasing share of their administrative budgets to IT investments; however, the survey revealed a substantial variation in the levels of the IT investments across member revenue authorities (from 5-25%), pointing to the need for some authorities to review the extent of their investments in line with prevailing trends.
- There has been a substantial increase in the number of revenue bodies using email (either in free or constrained form) for taxpayer interactions (mainly for taxpayers' inquiries); however, reported volumes are generally quite small and survey responses revealed a number of concerns regarding effective management of email services; based on fairly limited data from a few countries, revenue body-initiated electronic mail (e.g. formal notices of assessment, reminders, marketing advice) may have considerable future and replace traditional postal channels.
- Call centre phone operations, supported by modern phone technology, are becoming an increasingly significant element of the service delivery strategy of many revenue authorities in OECD countries, reflecting drives for increased efficiency and accessibility for taxpayers to the information they require to meet their tax obligations.
- Although not examined in detail, survey responses and accompanying research revealed a small number of examples of innovative strategies based on 'whole of government' approaches to service delivery; given the significant benefits potentially realizable, this may be an area warranting further work by the Forum on Tax Administration, possibly in collaboration with the OECD Governance Directorate's PUMA Committee.

The report concludes, noting that further work will be conducted in 2005 in three related areas: 1) strategies for improving the take-up rates of e-services; 2) channel strategy development; and 3) the management of email, and makes three recommendations concerning national revenue authorities:

- *Revenue authorities are encouraged to use the survey findings to systematically benchmark their own performance and to identify opportunities for improved service delivery to taxpayers, particularly through use of new technologies;*
- *Where relevant, revenue authorities are encouraged to actively pursue enhanced strategies for improving the take-up rates of e-service;*
- *Where not already in place, revenue authorities are encouraged to develop and implement service delivery standards for the major services offered, and to measure and report the performance achieved by them.*

Action required. The CFA is requested to:

- note the findings of the survey report;
- endorse the recommendations made;
- note that the FTA will continue with work in this area, in particular focusing on the actions required by member countries to increase the take-up rates for electronic services; and
- agree that the report be made publicly available.

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SURVEY OF TRENDS IN TAXPAYER SERVICE DELIVERY USING NEW TECHNOLOGIES

I. Background

1. At the November 1997 conference entitled *Dismantling the Barriers to Global Electronic Commerce* held in Turku, Finland, government and business representatives met for informal discussions on the challenges and opportunities presented by global electronic commerce to tax systems. Less than a year after Turku, the Committee on Fiscal Affairs (CFA) formulated the Ottawa Taxation Framework Conditions (DAFFE /CFA(98)38/REV3) that were welcomed by OECD Ministers at the 1998 Ottawa conference, and subsequently generally accepted world-wide as providing a sound basis for ongoing work. The OECD, in co-operation with other international organisations, was acknowledged as the organisation best placed to co-ordinate and carry this work forward.

Ottawa Taxation Framework Conditions and Taxpayer Service Delivery

2. In the field of tax administration and specifically as it relates to taxpayer services, the principles and conclusions embodied in the framework conditions were developed into a number of elements:

- Revenue authorities should make use of the available technology and harness commercial developments in administering their tax system to continuously improve taxpayer service.
- Developing an international consensus on ways to simplify taxation systems to minimise the cost of tax compliance, particularly for small to medium sized enterprises.

3. In February 1999, the Forum on Strategic Management (FSM), the predecessor to the Forum on Tax Administration (FTA), formed the Electronic Commerce Sub-group to progress work on the tax compliance, taxpayer service, and other administration issues associated with electronic commerce. In particular, the Sub-Group was tasked with consideration of the various tax administration “implementation options” identified in the CFA report “Electronic Commerce: A Discussion Paper on Taxation Issues” (DAFFE/CFA(98)50) (which was released at Ottawa together with the Taxation Framework Conditions). These “implementation options” were intended to stimulate discussions on the mechanisms open to governments to implement the Taxation Framework Conditions. The agreed implementation options relating to taxpayer service are summarised in Box 1.

4. To progress these implementation options, the Sub-Group organised a meeting of relevant specialists, and undertook a survey of what electronic service techniques were being used by Member countries. The former took place in March 2000 when taxpayer service specialists met in Copenhagen, Denmark, to share experiences in the use of electronic service delivery and to learn from other members as to the way in which they are using the new technologies to improve taxpayer service. The latter was initiated in May 2000 when a survey of taxpayer service initiatives using new technology was conducted among member countries.¹

¹ See “**Report on Survey of Taxpayer Service Initiatives Using New Technology**” (September 2000) prepared by the Upstate New York District Research and Analysis Division of the Internal Revenue Service, and summarized in DAFFE/CFA(2001)9/CONF.

Box 1. Ottawa Taxation Framework Conditions: Agreed Implementation Options Relating to Taxpayer Services

1. Revenue authorities may consider developing Internet web sites where information, such as tax legislation, rulings, case law, revenue statistics and forms can be viewed and down loaded.
2. Revenue authorities may consider interactive telephone answering systems for many standard inquiries.
3. Revenue authorities may consider a single e-mail access point for highly mobile taxpayers.
4. Revenue authorities may consider receiving and responding to taxpayers' service enquiries by e-mail.
5. Revenue authorities may consider direct deposit programs for tax payments and refunds.
6. Revenue authorities may consider accepting tax return data and other information by use of the new technologies.
7. Revenue authorities may consider automated payments of social security, payroll taxes, other similar deductions.
8. Revenue authorities may consider working with other arms of government to investigate the benefits of single government registration points on the Internet.

Trends Reported from the 2000 Survey of Taxpayer Service Initiatives Using New Technology

5. The *Survey of Taxpayer Service Initiatives Using New Technology* was distributed to all OECD Member countries in May 2000. It was conducted to catalogue technology initiatives that are providing better service and improving tax administration. A summary of the survey's findings and conclusions is provided at Annex 1. Drawing on the survey's findings, and as a focus for its future work and to generally encourage revenue authorities, the FSM made the following recommendation that was subsequently endorsed by the CFA:

- Member countries actively pursue the options identified to implement the Taxation Framework Conditions in relation to taxpayer service (as described in Box 1):

6. These suggested directions were the subject of ongoing dialogue between member countries in the ensuing period as the work on electronic commerce continued. In 2002, following a decision by the FSM to wind up the Electronic Commerce Sub-group, ongoing responsibility for progressing work in the area of taxpayer services was given to a newly formed eServices Sub-group.

Proposal for a Further Survey of Taxpayer Service Initiatives Using New Technology

7. In September 2003 at a meeting of the eServices Sub-group, the OECD Secretariat presented a draft proposal for a further survey of trends in taxpayer service delivery (with emphasis on the use of new technologies). It noted that many member countries were pursuing a variety of initiatives to improve the effectiveness and efficiency of their taxpayer service functions, that rapid advances were being made in some countries (especially with the aid of new technologies), but that there was a dearth of up to date comprehensive comparative data across OECD countries on the approaches being adopted, the progress being made, and the likely directions of future initiatives. It also noted that the original survey data and findings were over three years old, a little narrow in terms of their scope, and the revenue authorities covered by the survey represented only half of OECD member countries.

8. Delegates were supportive of the Secretariat's proposal, noting that the survey could be used to gather information that would assist the Sub-group to define the focus of its future work, and that information of the kind intended to be gathered would assist countries in a variety of ways. In agreeing in principle with the proposal, delegates also decided to form a steering group (i.e. Australia, Canada, France, New Zealand,

and the UK) to work with the Secretariat on refining the draft questionnaire to take account of matters raised at the Sub-group meeting and provide other guidance as necessary.

II. Introduction

9. An effective program of taxpayer service activities is a critical objective of all revenue authorities. The general complexity of tax laws coupled with the relatively large populations of taxpayers to be administered mean that, fundamentally, all revenue authorities must rely substantially on taxpayers' voluntary compliance to achieve the outcomes expected of them. It is axiomatic that to achieve high levels of voluntary compliance, taxpayers and their representatives must have a good standard of services to help them determine their obligations under the laws and to complete the steps required to acquit those obligations. Revenue authorities can facilitate voluntary compliance by:

- providing clear explanations of the law, in a form and manner and at a time suitable to taxpayers;
- establishing arrangements that assist taxpayers meet their obligations at minimal cost & inconvenience;
- giving *accurate* responses to taxpayers questions *in reasonable periods of time*;
- giving refunds of overpaid taxes *in reasonable periods of time*;
- quickly resolving taxpayers' complaints; and
- dealing with non-compliance in a firm, timely, and effective manner.

10. The achievement of these objectives is by no means a straightforward task. The tendency for tax laws to become increasingly more complex, reduced administrative budgets, and increased government and community expectations of improved service delivery performance are some of the factors that revenue authorities must grapple with in order to make progress in this important area. The Taxpayer Services Sub-group plays a valuable role in assisting revenue authorities by providing opportunities to conduct dialogue and exchange information on individual country approaches and experiences, and to identify good/ best practices. Surveys of the kind described in this report provide a base level of knowledge to facilitate such dialogue and, in turn, the identification of good/ best practices.

The 2004 Survey

11. An agreed survey questionnaire (refer Annex 2) was sent to all member countries in mid-April 2004 along with a set of guidelines for its completion and a request from the Chair of the eServices Sub-group for a high level of member country participation.

12. The 2000 survey dealt almost exclusively with electronic services and did not delve into other strategic areas of taxpayer service delivery, as touched on in the introductory comments to this report. While this was not the primary purpose of the 2004 survey, it did include a limited range of questions in these areas to gain some insights into the broader strategic approach of the revenue authorities covered by the survey.

13. Concerning electronic service delivery, the 2004 survey questionnaire had similar questions to the 2000 survey so as to enable the group to assess progress in this area, but has gone deeper into some specific issues and sought a greater level of quantitative data.

14. Thirty one completed responses from revenue authorities (representing all member countries)² had been received at the time of preparing this report.³ These responses have been tabulated and a copy of survey tabulations is provided at Annex 3. All contributing revenue authorities were given the opportunity to validate these tabulations and, where necessary, to provide additional data and/or to clarify their original response.

III. Survey Findings and Observations

15. The information provided by revenue authorities for this survey provides a snapshot of the strategies being employed and, in particular, the progress being achieved with improvements to taxpayer service delivery through use of the Internet and modern automated systems of electronic filing, payment and other information exchanges. Given the substantial increase in survey responses compared to the previous survey in 2000 (16 in 2000, 31 in 2004), it has not been possible in all the aspects described in the report to clearly demonstrate the actual trend of change since that time, although it is clearly evident (and highlighted in the report) that much has occurred in the four years since 2000. To assist readers in appreciating the scope and nature of country developments, the report also includes brief descriptions of a number of novel and interesting initiatives for improving taxpayer service delivery.

16. This report is not intended to provide an in-depth description of individual revenue authority strategies, approaches, and experiences. There is a range of materials on this latter aspect—all available on the Internet—that can be researched by revenue authorities if they wish to locate more specific information.⁴

Strategic Approach to Taxpayer Service Delivery

17. Particularly over the last decade or so, efforts to realize the objectives described earlier in the introductory comments have led many revenue authorities to adopt a more strategic approach to the provision of services to taxpayers. This has manifested itself in the following sorts of ways:

- *Differentiating service delivery actions/activities across the various segments/ groupings of taxpayers*, recognizing that taxpayer populations are not homogeneous but are comprised of varying segments/groupings of taxpayers, each with their own characteristics, attitudes, expectations, and behaviors.
- Treating taxpayers as persons/ bodies *with rights* that are codified in the form of charters, etc., and publicized⁵; treating taxpayers as *clients or customers*.
- Recognizing that it is often more cost effective to *leverage service actions through taxpayers' representatives* (e.g. tax professionals, industry/ business groups, other third parties).

² Two responses were received from the UK; one on behalf of HM Inland Revenue Department and the other for HM Customs and Excise Department.

³ A partial response was received from Germany noting difficulties in obtaining efficiently comprehensive and relevant information from the 16 individual laenders responsible for tax administration in Germany.

⁴ See, for example: Australia—*The Easier, Cheaper, and More Personalized Program: Making it Easier to Comply* (ATO, July 2003); New Zealand—*Inland Revenue's e-Enablement Strategy* (IRD, 2002); Spain—*Tax Agency 2005* (Agencia Tributaria); UK—*Inland Revenue e-Services Strategy* (IRD, 2002); UK—*Transforming the Performance of HM Customs and Excise through Electronic Service Delivery* (Report by the Comptroller and Auditor General (HC 1267 Session 2002-03, November 2003)); USA—*Electronic Tax Administration—A Strategy for Growth* (IRS Rev.12-2000); USA—*IRS's 2002 TAX FILING SEASON: Returns and Refunds Processed Smoothly; Quality of Assistance Improved* (US GAO, December 2002).

⁵ For prior CFA work in this area, see '*Taxpayers Rights and Obligations—Practice Note*' (July 2003),

- *Consulting widely with taxpayers and/ or their representatives* prior to the implementation of changes; designing products more from a ‘whole of taxpayer/client’ perspective.
- Taking advantage of modern technology offerings.
- Establishing and monitoring service delivery performance according to *prescribed service performance standards*.
- *Measuring client satisfaction* with the level and quality of services offered.
- *Demonstrating accountability* by publicizing the levels of performance achieved against the service standards set.
- Ensuring that there is an appropriate balancing of resources between service and enforcement activities to achieve the outcomes being sought.
- Systematically identifying weaknesses in service delivery and developing organizational action plans (including many of the strategies identified above) to address those weaknesses.

18. While this report focuses on the use of modern technology, all of the abovementioned matters are interrelated and important considerations in understanding the nature, scope, and stage of development of individual revenue authority approaches to service delivery. For these reasons, the survey questionnaire included a limited range of questions aimed at eliciting broad information in these areas.

19. Survey data related to these matters are set out in Tables 1-9. Set out hereunder are the key observations and findings:

- Most revenue authorities (24/31) have developed and published formal statements of strategic intent for the delivery of improved services to taxpayers (refer example in Box 2); for 19/31 revenue authorities, these statements are underpinned by formal statements (e.g. charters) of taxpayers’ rights and/or the services they can expect (refer Table 1).

Box 2. New Zealand—our strategic intent

Providing more online services

Technology can allow our customers to interact with us whenever they wish, and make it easy for them to receive information and meet their obligations. Therefore, we will continue to expand the range of electronic services available to customers, as well as improve the tools available to support staff in their jobs.

Priorities for the year include:

- Allowing taxpayers and other customers to look up their personal account information in a secure environment on the web.
- Introducing natural voice recognition options to our automated phone service.
- Introducing image technology to scan and process paper-based returns—improving our efficiency and our speed-to-answer customer queries.
- Promoting our on-line services through our advisory services and Agent Account Managers.

Source: Our focus for the year ahead—2004-05 (New Zealand Inland Revenue department)

- Most revenue authorities reported that their strategy for improved delivery of services included activities along the following lines 1) increasing the range of electronic services offered; 2) providing more tailored approaches for services to individuals; 3) simpler tax laws and/or procedures; 4) better guidance to assist taxpayers meet their obligations; 5) new and/or stronger

partnerships with other parties; 6) initiatives to improve timeliness of administrative actions; and 7) increasing the skills of their workforce (refer Table 1).

- A few revenue authorities reported the setting of challenging (and in some cases, mandated) targets for the delivery and take-up of electronic services:
 - UK IRD and C&E: all services to be offered electronically by 2005; with a 50% take-up overall of tax returns and payments;⁶
 - US IRS: 80% of all tax and information returns being filed electronically by 2007; all returns prepared electronically to be filed electronically by 2003.⁷
- Evidence of the adoption of “customer segmentation” approaches to the planning and delivery of taxpayer services was observed from the survey responses of the majority of revenue authorities, although these approaches naturally vary in terms of their scope and intensity (refer Table 4):
 - Around half of the 31 revenue authorities have established dedicated inquiry services for large taxpayers by industry groupings;
 - 18/31 revenue authorities have nominated tax officials (i.e. account managers) that act as the first point of inquiry for designated large tax payers;
 - 19/31 countries have formal consultative arrangements with representatives of large corporate taxpayers;
 - 18/31 revenue authorities have specific service/education programs for new businesses to ensure that they handle their tax matters correctly from their first dealings;
 - 14/31 revenue authorities reported use of integrated return filing and payment products.⁸
 - 17/30 revenue authorities administering PIT reported the use of simplified tax returns for taxpayers with simple tax affairs.
- Tax professionals are significant stakeholders in the tax systems of many member countries, and this is supported in a variety of ways by revenue authorities (refer Table 9):
 - 19/31 revenue authorities indicated the provision of dedicated inquiry services for tax professionals;
 - virtually all revenue authorities reported the operation of special consultative mechanisms for tax professionals;
 - 25/30 revenue authorities reported having plans to enhance their relationship with tax professionals.
- Beyond tax professionals, other stakeholders specifically identified in revenue authorities’ service delivery strategies were accounting software developers (24/31), employers/ payroll agents (20/30), and financial institutions (23/31) (refer Table 2).
- The majority (24/31) of revenue authorities have established time-bound service standards for some/most aspects of taxpayer service delivery; however, only 13/31 revenue authorities reported

⁶ *Inland Revenue e-Services Strategy* (January 2002).

⁷ *IRS Electronic Tax Administration—A Strategy for Growth* (Publication 3187 (rev.12-2000)).

⁸ These are arrangements enabling businesses to report and pay multiple tax liabilities (e.g. VAT, personal income tax withholdings, advance payments of corporate tax) with a single return and payment.

having a comprehensive set of such standards (i.e., standards covering a broad range of taxpayer services), and making public the results achieved, while substantial variations were observed across revenue authorities in the standards of timeliness offered for some service products (refer Tables 3, 6-8).

- The majority of revenue authorities place importance in gathering feedback from taxpayers on their perceptions of the services offered, including their quality; periodic surveys are conducted of taxpayers' perceptions of service delivery in 20/30 revenue authorities; 17/20 revenue authorities undertaking such surveys make public the results obtained (refer Table 3).
- Reported staff resources allocated for taxpayer service functions vary substantially across revenue authorities (refer Table 1); (NB: Issues of resource classification may be a problem here.)

Revenue Authority Investments in Information Technology

20. A critical issue for all revenue authorities is the amount of funds available for information technology (IT) investments and operations. Historically, modern public sector organizations have invested significant amounts of their operating budgets to develop and support the provision of modern IT capabilities. While data on the incidence of such expenditure across revenue collecting bodies is limited, a broad rule of thumb in the 1990's was that such expenditure, where supporting a comprehensive set of IT capabilities, typically represented around 10% of a revenue authority's total budget (NB: Based on survey data, this benchmark now appears in need of substantial upwards revision—see below.)

21. The 2004 survey included a number of questions on information technology expenditure⁹ of revenue authorities, in particular concerning the provision of modern arrangements for the provision of electronic services to taxpayers. While comparisons of this kind may raise questions concerning expenditure classification, the objective was to get a general idea about the level of IT expenditure and its trend, and the extent of new investments being made. (This matter was not addressed in the 2000 survey.)

22. Survey data related to these matters are set out in Table 31. Set out hereunder are the key observations and findings.

- Generally speaking, revenue authorities appear to be devoting an increased proportion of their operating budgets to the provision of modern IT capabilities; for the 26/31 revenue authorities that responded to the questions in this area, average annual expenditure (as a share of the total operating budget) was 13.2% (latest year) and 12.8% (prior year) (refer Table 31).
- There were significant variations in the relative levels of IT expenditure reported by surveyed revenue authorities for both the latest and prior years (which, in part, may be due to differences in expenditure classification) (refer to Table 31):
 - 3/26 (4/26 for prior year) revenue authorities reported expenditure exceeding 20% of total budget;
 - 9/26 (7/26 for prior year) reported expenditure between 15-20% of total budget;
 - 5/26 (7/26 for prior year) reported expenditure between 10-15% of total budget; and

⁹ For survey purposes, defined as the costs of equipment, manpower, services, contracts, and overheads to develop and operate the organization's IT capability

- 9/26 (7/26 for prior year) reported expenditure less than 10% of total budget.
- On average, annual expenditure on new IT investments constituted around 45% of total IT expenditure for both years, although the proportions reported by individual revenue authorities varied substantially.
- Relatively few revenue authorities were able to isolate the aggregate cost of Internet, other e-services and call centre operations; revenue authorities reporting this expenditure reported amounts in the range 5-15% of total IT expenditure.
- A number of revenue authorities, in the main those with a high proportion of IT expenditure, were able to demonstrate outstanding levels of taxpayer service (largely facilitated by technology) in one or more aspects of administration:
 - A small number of revenue authorities reporting high electronic filing (EF) take-up rates are able to complete processing of the bulk of personal income tax returns (PIT) returns (with refunds) in less than 10 working days.
 - A small number of revenue authorities reported the processing of the bulk of VAT refund claims in less than 21 days.
 - A small number of revenue authorities reported the answering of the bulk of telephone inquiries within a 30 second timeframe.

Electronic service delivery

23. Governments worldwide have increasingly over the last 5-10 years been demanding substantially more effective the use of modern technology systems for the delivery of services to citizens and businesses (refer example in Box 3). Nowhere in the public sector has this been more relevant than in the area of revenue administration with its substantial information provision and processing responsibilities (i.e. the timely provision of information to taxpayers and tax professionals to assist them comply with the laws and the operation of modern electronic facilities for capturing taxpayers' liability information and tax payments).

Box 3. Excerpt from the UK IR's 2002 e-strategy document

The Revenue's e strategy takes as its starting point key elements of the government's reform agenda.

From the **business** perspective the latest E envoy report (<http://www.e-envoy.gov.uk/2000/strategy/piureport/contents.htm>) confirms that government departments will be **exemplars** in making the UK the natural place to do e business. Our focus is to devise ways in which, by exploiting to the full technological opportunities, we can derive ways of working with business to minimise their compliance burdens and to reduce their costs in consequence. We will be seeking to achieve simpler processes administered with a lighter touch. For individual **citizens**, we will encourage as many of our customers as possible to receive information and do business with us electronically, either directly or with the assistance of intermediaries thereby playing an important part in helping to close the "digital divide." We will do so by "making sure that public service users, not providers, are the focus, by matching services more closely to people's lives." (*Modernising Government White Paper March 1999*) This will involve both our working with others to seek ways of delivering seamless services across departmental boundaries and increasingly focussing our staff to work on customer support rather than processing.

It will also require us to engage more with other organisations such as the Post Office, CAB and others in the public and private sectors to provide alternative ways to do business with us.

Source: UK IR website.

Use of the Internet to Provide Tax System Information

24. The report of the 2000 survey noted that all respondents (15) had established internet websites that allowed the downloading of forms and provided general information. The majority of sites (11/15) allowed for online tax return filing. The FSM accordingly recommended, in line with the Taxation Framework Conditions on taxpayer service, that **revenue authorities develop Internet websites where information such as tax legislation, rulings, case law, revenue statistics and forms can be viewed and downloaded.** This provides some brief context for the 2004 survey findings and results.

25. Detailed information on use of the Internet by revenue authorities for information provision and related matters are set out in Tables 10-13 of Appendix 3. The key observations and findings are set out hereunder:

- All 31 surveyed revenue authorities have implemented a website for the provision of information to taxpayers (refer table 11).
- Generally speaking, revenue authorities have substantially increased the information content and functionality of their websites since the last survey; the information content of revenue authority websites is reflected in the following data (refer Table 11):
 - All 31 revenue authorities provide general information (e.g., forms, brochures, etc.,)
 - 23/31 provide more extensive tax topic specific and media information;
 - 23/31 provide the capability for accepting some/all taxpayers’ transactions (e, g., tax returns and tax payments);
 - 17/31 provide access to taxpayers’ computer records;
 - 26/31 provide access to legal interpretations and legislation;
 - 21/31 provide access to general information concerning the revenue authority; and
 - 11/31 provide most/all categories of the content categories described.
- Measured in terms of website size, functionality, and the number of annual page requests (i.e. for last completed fiscal year), revenue authority websites have become a substantial medium for the provision of information and transaction services (i.e. returns and payments) to taxpayers in many member countries (refer Box 4, Tables 11 and 12, and data hereunder):

Country	Size of website (pages)	Page requests in last full year (mlns)	Tax return filing capability?	Tax payment capability?	Access to client records?
Australia	356,800 /1	153	✓	✓	✓
Austria	2,550	120	✓	✓	✓
Canada	50,825	209	✓	✓	✓
Denmark	500,000 /1	36	✓	✓	✓
France	?	147	✓	✓	✓
Italy	17,000	175	✓	✓	✓
Mexico	7,424	28	✓	x	x
Netherlands	30,000	31	✓	x	x
N. Zealand	3,000	51	✓	x	✓
Spain	10,000	95	✓	✓	✓
Sweden	10,000	87	✓	✓	✓
Switzerland	8,214	30	✓	x	x
UK IRD	80,000	45	✓	✓	✓
USA	20,652	463	x	✓	✓

/1. Includes legal reference database

Box 4. Information and help via the Internet

“Internet is a powerful resource that administrations can use to enter into closer contact with the taxpayers and the Italian Revenue Service has made a firm commitment to developing on line services. In addition to obtaining information, the web makes it possible for taxpayers, safely from their own homes to carry out operations such as submitting tax return forms, paying taxes and registering rent contracts- all at the press of a button. A particularly innovative on line service is the “tax mail box”. This allows taxpayers to check information on their own tax position (e.g. tax returns submitted, payments made, personal assets, etc.,) Taxpayers can now also request information using Italian Revenue Service’s web mail service. The Contact Center automatically acknowledges the receipt of all emails sent and provides instructions if delivery fails, and provides taxpayers with the relating answers.”

Source: Page 29 of Italian Revenue Service—2003 Guide.

- Extensive efforts are being made by many revenue authorities to attract greater usage of their websites; strategies reported by revenue authorities included (refer Table 13):
 - The development of more user friendly/customer intuitive design features, including greater integration of online services;
 - Considerable advertising and promotion through a variety of outlets;
 - Reorganisation and presentation of information content by taxpayer/stakeholder segments;
 - Targeted assistance for newly registered businesses;
 - 24 hour/7 day availability;
 - Monetary incentives (e.g., rebate of late payment penalty where e-pay facility used; and
 - Increasing the range of transaction applications available (e.g., registrations, accounts).
- An outstanding example of the success that can be achieved in this area is the Australian Taxation Office’s Tax Agent and Business Portal (described in Box 5 below).

Box 5. The ATO’s Tax Agent and Business Portal

Background: Following the implementation of the Australian Government’s Tax Reform in 2000, the ATO initiated a program of “Listening to the Community”. This program was aimed at understanding how the tax system was working for the community, as well as guiding to areas where our clients experience with the tax system could be easier, cheaper and more personalised.

A key leverage client group, tax practitioners/tax agents were seeking greater access to ATO information, particularly information that the ATO held in respect of their clients. This was already available through the Call Centres, however, in peak transaction periods, the waiting times were too great. Staffing levels were increased at the call centres to deal with the ever increasing traffic, but the expected standards were still unable to be maintained during the peak periods. The information most commonly sought was the account, obligation, due date, as well as confirmation of client lists for agents.

The Portal – First Steps: In direct response to the need for information, the ATO launched the first Tax Agent Portal in October 2002. The first portal allowed tax agents to access lists of their clients, access due dates for lodgement as well as better navigate some of the static information regarding tax administration.

Within a year – in late 2003, the ATO had delivered 4 further releases of the Tax Agents Portal. By December 2003, we had delivered access to their clients account details – balance, interest charges, penalties, due dates. They also were able to access the registration details, as well as update functions for address, obligations/role and account details where their refunds would be deposited. The access provided was real time access to the ATO’s core systems. If a transaction was updated, they could enquire on that information and see that it had been updated – immediately.

Business Portal: The ATO’s Business Portal was implemented in March 2004, and is available to all registered Australian Businesses. Through the Portal, they are able to view their account and registration details, as well as request refunds, transfer credits between their ATO accounts, update their registration details and request refunds of available credits.

...

The development and implementation of the Business Portal was also one of the results of the “making it easier cheaper and more personalised” initiative. It was strongly demanded by Business, knowing that their tax agent had access to this information – they too wanted it. All Businesses using the Portal are registered with an ATO Digital Signing Certificate (DSC) for both authentication and non-repudiation purposes.

Real Time Processing: The real time processing feature allows either a Tax Agent or a Business to lodge a Business Activity Statement (a monthly or quarterly return for GST, Income Tax, FBT and other instalments) and have their ATO accounts updated immediately. For example, if a Business Activity Statement is lodged on-line, the result of that return will be posted to their account. They will be able to access their account and see the new balance. In the case of a refund, it will be paid into their account in three days. In the case of a debit, they will be assisted to the internet payment facility with their bank. Other notable features include error messages that prompt the user to rectify some of their information before the transaction can be processed. A common problem for us is an incorrect bank account number for refunds. The portal will advise them that the account is incorrect and point them to the screen where they can correct it – before they log off.

Key Benefits of the Portal: These include 1) a better range of options in dealing with us; 2) 24x7 availability; 3) certainty of outcome – real time processing gives an assurance that the transaction is both received and processed; 4) security of client information; 5) saves time and cuts down paperwork; 6) improved data quality; 7) reduced error rates; 8) reduction in costs – reduction in calls to our call centres – less time waiting in queues; and 9) a platform for future development – e.g. web services. While there are a number of aspects that impact on call volumes, there has been a constant decline in call volumes since the implementation of the portal in 2002. This has been very noticeable from the Tax Agent perspective – a reduction of 10% during peak periods compared to last year. The business call volumes are also reducing, and for both, the increased volume of transactions and enquiries on the portal is met by a decrease in call volumes. It is claimed that of the overall staff reduction in our call centres, approximately 40 full time staff is as a result of the portal.

Some Statistics: The ATO’s portal has recently replaced the phone as the main channel for interaction with the ATO.

Tax Agent Portal: There are 21,000 registered tax agents in Australia— 9,000 Tax Agents use the portal on a weekly basis; 600,000 unique log-ins per month; and more than 1,000,000 page hits per week.

Business Portal: There are just over 3 million small businesses in Australia—120,000 businesses have ATO Digital Signing Certificates (DSC) and access to the business portal; 30,000 unique log-ins per month; 101,000 on-line transactions (updates) since March this year.

Source: *Tax Agent and Business Portal Discussion Paper—ATO (Version 1, October 2004)*

- Significant attention is being given to improving accessibility by inquirers to satisfy their requirements; access to information by inquirers is facilitated by a range of operational features of revenue authority websites:
 - 23/31 revenue authorities reported a practice of organising information content principally by major taxpayer groupings/ segments;
 - 28/31 sites provide links to other government departments and/or sites of different levels of government;
 - 21/31 sites provide the capability to navigate between the transaction and information parts of the site; and
 - 10/31 sites provide cross channel links to other service channels.
- Revenue authorities reported a fair variety of security measures/ techniques (i.e. varying combinations of PIN, PKI, User ID, and shared secrets) for giving taxpayers online access to their personal data.

Electronic Filing of Tax Returns and Electronic Tax Payments and Refunds

26. Over the last 10 or so years, national revenue authorities in most OECD member countries have been transforming their administrative processes for receiving tax payment and tax return data to take

advantages of the potential benefits of optimally employing modern technology, in particular the electronic transmission of critical taxpayer data.

27. Historically, the paper-based processes associated with tax returns and payments processing have consumed a considerable proportion of the resources of revenue authorities, in some cases in the region of 20-30 percent. With pressures to reduce staff and expand value-adding compliance work (both of a service and enforcement nature), revenue authorities have had considerable incentive to automate these processes through greater use of technology. Significantly, there are other benefits to be attained from optimal use of technology in these areas: 1) faster collection of government revenue; 2) improved data accuracy and elimination of reverse workflows; 3) reduced paperwork for taxpayers; 4) speedier crediting of tax refunds; and 5) speedier capture of taxpayer data for a range of administrative purposes. In aggregate, there is strong business case for revenue authorities to invest substantial funds and efforts to establish modern and comprehensive systems of electronic filing (EF) and payment.

28. The report of the 2000 survey noted that 75% of surveyed revenue authorities (12 of 16) provided an electronic filing capability for individual and corporate taxpayers. Issues identified with electronic transmissions were the costs and capacity of transmission. Some revenue authorities could only offer a limited number of connections which tended to be allocated to tax professionals and other service providers who could transmit information on behalf of their clients.

29. Acknowledging the enormous potential benefits to be gained, the FSM recommended, in line with the Taxation Framework Conditions on taxpayer service, that ***revenue authorities develop systems for accepting tax return data and other information by use of the new technologies.*** This provides some brief context for the 2004 survey findings and results relating to electronic filing.

30. Survey data related to this aspect of taxpayer service delivery are summarized in Tables 14-21 (see Appendix 4). Set out hereunder are the key findings and observations arising from analysis of survey responses:

Electronic filing of personal income tax (PIT) returns

- There has been considerable growth in the provision of EF capabilities for PIT taxpayers; 24/30 revenue authorities surveyed¹⁰ have implemented systems of electronic filing (EF), with 4 of the remaining 5 scheduled to implement such systems in 2005 and 2006; 11/24 implemented EF arrangements between years 2000-2004 (refer Table 14).
- Take-up rates (i.e. the proportion of eligible taxpayers using such facilities in the last completed fiscal year) across member countries vary substantially, reflecting a range of factors that are elaborated elsewhere in this report (refer Table 14):
 - 5/24 revenue authorities have achieved take-up rates in excess of 50%;
 - 7/24 revenue authorities have achieved take up rates between 25-50%;
 - 2/24 have achieved take up rates between 10-25%; and
 - 9/24 have achieved a take-up rate less than 10%.
- One revenue authority (i.e. Italy's Agenzia delle Entrate) reported a take up rate of 100%. This has been achieved by a combination of mandatory use of EF by tax professionals, provision of a taxpayer-initiated Internet service, and the engagement of banks and post offices to receive and electronically process other tax returns for a fee paid by the revenue agency. The volume of

¹⁰ One survey respondent (i.e. HM Customs and Excise) does not administer personal income tax arrangements.

returns processed via the use of post offices and banks is reported as relatively insignificant (around 1.3%).¹¹

- Not surprisingly, there is a fair degree of correlation between the length of time EF arrangements have been in place and the take-up rate achieved to date (refer Table 14 and data subset hereafter):

Take up rate in last full year (%)	Number of revenue authorities x number of years EF in place					Totals
	<3 years	4-6 years	7-9 years	10-12 years	>12 years	
<10	7	2				9
1-20	1	2				3
21-30		1				1
31-40	1	1			2	4
41-50				1		1
51-60						
61-70				1	1	2
71-80					1	1
80+		2	1			3
Totals	9	8	1	2	4	24

- In addition to the length of time EF arrangements have been place, the use of incentives/ inducements appears to play a significant role in achieving good take-up rates, *although this has largely been achieved in most countries without the use of mandatory EF requirements* (refer Table 18 and data subset hereunder).

Country with EF take-up >30%	Incentives or inducements introduced or planned							
	Faster refunds	Longer filing	Reduced return data	Mandatory	Free use of filing software	On line help facility	Mail out promos.	Monetary incentives
Australia	✓	✓			✓	✓		
Canada	✓				✓	✓		
Denmark			✓		✓	✓	✓	
Iceland		✓			✓	✓		
Ireland	✓	✓	✓		✓	✓		
Italy	✓	✓	✓	✓	✓	✓	✓	
Mexico	✓			✓	✓	✓		✓
Norway					✓	✓	✓	
Switzerland	✓		✓		✓	✓		
USA	✓	✓	✓		✓		✓	

- Experience from the US Internal Revenue Service indicates that substantial increases in ELS take-up rates can be achieved year-on-year by concerted and comprehensive administrative actions (refer commentary from a report of the US General Accounting Office in Box 6).

¹¹ Also relevant to this observation is the fact that, unlike in some other OECD countries, the majority of employee taxpayers are not required to file annual tax returns owing to the cumulative withholding arrangements in place.

Box 6. IRS Experience—Concerted Actions Can Produce Good Results

“The number of individual tax returns filed electronically grew from about 40.2 million in 2001 to about 46.9 million in 2002—an increase of about 16.5%—and the percentage of individual tax returns filed electronically reached 35.9 percent”
.....

“Over the years, IRS has identified many impediments to electronic filing, including privacy and security concerns, cost, lack of awareness of or interest in electronic filing, an inability to file all forms and schedules electronically, and a need to send certain paper documents to IRS even if the return was filed electronically. In 2002, the IRS took numerous steps to alleviate these impediments and thus encourage more electronic filing that included the following:

- **Increase the electronic filing marketing budget** from \$9 million in 2001 to about \$15 million in 2002 and focusing the marketing campaign on taxpayers and practitioners who filed computer-prepared returns on paper.
- **Mailing a postcard to about 23 million taxpayers**, including about 8 million taxpayers who had prepared their return on a computer but filed on paper, informing them of the benefits of electronic filing and the self-select personal identification number (PIN) program. The postcard also informed them that professional tax return practitioner could be used to file their returns electronically and explained how the self-select PIN can be used to sign returns filed through a tax practitioner.
- **Mailing two different letters to tax practitioners.** The first letter was sent to practitioners who were already participating in the electronic filing program to thank them for participating and encourage them to continue to support the program. The second letter was sent to practitioners who were not participating in the electronic filing program and told them about the benefits of electronic filing; changes that had been made to the program, and pending changes. IRS enclosed a document with both letters that provided more information on the benefits of electronic filing and the self-select PIN program. In total, about 250,000 letters were sent to practitioners.
- **Reinstating the practitioner PIN program.** In 2001, practitioners informed IRS that they liked the practitioner PIN program, which IRS had terminated in favour of the self-select PIN program, and would like to see it reinstated. As of October 25, 2002, 83.9 percent of tax returns prepared by tax practitioners and signed by a PIN were signed through the practitioner PIN program. The other 16.1 percent were signed using a self-select PIN.
- **Changing the self-select PIN program at the request of tax practitioners.** In 2002, taxpayers entered only their adjusted gross income from the prior tax year to verify their identity. In 2001, taxpayers had to enter not only their adjusted gross income but also their total tax to verify their identity. Tax practitioners wanted the number of items used to verify identity reduced—known as “shared secrets”—reduced from two to one, because errors related to shared secrets resulted in numerous electronic returns being rejected. Consistent with the reduction in the number of shared secrets from two to one, the number of reject conditions on electronic tax returns as a result of shared secrets went down from 2.1 million in 2001 to about 1.3 million in 2002.”
- **Making 30 additional forms and schedules eligible to be filed electronically**, thereby enabling, according to the IRS, 99 percent of all individual forms and schedules to be filed electronically”.

“IRS has two initiatives planned for the 2003 filing season—making electronic filing free for millions of taxpayers and offering services to practitioners who file a certain number of returns electronically.”

In 2003, the IRS achieved a take-up rate for individual returns of around 40 percent—an increase of about 11 percent on 2002. For 2004, the take-up rate for e-filed returns (as of September 2004) was 47 percent, reflecting further significant gains in the success of the IRS’s e-filing services.

Source: IRS’s 2002 TAX FILING SEASON: Returns and Refunds Processed Smoothly; Quality of Assistance Improved (US GAO, December 2002).

- Current preferred media for EF are taxpayer-initiated via the Internet (12/24) and use of tax professionals (7/24); use of private phone systems for EF purposes is currently not significant, nor is it projected to be so for the future; future preferred media for EF are taxpayer-initiated via the Internet (13/24) and use of tax professionals 7/24 (refer Table 14).

- Tax professionals prepare a significant proportion of personal tax returns in many OECD member countries (i.e. in 9/28 countries, the rate exceeds 50%), are significant users of EF arrangements in many countries (e.g. Australia, Canada, Italy, and USA), and may present considerable potential in a number of countries (i.e. Austria, Finland, Ireland, Korea, Poland, Turkey, and the UK) to leverage substantially increased EF take-up rates in the medium term (refer Table 9).
- Despite extensive use of EF arrangements in member countries—24 of 29 revenue authorities—only three revenue authorities (i.e. Australia, Canada, and USA) reported use of a challenging performance standard for faster tax refunds that might encourage some taxpayers to use such a facility (refer Table 6); Sweden has reported a planned move (from 2005) to expedite the crediting of overpaid taxes to taxpayers' bank accounts.
- As a result of their successes with automating the capture of taxpayers' return information, a number of revenue authorities have developed or are in course of developing new products to enhance service delivery:
 - ***Denmark, Finland, Norway, and Sweden:*** in these countries, the vast majority of personal income taxpayers (i.e. virtually all employees and pensioners) receive a pre-populated income tax return that details known income sources and deduction items (obtained from third party reports) that significantly reduce the amount of effort required to complete their return filing obligations (refer Box 7).
 - ***Iceland:*** taxpayers are able to obtain via the Internet a digitally-signed certified copy of their tax returns for their personal use (e.g. for bank loan application purposes).
 - ***Denmark:*** taxpayers can obtain access via the Internet to third party income reports and related information held by the tax authorities to assist their return preparation.
 - ***Finland:*** has under development a system for enabling taxpayers to access an electronic contact database—a repository of communications from the tax authority for taxpayers that will be notified by short signal messages (SMS or email).

Box 7. Anatomy of the system of pre-populated returns used by Nordic countries

To facilitate taxpayers' compliance, revenue bodies in Nordic countries have for a number of years operated a system of preparing and issuing pre-populated returns to the majority of personal income taxpayers. **The success of the system (outlined below for Norway) rests on four fundamental requirements that are met in practice in each of the countries concerned: 1) the existence of a high-integrity taxpayer identification number that can be reported with a variety of third party information reports and used to accurately assemble data for individual taxpayers; 2) a comprehensive system of third party reporting requirements in tax laws; 3) a very high degree of automation in the reporting of accurate third party reports by payers and other relevant third parties to the revenue body; and 4) tax withholdings at source calculated to approximate to taxpayers' end-of-year tax liability.**

An outline of how the system works in Norway, which essentially is in line with the system in the other three countries, is set out hereunder:

- Tax cards are prepared (annually) and sent to each wage earner and employer by local tax offices. Each tax card indicates a tax rate, calculated using historical data (i.e. income and deductions) employers should apply when withholding taxes from payments. The information on which the rates are based is stated on the tax card. The rate is calculated so that withholdings over the course of a year approximate to a taxpayer's liability for the full year. Taxpayers deal with their local tax assessment office, or make requests electronically via the Internet, if they wish to have their tax card varied.
- All citizens have a national identification number (with check digit) that must be recorded by a range of third party payers and other parties and reported to the revenue body with information reports.
- The tax law contains a comprehensive set of third party reporting obligations covering both income, deductions, and sales and purchases of assets etc. The vast majority of these third parties are required to report electronically (and this occurs in practice), and all information reports must be received within 3 weeks of the close of relevant year of income.
- The revenue body requires around 10 weeks to capture, edit, match, and assemble all relevant data for the purposes of preparing a pre-populated return that contains comprehensive line item income and deduction data, as well as calculations of total tax liability and any further amounts payable or refundable.
- Pre-populated returns are sent (on paper) to taxpayers in early April and a response is required within 3 weeks. Taxpayers can respond by 1) SMS; 2) telephone; 3) Internet; or 4) on paper. Methods 1 and 2 can only be used where no adjustment is required to the information in the return. The vast bulk of taxpayers then receive a final notice of assessment in mid-June. If applicable, a refund of any excess tax is credited to their bank account. Average refunds tend to be relatively small owing to the design of the withholding mechanism. Other taxpayers receive their notices later in October.

In 2003, around 40 million information reports were processed, enabling the issue of some 3.4 million pre-populated returns (for the 2002 income year), largely to employee and pensioner-type taxpayers. Around 50% of these required no adjustment and of the 1.11 million who responded electronically, around 0.570 million were by phone, including almost 0.2 million by SMS. Almost 90 percent of taxpayers received their notice of assessment and any refund due in June, with the balance sent in October owing to joint assessment or the need for other follow-up actions/ checks.

Electronic filing of corporate profits/ income tax (CIT) returns

- There has been considerable growth in the provision of EF capabilities for CIT taxpayers; 21/30 revenue authorities administering a corporate income tax have implemented systems of EF, with 5 of the remaining 8 planning to implement EF in the period 2005-07; 11 implemented EF between 2000 and 2004, including 4 in 2004 (refer Table 15).
- With few exceptions, take-up rates are substantially below the levels being achieved for PIT, no doubt reflecting the greater complexity and data requirements of CIT returns and the resultant difficulties presented for automation (refer Table 15):
 - 4/21 revenue authorities have achieved take-up rates in excess of 50%;

- 2 /21 revenue authorities have achieved take-up rates between 25-50%;
 - 9/21 revenue authorities have achieved take-up rates less than 25%; and
 - 4/21 revenue authorities’ EF service only commenced in 2004.
- Given the difficulties being experienced, an increasing number of countries have implemented (or are planning to) *mandatory* EF requirements for these taxpayers (refer Table 19 and data subset hereunder):

Country	Nature of mandatory EF requirement	Year effective
Austria	For all companies with Internet access and annual turnover > €100,000	2004
France	All companies with turnover > € 15 million per annum or that re owned (over 50%) by a company whose assets or turnover > € 600 million (€ 450 million in 2005)	2002
Hungary	For the largest 10,000 taxpayers	1999
Italy	Compulsory for all companies/ employers, and tax intermediaries	1998
Mexico	For all companies	2003
Netherlands	For all businesses with computers	2005
Spain	Taxpayers with annual sales > € 6 million per annum	1999
US	Corporations (assets > \$50 million), exempt bodies (assets > \$100 million)	2006

- Tax professionals prepare a significant proportion of CIT returns in many OECD member countries and appear to present considerable potential in a number of countries to leverage substantially increased take-up rates, subject to other incentives (e.g., streamlined data requirements, longer filing periods) being provided (refer Table 9).
- Historically, corporate taxpayers have been required to provide extensive information with their annual tax returns (e.g. balance sheets, profit and loss statements, multiplicity of schedules) in all/most countries. Although this matter was not examined in the course of the survey, one country that has achieved an exceptionally high take-up rate in this area did so after implementing a major rationalisation of tax return information requirements (refer Box 8).

Box 8. Australia: Reconceptualising corporate tax return information requirements—a potentially useful step to achieving success with electronic filing (EF) arrangements.

1. Up to the late 1980’s, corporate taxpayers in Australia were subject to annual assessment procedures that required the preparation and submission of a detailed tax return. A feature of those returns was the accompanying vast array of schedules (e.g., balance sheets, profit and loss statements, and depreciation schedules) In practice; all such returns were physically examined by technical staff known as assessors. Under these arrangements, it was not unusual for a tax return (in A4 format) to entail 50-100 pages of text, which in addition to complicating their examination by officials presented numerous logistical challenges (e.g., meeting internal data capture needs, storage).

2. With the introduction of self assessment procedures which entailed a shift from universal examination by technical staff of all returns to a quick vetting process carried out by clerical staff and a more selective post-assessment audit approach, the corporate tax return was subject to a fundamental redesign.

3. The starting point to the redesign of the return form was that only information essential in all cases to the administration of the tax laws would be required of taxpayers by way of the return form. In practical terms, this meant that only data essential to the following requirements would be required via the return form: 1) taxpayer identification; 2) validating taxpayers’ calculations of taxable income and tax payable; 3) audit screening/ selection purposes; and 4) government statistical purposes.

4. The end result of the redesign process was the development of a corporate tax return that was, for all intents and purposes, an input schedule (amounting to 4 A4 pages) comprised of selected data fields (i.e., taxpayer identification, calculation of profit or loss for accounting and tax purposes, designated financial information, specific information for audit purposes (e.g., covering overseas transactions)) presented in a logical format. The rationalization of return information requirements in this way was a critical first step to their subsequent automation and the implementation of EF in 1994. By 2004, over 90 percent of corporate tax returns were being filed via EF arrangements.

Electronic filing of VAT returns

- There has been considerable growth in the provision of EF capabilities for VAT taxpayers; 25/29 revenue authorities administering VAT systems have implemented EF arrangements, with the remaining 4 planning to do so in 2005 and 2006; 17 implemented their EF arrangements between 2000 and 2004 (refer Table 16).
- Take-up rates across member countries vary substantially and are, for the most part, relatively low, reflecting the length of time the arrangements have been in place and practical implementation difficulties (see Table 16 and example in Box 9):
 - 3/25 revenue authorities have achieved take-up rates in excess of 50%;
 - 3/25 have achieved take up rates between 25-50%;
 - 5/25 have achieved take up rates between 10-25%; and
 - 14/25 have achieved a take-up rate less than 10%.

Box 9. One revenue authority's experiences and approaches with VAT

“Getting firms to submit VAT returns online will be a major challenge, not least because paper based returns are relatively cheap and easy to use. Customs first attempt to offer an e-VAT return was unsuccessful mainly because customers had to obtain a digital certificate and there was little incentive compared to the paper-based system. Customs have moved to the use of PIN numbers and passwords and are now seeking to get firms to submit VAT returns on line voluntarily by developing a service which benefits firms and by targeting online services to particular groups, such as software and management consultancies. In their take-up strategy, Customs are exploring and developing new options, including the use of marketing, targeting, incentives and compulsion.”

Source: ‘Transforming the Performance of HM Customs and Excise through Electronic Service Delivery’ (UK National Audit Office (November 2003).

- Current preferred media for EF are taxpayer-initiated via the Internet (9/24) and use of tax professionals (7/24), with only one authority reporting use of phone system (refer Table 16).
- In addition to the length of time EF arrangements have been place, the use of incentives/ inducements, ***including use of mandatory EF requirements for prescribed categories of taxpayers***, appear to play a significant role in achieving good take-up rates (refer Table 20 and data subset hereunder):

Country with EF take-up >20%	Incentives or inducements introduced or planned							
	Faster refunds	Longer filing	Reduced return data	Mandatory	Free use of filing software	On line help facility	Mail out promos.	Monetary incentives
Australia		✓		✓		✓	✓	
Austria		✓		✓		✓		
Denmark			✓		✓	✓	✓	✓
Greece	✓	✓	✓	✓	✓	✓	✓	
Italy				✓	✓	✓		
Korea	✓				✓	✓	✓	✓
Norway	✓	✓		✓	✓	✓	✓	
Portugal	✓	✓	✓		✓	✓	✓	

- With government support, a number of revenue authorities have implemented (or are planning to implement) mandatory EF requirements for some/all VAT taxpayers (refer Table 20 and data subset hereunder):

Country	Nature of mandatory EF requirement	Year effective
Australia	For prescribed large businesses	2001
Austria	For all companies with Internet access and annual turnover > €100,000	2004
France	All companies with turnover > € 15 million per annum or that re owned (over 50%) by a company whose assets or turnover > € 600 million (€ 450 million in 2005)	2002
Greece	For prescribed large taxpayers	2000
Hungary	For the largest 10,000 taxpayers	1999
Ireland	All companies	2007
Italy	Compulsory for all companies/ employers, and tax intermediaries	1998
Mexico	For all companies	2003
Netherlands	For all businesses with computers	2005
Norway	For all regular bimonthly filers	2004
Spain	Taxpayers with annual sales > € 6 million per annum	1999

Electronic filing of employer payroll reports¹²

- EF arrangements are being used fairly extensively for the capture of employer payroll data used to support the various systems of PIT administration¹³ conducted in member countries; 23/30 revenue authorities surveyed have implemented EF arrangements (refer Table 17).
- Take-up rates across member countries vary substantially, reflecting both the time the arrangements have been in place and the unique requirements of the revenue authority's PIT system (refer Table 17):
 - 11/30 revenue authorities reported take up rates in excess of 50%;
 - 2/30 revenue authorities reported take up rates between 25-50%; and
 - 11/30 revenue authorities reported take up rates less than 25%.
- Current preferred media for EF are employer-initiated via the Internet (7/23) and use of magnetic tapes and floppy discs (6/23); future preferred media for EF are taxpayer-initiated via the Internet (7/23) and use of payroll agents, presumably either using Internet or magnetic media (6/23) (refer Table 17).

Electronic tax payments and refunds

31. Concerning tax payments, the 2000 survey noted that the vast majority of tax payments were made by cheque (mail or in person) or bank transfer, with only a limited range of options available for automated payment. In relation to the crediting of tax refunds to taxpayers' bank accounts, it noted that the majority of surveyed authorities offered a direct transfer facility via the banking system, although the extent of usage of this facility was not clear. In light of these findings, the FSM recommended that **revenue authorities consider use of direct deposit programs for tax payments and refunds, and automated**

¹² Employer payroll reports (i.e. reports of individual employee income and tax withheld, etc.,) have a variety of uses for national revenue authorities, depending on the nature of the PIT arrangements in place. In those countries where employees are generally required to file annual tax returns (e.g. Australia, Canada, and US), the reports are captured and processed to detect non-filers, income omissions, tax credit over-claims, and under-remittances of withholdings by employers. In Nordic countries, the reports are processed along with other income data to produce pre-populated tax returns that are sent to taxpayers to assist them meet their end-of-year tax filing obligations. Given these requirements, revenue authorities in the countries affected place high importance on efficiently capturing employment income reports and matching them with taxpayers' records. Given the large transaction volumes involved, efficient data capture arrangements are a high priority for these revenue bodies.

¹³ These are described in the CFA's information note *'Tax Administration in OECD Countries: Comparative Information Series (2004)*. They are: 1) Cumulative withholding—largely return-free; 2) Non-cumulative withholding—tax return generally required; 3) Reconciliation approach—issue of pre-populated returns for majority of taxpayers.

payments of social security, payroll taxes and other similar deductions. This provides some brief context for the 2004 survey findings and results in these two aspects of tax administration.

32. Survey data for this aspect of taxpayer service delivery are summarized in Tables 22-23 of Appendix B. Set out hereunder are the key findings and observations arising from analysis of survey responses:

- There has been considerable growth in the provision of automated payment capabilities for taxpayers; 23/31 revenue authorities now offer automated arrangements for the payment of taxes; these take the form of phone banking (10/23), direct on-line payment (22/23), and/or direct debit facilities (15/23) (refer Table 22).
- Notwithstanding these offerings, there is considerable potential for many revenue authorities (and taxpayers) to achieve far greater automation of tax payments—***14 of 31 revenue authorities surveyed indicated that mailed cheques or “in person” payments at banks or tax bodies are still the predominant method for paying taxes*** (refer Table 22).
- Incentives, most often in the form of increased time to pay/ file, are being offered by 9 of 29 authorities to achieve increased automation of tax payments (refer Table 22).
- A slight majority of revenue authorities (16/29) provide a broad range (i.e. 4 or more types) of payment facilities (both electronic and manual); significantly 3/29 reported only one facility was available for tax payments (refer Table 22).
- The direct crediting by electronic means of refunds of overpaid taxes is a widely used mechanism across surveyed countries (refer Table 23):
 - 29/30 revenue authorities employ this facility for PIT, 4 on a mandatory basis;
 - 24/30 revenue authorities employ this facility for CIT, 7 on a mandatory basis; and
 - 25/30 revenue authorities employ this facility for VAT, 8 on a mandatory basis.

Use of electronic mail

33. The report of the 2000 survey noted only limited use by surveyed revenue authorities (8 of 16) of electronic email for exchanging information with taxpayers. Traffic volumes reported by revenue authorities using email were very small. A major issue identified with electronic mail concerned taxpayers' privacy/ confidentiality. Acknowledging the wide and growing use of email as a form of communication, the FSM recommended that ***revenue authorities examine the feasibility of receiving and responding to taxpayers' inquiries by email.*** This provides some brief context for the 2004 survey findings and results relating to use of electronic mail.

34. Survey data related to this aspect of taxpayer service delivery are summarized in Table 24 (refer Annex 3). Set out hereunder are the key findings and observations arising from analysis of survey responses:

- There has been considerable growth in the provision of email capabilities for revenue administration purposes; although volumes are, for the most part, relatively small, a significant number of revenue authorities surveyed (23/30) reported the use of email with taxpayers and their representatives for the provision of information (i.e. non-client specific) in response to inquiries, for sending reminders, and for marketing and education purposes (refer Table 24).

- Three revenue authorities reported traffic volume in excess of 1 million emails per year, but these figures appear heavily influenced by the use of email for marketing/ education purposes (i.e. revenue authority-initiated) (refer Table 24).
- Revenue authorities were fairly evenly spread in their use of ‘free form’ and ‘constrained’ email formats and the use of special security/ privacy controls (refer Table 24).
- A small number of revenue authorities (3/30) reported a deliberate strategy of minimising/ discouraging email usage, including limiting publicity of the facility in order not to set undue expectations on service delivery (refer Table 24).

Remote Use of Electronic Systems by Revenue Authority Staff

35. The report of the 2000 survey noted that 7/16 revenue authorities allowed remote access to their IT network and systems by revenue authority staff. For the most part, access was limited to relatively few staff and only 4/16 revenue authorities reported the provision of a facility enabling approved staff to access taxpayers’ data in their corporate databases as part of these arrangements. Questions were also asked concerning the types of security used and benefits perceived from these arrangements but the reported results were inconclusive.

36. The 2004 survey questionnaire contained questions on a similar range of issues (e.g., use of this facility, functions supported, numbers of staff, security, problems, and perceived benefits). The data captured from revenue authorities’ responses are set out in Table 30. Set out hereunder are the key findings and observations arising from analysis of survey responses:

- In contrast to the situation reported in 2000, there has been fair growth in enabling remote access by staff, contributing to improved revenue administration:
 - 19/31 revenue authorities reported use of remote access capabilities, although the extent of this varies considerably (see next comments);
 - 13/19 revenue authorities enable email functionality;
 - 8/19 revenue authorities enable Intranet/ Internet access;
 - 9/19 revenue authorities enable access to taxpayers’ data on corporate databases; and
 - 6/19 revenue authorities permit access only for IT administration staff (e.g., database and system administrators (refer Table 30).
- Revenue authorities reporting significant use of remote access facilities by staff were in Australia (19%), Denmark (6%), New Zealand (5%), Spain (5%), UK C&E (5%), and Italy (4%) (refer Table 30).
- The main problem areas reported by revenue authorities were security considerations (6/19), costs (e.g., laptops for field staff) (5/19), and slow speed of responses (5/19); the main benefits reported from use of remote access facilities were improved efficiency of mobile staff (16/19) and improved case/issue development (5/19) (refer Table 30).

Telephone Inquiry Services

37. Public sector service delivery agencies, including revenue authorities, in developed countries have long made use of the telephone to provide information to clients and their representatives. However, over the last decade or so there have been major developments in the technologies available to assist with this important function and the way in which agencies have delivered these services with the introduction of

modern phone inquiry services (hereafter referred to as '*call centers*').¹⁴ Today, for many revenue authorities, the telephone is the primary medium for direct communication with clients and thus a critical component of their overall service delivery strategy.

38. Both the 2000 and 2004 surveys incorporated a question on revenue authorities' use of call centers. Neither survey, however, clearly defined what was meant by use of the term, which was apparent from some of the responses to the 2004 survey. The information provided in Annex 4 gives some background to this matter. For the purpose of this report, call centers are telephone inquiry operations characterized by: 1) *specialist staff*—use of specially trained staff who deal directly with taxpayers inquiries (and who may also initiate action on behalf of the revenue authority e.g. follow-up of unpaid debts, outstanding tax returns), rather than acting as a referral service; 2) *volume of calls*—handle a large volume of phone inquiries in relative terms; 3) *technology*—employ modern communication and other technology in their work; and 4) *centralized/regionalized*—generally small in number, and operating on a centralized/regionalized basis to achieve economies of scale.

39. Concerning use of telephones in tax administration, the 2000 survey dealt only with the use of automated interactive telephone facilities and call centres for tax inquiries and debt collection purposes. It noted that two thirds (10/15) of surveyed revenue deployed interactive phone technology to provide services to taxpayers authorities, while 60% (9/15) used call centres for taxpayer services. Acknowledging the importance of phone systems in revenue administration, the FSM recommended that... *revenue authorities develop interactive telephone answering systems for the many standard inquiries*. This provides some brief context for the 2004 survey findings and results relating to the use of call centres (including their use of automated interactive technology).

40. Survey data related to this aspect of taxpayer service delivery are summarized in Tables 25-29 (see Annex 3). Set out hereunder are the key findings and observations arising from analysis of survey responses:

- Applying the description set out in Appendix 4, the survey indicates that around half of OECD members operate *comprehensive* call centre arrangements for the provision of services to taxpayers; in addition, three countries reported work is underway to establish modern call centre operations in the coming 1-2 years (refer Tables 25 and 27).
- In terms of traffic volumes and/or staff usage, call center operations are a significant feature of the tax administration arrangements in a number of OECD countries, emphasising the reliance placed on this form of taxpayer service delivery by the country's revenue authority (refer Table 27):

¹⁴ "Since 1989 when there were only 13 departmental call centres there has been a significant increase with 133 centres now employing over 15,000 staff—45 centres are outsourced to the private sector." *Using Call Centres to Deliver Public Services* (Report by the Comptroller and Auditor General (United Kingdom)). December 2002.

Country	Measures					
	Traffic volume (millions)	Number of centers	Staff usage (last full year)	Staff usage/ total staff usage (%)	Traffic volume/ staff year	Traffic volume /citizen population (%)
Australia	12	12	1,800	9.4	6,666	60.3
Canada	20.8	22	1,678	4.4	12,408	65.8
Ireland	2.2	8	250	4.0	8,800	56.4
Netherlands	8.6	5	200	0.8	43,000 ???	53.1
New Zealand	5.3	6	450	10.0	11,777	132.5
Spain	9.2	3	400	1.7	22,938	22.0
Sweden	4.7	10	500	5.5	9,400	52.8
UK (IRD)	32.2	24	6,500	9.7	3,772	53.2
USA	128.2	30	8,536	8.5	15,029	44.1

- Call centers in around one third of revenue authorities were reported as using a comprehensive range of the technologies available for these operations; included in this are 16/27 revenue authorities that deploy automated interactive phone answering systems (refer Tables 25 & 28).

Country	Technologies					
	Phone traffic sharing	IVR	Voice recording	Computer telephony integration	Knowledge tools	Other special technology
Australia	✓	✓	✓	✓	✓	✓
Canada	✓	✓		✓	✓	✓
Hungary	✓	✓	✓	✓	✓	✓
Korea	✓	✓	✓	✓	✓	
New Zealand	✓	✓	✓	✓	✓	
Norway	✓	✓	✓	✓	✓	✓
Spain	✓	✓	✓	✓		
Sweden		✓	✓		✓	✓
USA	✓	✓	✓	✓	✓	✓

- 15 revenue authorities reported operational hours for call centers of 10 hours or more per day, with 9 of those reporting operational hours in excess of 12 per day; 6 revenue authorities reported the availability of services on weekends (refer Table 27) .
- The majority of revenue authorities indicated that their call centre operations are co-located with other revenue administration functions, and only seven reported separate operations although these were manned by revenue authority staff in all cases; a small number of revenue authorities reported the use of outsourced call centre operations providing a help service for on line services (refer Table 27).
- One country's revenue authority (i.e. Mexico) reported the operation of an outsourced call centre providing general advice to inquirers on tax matters, while the US reported a pilot project (commenced early in 2004) for outsourcing tax law support.
- Speed of access for taxpayers and response accuracy rates are important considerations in the management of call center operations; revenue authorities in a number of member countries apply challenging performance standards in both these areas (refer Tables 7 and 26 and data subset hereafter):

Country	Access/ connectivity standard applied	Response accuracy standard applied
Australia	Answer general inquiries: 85% within 120 sec; Answer tax professionals: 90% within 120 secs (all periods), with average wait < 30 secs.	90% of all calls pass technical quality check (all periods)
Austria	Accept 80% of calls within 20 secs.	
Canada	Answer 80% within 120 secs.	90%
Ireland	Answer calls within 30 secs.	
New Zealand	80% of calls answered within 20 secs. 85% of calls resolved on first contact	
Norway	70% of general inquiries answered within 30 sec.; in-house centre/help desk for on-line services: 90% within 20 sec.; and outsourced centers: 90% of calls answered within 40 sec.	
UK (C&E)	Answer 80% of calls within 20 secs.	
US	% of callers obtaining toll-free service from assistors; average speed of answer (ASA) (i.e. numbers of seconds waiting before reaching assistor.	% of calls answered accurately based on a valid statistical sample.

Whole of government service delivery approaches

41. The 2001 report acknowledged that a number of revenue authorities, in order to reduce taxpayer burden, were exploring ways to minimise the number of contacts with customers and to decrease the time required for those contacts. Methods such as establishing a single register via the Internet of business information for use by government departments and public sector partnerships were being investigated. In support of this direction, the FSM recommended that... ***Revenue authorities may consider working with other arms of government to investigate the benefits of single government registration points on the Internet.*** More recently, this matter has been given special attention in OECD work (refer Box 10).

Box 10. Identifying common business processes: applying a government-wide perspective

The OECD ***E-government Imperative*** makes a case that governments structured along vertical structures (or “silos”) with little interaction, are less efficient, and have more difficulty in providing seamless services to citizens and business. In terms of the back office, the duplication of some common processes such as human resource management or payroll processing can result in duplicate IT systems (and workers) across government, thereby raising costs. In terms of the front office, silos can result in differing program rules and confusion on the part of users as to who to contact for which services. At all levels, agencies using legacy systems developed separately have difficulty sharing data with one another.

The introduction of common front office interfaces such as electronic portals and middleware to join-up the individual systems of different agencies has improved the quality of government interactions with businesses and citizens, but does not guarantee that program rules are standardized or that agencies are sufficiently integrated to meet the higher expectations of users familiar with online transactions with the private sector. Identifying common services or user groups can help government agencies to further integrate and improve their services.

As e-government managers are being asked to demonstrate that e-government initiatives create financial savings and improve services, many governments are realizing that efficiency gains from ICT are inherently limited when approached solely at the agency level. Some countries have looked at how duplication can be reduced from a whole of government perspective, notably through “enterprise architecture” exercises that are designed to transform government into a business organization, rather than one made up of multiple structures with overlapping mandates built-up over several generations.

42. A whole of government approach raises the question of what business processes are common across government agencies, or groups of agencies, and how these processes can be better organized to maximize efficiency. By sharing common processes and services across agencies, governments can, in theory, achieve considerable benefits of scale while reducing duplication, eliminating legacy systems, and fostering inter-agency collaboration.

Source: 3rd OECD Symposium on E-government (March 2004)

43. The survey did not encompass specific questions concerning the extent of progress down the path of ‘whole of government’ approaches, given its already broad scope. However, a number of survey responses

and related research identified developments pointing to some progress in this direction (e.g. Canada's Business Number System, the Australian Government's business register and number, the Finnish tax authority's website portal for small/micro-businesses, and the Norwegian Government's ALTINN project).

44. In a revenue administration context, a 'whole of government' approach is particularly applicable in the case of the registration and reporting obligations of businesses (especially incorporated bodies).

45. Businesses are typically required, on their creation, to register with numerous government agencies, in many countries at the national, state/regional, and/or local levels. Where conducted independently of one another, these registration requirements can present a significant compliance burden on businesses, both in terms of the amount of paperwork involved and time required to satisfy all obligations. To minimize the burden on business proprietors and to improve the efficiency of government operations, it makes sense to design the registration process on a 'whole of government' basis (i.e. registration information is captured once and used by each of the different agencies with an interest while the allocation of a single 'business number' facilitates dealings with and between the agencies involved. Canada's business number system (see description in Box 11) is a good example of a 'whole of government' registration and numbering system for businesses.

Box 11. Canada's Business Number—Simplifying business registration and numbering requirements

Businesses in Canada have long expressed their desire to simplify the way in which they deal with government. The Government responded to these requests by committing to a more client-oriented service approach. In the early 1990's, the tax administration initiated the creation and the implementation of the BN. This single number replaced the many numbers previously required by businesses in their dealings with government institutions. The introduction of the BN aimed at helping businesses reduce costs, save time and be more competitive while enhancing government activities such as registration and client services, collections, audit and revenue accounting. In short, the BN helps both business and government reduce costs while improving the efficiency.

By way of background, prior to the introduction of BN, when a business registered for various government programs, it was assigned a registration number for each of these. The lack of a common identifier limited the government's ability to share information between various programs and required taxpayers to register separately with each responsible jurisdiction or government entity. As a result, taxpayers found that communicating with the government was complicated and confusing. In order to improve the service to taxpayers, the CRA, in cooperation with a number of provinces, implemented the BN.

The BN is a numbering system that streamlines and simplifies the way businesses deal with the CRA. The BN is made up of a nine-digit identification number unique to each business, followed by a program identifier (two letters) that identifies each program. The BN enables businesses with more than one program account to file under one number, simplifying a taxpayer's dealings with federal, provincial, and other levels of government. For example, a taxpayer uses the same nine-digit BN to file a Goods and Services Tax (GST) return and a corporate income tax return. This approach makes it easier for businesses to keep records and reduces the reporting burden by eliminating the need to provide duplicate information to different programs.

To date, the BN has allowed the CRA to develop successful partnerships with ten federal departments and five provinces that have adopted the BN as a program identifier for a number of their business programs. The CRA is currently working with other provincial governments to develop new partnerships as well as make the necessary legislative changes that will allow current partners to expand the use of the BN.

Source: Compliance and Administrative Costs: Canada Revenue Agency (2004 CIAT Conference).

46. In addition to registration, businesses typically must report on a periodic basis to a host of government bodies (e.g. taxation, statistical, corporate regulators) on their activities. This is another area where a 'whole of government' approach has considerable potential to produce benefits for both businesses and the government agencies concerned. Much of the information that businesses must report is of a financial nature and there is therefore scope to rationalize its reporting by a "captured once/used many times" approach. An outstanding example of how this is being achieved in practice is described in Box 12: Norway's ALTINN project—a shared channel for electronic dialogue with enterprises and individuals.

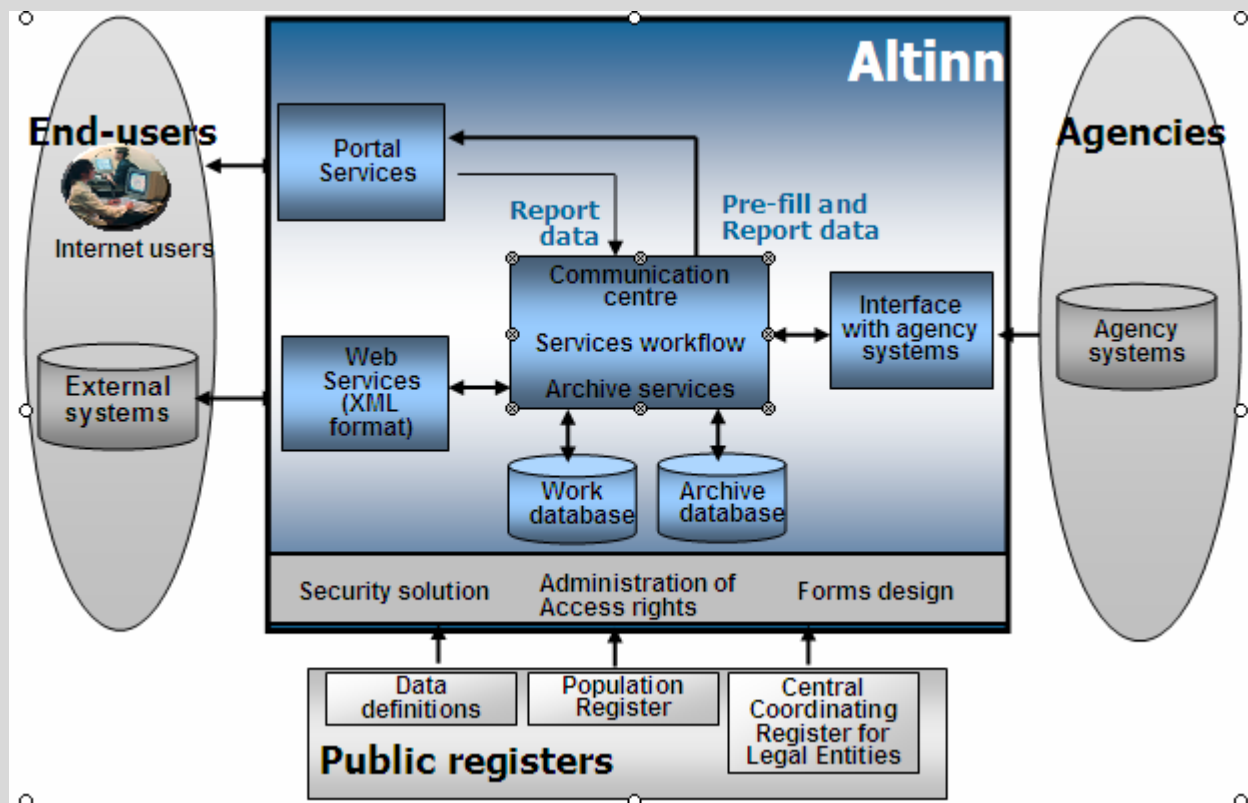
Box 12. ALTINN—Norway’s initiative to reduce government reporting requirements by business

Background. Until relatively recently, Norwegian enterprises were required to complete a series of public reporting forms to satisfy government regulatory requirements. Surveys had indicated that Norwegian enterprises spent the equivalent of over 7,300 full-time staff on statutory reporting requirements. Thus, there were considerable potential savings to be obtained if these requirements could be simplified and automated. In 2002, the Norwegian Tax Administration, Statistics Norway, and the Enterprise Register Center (i.e. Bronnoysund) came together to create a common portal for public reporting. The portal was launched in December 2003 and was in full operation throughout 2004.

Use of ALTINN. Users of ALTINN can either fill in the forms directly in the Internet portal or they can use their own IT systems to transfer data, for example from salary and accounting systems or a year-end accounting package. Companies’ own IT systems transfer pre-filled forms to the portal through a si2mple interface where subsequently the forms can be completed and signed in the portal. Efforts have been made to make the forms as easily accessible as possible. Users automatically get a listing of forms when they are due. ALTINN automatically lists all known and relevant information from the public agencies existing IT systems and public registers. The forms are dynamic so there is no need to answer a question that is not specifically related to the enterprise. A feature of the system is that it avoids the duplicated reporting of similar information to different public sector agencies (e.g. enterprises financial accounts).

ALTINN is a 24/7 solution which gives high flexibility for the users. Since commencement, 85 different public forms have been published in the portal. During the first six months of 2004, more than 1.7 million forms have passed through ALTINN, including 200,000 enterprises submitting tax reports, representing 50% growth on the prior year. The system is also attracting new public agencies, with the Loan Fund and the Norwegian Competition Authorities being new participants. In 2005, citizens will be able to use the ALTINN portal for electronic filing purposes—a potential market of 2.5 million users.

ALTINN: TRANACTION SOLUTION ARCHITECTURE



Source: The Authorities Strategic Commitment to a Shared Channel for Electronic Dialogue with Enterprises and Individuals (Norwegian Tax Administration (September 2004)).

IV. Conclusions arising from the Survey's Findings

47. The survey undertaken has produced a wealth of useful information reflecting on the progress, achievements, and specific products offered by revenue authorities to improve taxpayer service delivery, as well as their general approaches to the delivery of services. In the context of the directions identified and approved by the CFA in January 2001, the following observations and conclusions can be made:

General

- There has been substantial progress since 2000 in the scope and nature of electronic services offered to taxpayers and their agents by virtually all national revenue bodies in OECD countries.
- Notwithstanding this progress, considerable potential exists for many national revenue bodies to substantially increase the take-up rates for the various services offered by them, especially by businesses. (NB: Some ideas for systematically identifying options for new incentives and other approaches to increase e-filing take-up rates are reflected in an extract of a report emanating from some recent research conducted in the UK which is attached at Annex 5).
- There is a clear trend of revenue authorities devoting an increasing share of their administrative budgets to IT investments; however, the survey revealed a substantial variation in the levels of the IT investments across member revenue authorities (from 5-25%), pointing to the need for a number of authorities to review the extent of their investments in line with prevailing trends.
- Customer segmentation approaches to the delivery of services to taxpayers have become increasingly significant (e.g. website information groupings, dedicated portals, account managers for large taxpayers, specialist inquiry and consultative services for tax professionals) in line with modern management and marketing approaches to service delivery.
- The significant role played by tax professionals in day-to-day tax administration in many countries is receiving increasing recognition; over one half of revenue authorities have identified tax professionals as a critical service delivery stakeholder and provide a range of tailored services (e.g. dedicated call centre phone services, dedicated internet portals with transaction capabilities) in recognition of this factor;
- Less than one half of revenue authorities in member countries have evolved a comprehensive set of performance standards that guide the delivery of services to taxpayers, thus making it difficult to draw conclusions for these bodies as to the standards of service generally offered, and the extent of any service delivery improvements resulting from the use of new technologies.
- The large variety of channels available for service delivery (e.g. walk-in counters, phone, written correspondence/mail, Internet, email, SMS, digital television), with their varying advantages/disadvantages and costs, increase the need for revenue authorities to give careful consideration to the development of a channel strategy for improved service delivery.

Use of the Internet

- 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 authorities in member countries offered transaction services via their Internet sites in 2004.

Electronic filing

- Substantial progress has been made since 2000 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 authorities, with four achieving 80% or more (3 without mandatory requirements).
- Progress in other areas (e.g. *VAT, corporate income tax*), largely covering businesses, is considerably less advanced, although a small number of countries have demonstrated that very high overall take-up rates (i.e. over 50%) can be achieved.
- There is an emerging trend to mandate use of e-filing for prescribed groups of larger businesses.
- Tax professionals, who prepare a significant proportion of personal and corporate tax returns, may present considerable potential in a number of countries (i.e. Austria, Finland, Ireland, Korea, Poland, Turkey, and the UK) to leverage substantially increased EF take-up rates in the medium term.

Electronic payments and refunds

- There has been considerable growth in the provision of electronic payment facilities; notwithstanding this development, the take-up of these services has been slow, most likely due to taxpayers' concerns around security and fears of fraud.
- The direct crediting of refunds of overpaid tax to taxpayers' bank accounts is a widely used facility across member countries, offering a range of benefits to both revenue bodies and taxpayers alike.

Electronic mail

- There has been a substantial increase in the number of revenue bodies using email (either in free or constrained form) for taxpayer interactions (mainly for taxpayers' inquiries); however, reported volumes are generally quite small and survey responses revealed a number of concerns regarding effective management of email services; based on fairly limited data from a few countries, revenue body-initiated electronic mail (e.g. formal notices of assessment, reminders, marketing advice) may have considerable future and replace traditional postal channels.

Telephone call centers

- Call centre phone operations, supported by modern telephone technology, are becoming an increasingly significant element of the service delivery strategy of many revenue authorities in OECD countries, reflecting drives for increased efficiency and accessibility for taxpayers to the information they require to meet their tax obligations.

'Whole of government' service delivery approaches

- Although not examined in detail, survey responses and accompanying research revealed a small number of examples of initiatives in member countries based on 'whole of government' approaches to service delivery; given the significant benefits potentially realisable, this may be an area warranting further work by the Forum on Tax Administration.

V. Possible/Proposed Future Work Areas arising from Survey Findings

48. To further build on the progress that has been made since 2000, the Taxpayer Services Sub-group will continue its role in 2005-06 of providing a forum for members to meet and discuss developments and best practices, with emphasis on the further development of e-services in support of improved service delivery for taxpayers. In addition, having regard to the survey findings and following on from discussions at the most recent Subgroup meeting, new work is to be launched in the areas described hereunder:

- ***Take-up rates for e-Services:*** More effective strategies are needed in a number of countries to significantly improve e-services take-up rates. In support of this, the Sub-group will carry out a comprehensive review the strategies of successful revenue authorities with a view to identifying ideas countries for consideration by members.
- ***Channel strategy development:*** As noted earlier in this report, the availability of new electronic channels for service delivery increases the need for revenue authorities to have an effective strategy for deciding the mix of channels (e.g. electronic, telephone, in-person) and products to be used across the various segments of taxpayers (referred to as a 'channel' strategy). At its recent meeting, the Subgroup supported a suggestion from Norway that a task group be established to examine issues/ideas for a development of a channel strategy for a revenue authority.
- ***Management of email:*** The Subgroup agreed at its recent meeting to review country use of email in the delivery of services to taxpayers, with a view to developing a set of ideas for effective management.

49. In addition to the areas identified, the survey revealed numerous other areas where further work could be of benefit of members. These include further exploration of successful 'whole of government' approaches to service delivery, developing service delivery standards, more detailed exploration of newly-emerging taxpayer service products (e.g. integrated tax returns, pre-populated returns).

VI. Recommendation for Revenue Authorities

49. In light of the findings described earlier in this report, the Forum makes three recommendations for revenue authorities:

- ***Revenue authorities are encouraged to use the survey findings to systematically benchmark their own performance and to identify opportunities for improved service delivery to taxpayers, particularly through the use of new technologies.***
- ***Where relevant, revenue authorities are encouraged to actively pursue enhanced strategies for improving the take-up rates of e-services.***
- ***Where not already in place, revenue authorities are encouraged to develop and implement service delivery standards for the major services offered by them, and to measure and report the performance achieved by them.***

ANNEX 1

2000 SURVEY OF TAXPAYER SERVICE INITIATIVES USING NEW TECHNOLOGY

50. The following narrative briefly presents the results of the portion of that survey (based on responses from 15 countries) that dealt with the reduction of taxpayer burden and costs of tax administration.

51. On taxpayer service initiatives, the survey carried out by the Sub-group (covering 15 of the 30 OECD member countries) found encouraging signs of the widespread adoption of new technologies by revenue authorities. The key trends identified from survey responses are summarised in Box 13.

Box 13. Overview of emerging trends in taxpayer service initiatives using new technology

Paper communications to electronic communications: Revenue authorities have introduced in their tax administrations processes that use electronic media as a substitute for paper forms and manual methods currently in use. In conjunction with this, technology to facilitate privacy and security is in various stages of testing and employment. Currently a revenue authority has a functional program that permits businesses to file employment tax returns electronically. Additionally there is a program that allows individuals to file their income tax returns via the telephone.

Preparer/assistor to self-help/expert systems: There is a trend toward empowering taxpayers with the ability to research tax-related inquiries and to complete returns on their own with minimal or no assistance necessary. One example is the testing being performed by a revenue authority on “touch panel” public computers that taxpayers will use in the preparation of their own returns. The system will use screen prompts and guides.

Cheques/cash to electronic funds transfer: Utilising the technologies developed for retail sales transactions, revenue authorities are enabling taxpayers to satisfy their tax obligations by electronic transmissions.

Manual responses to automated voice/mail: Increased use of artificial intelligence software, centralised call systems and Internet resources to improve service rather than increasing staff years to meet customer needs are manifestations of a growing trend. One such initiative uses an automatic e-mail management system to read, route and respond to e-mail inquiries.

Reactive programs to proactive programs: Anticipating the needs and wants of customers has generated a host of initiatives. Rather than trying to remedy situations as they arise revenue authorities are planning in advance to try and eliminate future problems. For example, resources are being expended to develop tax interactive web sites for teens and planning web sites specifically tailored to the young (animation, etc.) and the elderly (large format, etc.).

Segmented service to integrated/one-stop service: In an effort to reduce taxpayer burden revenue authorities are exploring ways to minimise the number of contacts with customers and to decrease the time required for such contacts. Methods such as establishing a single register, via the Internet, of business information for use by government departments and public sector partnerships are being investigated.

Taxpayer to customer: There is a growing trend toward providing more services to the ultimate user, the taxpayer. By formulating strategy and structuring the tax administration to better serve their customers revenue authorities are becoming more responsive to their market. Citizen advocacy panels, workdays devoted exclusively to taxpayers with chronic problems, and offering incentives for e-filing are only a few examples of this tendency.

52. Almost all respondents to the survey had established web sites that allowed the downloading of forms, and provided answers to commonly asked questions. The majority of sites allowed for on-line form filing.

53. Overall, the human and paper elements were being removed and replaced with automated responses and, in some cases, expert systems employing artificial intelligence. Where the human element remains, it was noted that efforts were being employed to improve efficiency and to empower employees to take actions, which can resolve the inquiry/problem at a single point of contact. Such initiatives involve allowing employees to access mainframe computers storing total taxpayer data, providing expert systems to quickly find the answer for the taxpayer, accessing electronic correspondence to provide timely response and integrating all revenue systems to communicate with each other.

54. Some obstacles remain to the greater utilization of electronic technology. Two of these, electronic security and electronic signatures, were reported as in various stages of development and deployment. Another obstacle identified was the availability of computers to taxpayers. Several countries have compensated for this by allowing “form-filing” over the phone, by establishing “kiosks” in public places that allow for filing and by using third parties such as the postal authorities and agents. It was noted that the new generation of relatively cheap mobile Internet-enabled devices (e.g. WAP¹⁵ phones) might also help bridge the current digital divide in this respect.

55. As noted in the December 2000 report to the CFA, the work of the FSM underlined the growing importance of electronic means of delivering service to taxpayers and in reducing compliance costs. The FSM welcomed the marked trend towards greater use of electronic mechanisms such as e-mail, web-based tax knowledge repositories, electronic funds transfer, etc. to improve taxpayer service by administrations and accordingly recommended that revenue authorities continue to facilitate the exchange of practices and knowledge between administrations, both member and non-member, via the use of targeted meetings, including appropriate expert meetings, the FSM Electronic Discussion Group, and the ongoing development of the FSMKE web site.

¹⁵ Wireless Application Protocol (WAP) —A mechanism that allows mobile devices, such as phones, to access the Internet.

ANNEX 2

SURVEY QUESTIONNAIRE: TRENDS IN THE DELIVERY OF SERVICES TO TAXPAYERS

1. Respondent details

Country	Name and contact details of person responsible for this survey document

2. Service Delivery Strategy and Operations

General

2.1. Does your organization have a formal statement of strategic direction or intent related specifically to the future provision of services to taxpayers. (An example from the Canada Revenue Agency is attached for guidance purposes.)

Yes No

(If 'yes', please provide an electronic copy with the completed survey response form.)

2.2. Do any of the activities indicated hereunder form part of your organization's strategy /program for improving services to taxpayers and/or their ability to comply with their basic tax obligations?

- | <u>Activities</u> | | | |
|--|-----|---|--|
| (1) Increased availability and use of electronic services. | Yes | <input style="width: 50px; height: 20px;" type="checkbox"/> | No <input style="width: 50px; height: 20px;" type="checkbox"/> |
| (2) Provision of a more customised/ tailored approach to delivering services to individual taxpayers. | Yes | <input style="width: 50px; height: 20px;" type="checkbox"/> | No <input style="width: 50px; height: 20px;" type="checkbox"/> |
| (3) Simplification of tax laws and/or administrative procedures. | Yes | <input style="width: 50px; height: 20px;" type="checkbox"/> | No <input style="width: 50px; height: 20px;" type="checkbox"/> |
| (4) Better guidance to assist taxpayers meet their obligations. | Yes | <input style="width: 50px; height: 20px;" type="checkbox"/> | No <input style="width: 50px; height: 20px;" type="checkbox"/> |
| (5) Initiatives to improve timeliness of administrative actions. | Yes | <input style="width: 50px; height: 20px;" type="checkbox"/> | No <input style="width: 50px; height: 20px;" type="checkbox"/> |
| (6) New and/or strengthened partnerships with other parties (e.g., other arms of government, tax professionals). | Yes | <input style="width: 50px; height: 20px;" type="checkbox"/> | No <input style="width: 50px; height: 20px;" type="checkbox"/> |
| (7) Increasing skills of workforce. | Yes | <input style="width: 50px; height: 20px;" type="checkbox"/> | No <input style="width: 50px; height: 20px;" type="checkbox"/> |

2.3. Does your organization's plans include any specific activities to enhance its relationship with, and the tax services provided by, the parties identified?

- | | | | |
|---|-----|---|--|
| (1) External tax advisors/ tax professionals; | Yes | <input style="width: 50px; height: 20px;" type="checkbox"/> | No <input style="width: 50px; height: 20px;" type="checkbox"/> |
| (2) Accounting software developers/ Eservice providers; | Yes | <input style="width: 50px; height: 20px;" type="checkbox"/> | No <input style="width: 50px; height: 20px;" type="checkbox"/> |
| (3) Banks and other financial institutions. | Yes | <input style="width: 50px; height: 20px;" type="checkbox"/> | No <input style="width: 50px; height: 20px;" type="checkbox"/> |
| (4) Employers (for PIT employment purposes) | Yes | <input style="width: 50px; height: 20px;" type="checkbox"/> | No <input style="width: 50px; height: 20px;" type="checkbox"/> |

If 'yes' for any of the above, please provide a brief description

(Insert response)

2.4. Does your organization have a formal set/statement of taxpayers' rights and/or the services they can expect to receive?

Yes No

2.5. Does your organization have explicit time-bound service standards/objectives (*) for the delivery of services to taxpayers?

Yes No

If 'yes', please attach a copy with your survey response

If 'no', are there any plans to introduce such standards?

Yes No

2.6. Does your organization conduct periodic surveys of taxpayers' perceptions of service delivery quality?

Yes No

If 'yes', indicate whether the results are made public, and provide a brief summary hereunder of the latest available results.

Yes No

(Insert response)

2.7. Does your organization have formal consultative mechanisms with representative bodies of the stakeholders identified hereunder to discuss/examine taxpayer service issues?

(1) External tax advisors/ tax professionals

Yes No

(2) Industry/ business

Yes No

(3) Large corporate taxpayers

Yes No

(4) Personal/ individual taxpayers

Yes No

Service delivery for businesses

2.8 Are any of the following services provided for business taxpayers?

(1) Dedicated enquiry services by industry groupings for large taxpayers.

Yes No

(2) A system of 'account managers' (*) for designated large taxpayers.

Yes No

(3) Specific service/ education oriented programs for newly-registered businesses.

Yes No

(4) Individual pre-identified payment notices are issued for the major taxes

Yes No

(5) Integrated reporting of return filing details and payments(*)

Yes No

If 'yes' to (5), can these reports can be filed electronically? Yes No

Service delivery for personal income taxpayers

2.9 Are any of the following services provided for personal income taxpayers?

(1) Pre-identified / pre-populated tax are sent to some or all personal income taxpayers? Yes No

(2) An abbreviated/simplified income tax return is available for personal taxpayers with straightforward affairs? Yes No

2.10. In relation to the activities identified, describe any specific time-bound service standard(s) in place, the level of performance achieved in relation to the standard for the last completed fiscal year, and whether the results were made public. If such standards are not used, state 'nil'.

<i>Nature of service</i>	<i>Describe the service standard in place in the last completed fiscal year</i>	<i>Describe the performance achieved in the last fiscal year</i>	<i>Results made public? Yes/no</i>
Send personal income tax refunds (non-electronic).			
Send personal income tax refunds (electronic).			
Send VAT refunds.			
Send substantive response to written letter			
Answer telephone for a phone inquiry			
Resolve taxpayers' complaints			
Process taxpayers application for registration			
Other significant services (briefly describe)			

Service delivery for tax advisors/ tax professionals

2.11 Does your organization provide dedicated/ special inquiry services for tax advisors/ tax professionals? Yes No

2.12 What proportion of all personal income tax returns received in the last completed financial year were prepared by/with the assistance of tax advisors/ tax professionals? (NB: Please provide an estimate if data are not readily available.)

2.13 What proportion of all corporate tax returns received in the last completed financial year were prepared by/with the assistance of tax advisors/ tax professionals? (NB: Please provide an estimate if data are not readily available.)

Resources used for taxpayer service-related activities

2.14 What level of staff resources (expressed in terms of (1) actual FTE's(*) and (2) as a proportion of total agency staffing), were used directly for taxpayer service-related activities in the last completed financial year? (For survey purposes, 'taxpayer service' activities include all inquiry services, technical advisings, educational initiatives, and field visits of an advisory (not enforcement) nature. They do not include tax return processing and account maintenance functions. An estimate should be provided if accurate data are not available.) (1)
(2)

Use of Electronic Information Interchange in the Provision of Services to Taxpayers

3. Provision of tax system information to taxpayers via the Internet

3.1 Does your website principally present information by major groupings of clients? Yes No

3.2 Does your website use a content management system? Yes No

3.3 Is your website linked to other government department sites and/ or sites for different level of government? Yes No

3.4 Do you provide cross channel links to other service channels (e.g., to a call centre where agents are able to track where clients are on the site and assist them to find the information they need)? Yes No

3.5 Can clients navigate between the information portion and transaction portions of your website (where the latter exist)? Yes No

3.6 Are the transactions portions of your website separated from the information portions by different security levels? Yes No

3.7 Are the information/content categories set out hereunder currently provided on your organization's website?

(Please indicate either 'yes' or 'no' in the space provided for each of the taxes indicated)

Broad category	Specific information type	Major taxes		
		PIT	CIT	VAT
General information etc	(1) Tax forms			
	(2) Tax brochures/ guides			
	(3) Tax law			
	(4) Tax rulings			
	(5) Tax calculators			
Specific focused tax information	(6) Media materials			
	(7) Industry focused tax advice			
Taxpayers' transactions	(8) Tax returns			
	(9) Tax payments			
Individual taxpayer account/ record information	(10) Accounting information			
	(11) Registration changes			
Legal	(12) Court decisions on tax matters			
Legislation	(13) Tax law			
	(14) Tax rulings and other interpretative guidance			
	(15) References to recently approved or pending legislation			
Tax Administration	(16) Operational performance data			
	(17) Speeches of senior officials.			

3.8 What kind of security (i.e. PIN, PKI, etc.) is in place for enquirers given on-line access to taxpayer accounting information?

(Insert response)

3.9 What web metrics do you gather for planning and monitoring purposes?

(Insert response)

3.10 Describe any special strategies being employed in the current year to increase the rate of access to your Internet site.

(Insert response)

3.11 What is the size of your website (in numbers of pages)?

pages

3.12 How many web-pages are devoted to static information and dynamic functions, including personalized taxpayer data (e.g. accounting data)?

Static-
Dynamic-

3.13 What was the number of page requests made of your Internet site in the last completed fiscal year?

4. Electronic Transaction Services (*)

Electronic filing of tax returns

4.1 Please provide the information requested.

(Please answer 'yes' or 'no' in the space provided for each of the taxes indicated)

Area of interest	Type of tax returns			
	PIT	CIT	VAT	EPR (*)
(1) Were electronic filing services (EFS) in place in the last completed fiscal year?				
(2) If answer to (1) was 'yes', when was EFS first implemented?				
(3) If answer to (1) was 'yes', indicate the proportion of all such returns filed electronically in the last completed fiscal year				
(4) What is the target % or expected % of electronically-filed returns for the current year?				
(5) If answer to (1) was 'no', when you expect to provide this service?				
(6) What kind of security is in place? (i.e. PKI(*), PIN(*))?				

4.2. Rank from 1 to 7, in terms of volumes, the current media for the electronic filing of tax returns

Media for filing	Rank in last completed year			
	PIT	CIT	VAT	EPR
(1) Taxpayer initiated—Internet				
(2) Taxpayer initiated—Phone system				
(3) Taxpayer initiated—Dedicated kiosk				
(4) Taxpayer initiated—Floppy disc				
(5) Taxpayer initiated—Other (briefly describe)				
(6) Tax professional on behalf of taxpayer				
(7) Other third party provider on behalf of taxpayer.				

4.3 Rank from 1 to 7, in terms of volumes, the expected future (i.e. within 3 years) media for electronic filing.

<i>Media for filing</i>	<i>Expected rank in 3 years (by return type)</i>			
	<i>PIT</i>	<i>CIT</i>	<i>VAT</i>	<i>EPR</i>
(1) Taxpayer initiated—Internet				
(2) Taxpayer initiated—Phone system				
(3) Taxpayer initiated—Dedicated kiosk				
(4) Taxpayer initiated—Floppy disc				
(5) Taxpayer initiated—Other (briefly describe)				
(6) Tax professional on behalf of taxpayer				
(7) Other third party provider on behalf of taxpayer.				

4.4 Does your organization apply, or is it planning to apply, any of the incentives or inducements identified to increase the volumes of electronic filing of tax returns?

(Please answer 'yes' or 'no' in the space provided for each of the taxes indicated)

<i>Types of incentives/ inducements</i>	<i>Tax return types</i>			
	<i>PIT</i>	<i>CIT</i>	<i>VAT</i>	<i>EPR</i>
(1) Faster processing of tax refunds				
(2) Longer filing periods for e-filers				
(3) Streamlined return information requirements				
(4) Mandatory requirement under tax law				
(5) Free use/ availability of filing software				
(6) On-line help/service facility				
(7) Specifically targeted mail-out promotions				
(8) Tax credits (or similar monetary incentives)				
(9) Other (briefly describe at 4.5)				

4.5 Where 'yes' is answered in relation to (4) or (9) in 4.4, please provide a brief description of the incentives/ inducements, including reference to the types of taxpayers involved.

(Insert response)

Electronic tax payments from taxpayers

4.6 Are taxpayers able to use any of the tax payment facilities indicated hereunder? If so, please provide an approximate indication of their relative use (in payment volume terms) by ranking from 1-7.

(Please provide answers in spaces indicated)

<i>Nature of payment facility</i>	<i>In place? Yes/No</i>	<i>Rank from 1 to 7</i>
(1) Phone banking (*) service (i.e. via taxpayer's bank/ credit card)		
(2) Direct on-line payment facility (i.e. via Internet or private network)		
(3) Direct debit payment facility (*) (i.e. tax body advises relevant payment body of the amount owed)		
(4) Payment kiosk facility (i.e. a service generally available to the public)		
(5) Payments by cheque/mail to tax body or some other facility		
(6) Payments in person at tax body or its agent (e.g., bank or post office)		
(7) Tax payments by credit card		

4.7. Describe any specific incentives being applied to encourage taxpayers to use electronic payment services.

(Insert response)

Electronic deposits of tax refunds to taxpayers' bank accounts

4.8 Does your organization provide any of the following services?

(Please answer 'yes' or 'no' in the space provided for each of the services indicated)

Type of service	Tax return types			
	PIT	CIT	VAT	Other Taxes
(1) Tax refunds can be directly credited to taxpayers' nominated bank account				
(2) Tax refunds must be credited to taxpayers' nominated bank account				

Correspondence: use of email (or equivalent capabilities)

4.9 Does your organization provide for taxpayer-initiated information requests/ supply using email (or its equivalent)?

Yes No

If 'yes', does your organization allow free form or constrained (forms and subject) based email?

4.10 Does your organization provide for information supply to individual taxpayers using email services?

Yes No

4.11 Are there any security or privacy controls in place for email that comes via the Internet?

Yes No

If 'yes', describe.

(Insert response)

4.12 If you answered 'yes' to 4.9 or 4.10, briefly describe the topics/ functions that email is used for and the approximate annual volume of transactions.

(Insert response)

4.13 If you answered 'no' to 4.9 or 4.10, does your organization plan to provide this service in the next 3 years?

Yes No

4.14 If your organization does provide this service, or plan to, what kind of security do you have, or plan to have, when client specific information is included in the electronic correspondence?

(Insert response)

5. Telephone Inquiry services: Use of Call Centre Arrangements

5.1 Are call centre operations (*) in use in your tax organization?

Yes

5.2 Is the role of your call centres principally to resolve taxpayers' issues and provide personal advice or to act as a referral service for your organization?

(Insert response)

5.3 Are call centres generally colocated with other tax administration functions, or housed separately? Colocated Separate

5.4 Describe any plans your organization has to expand or contract the network of call centres?

(Insert response)

5.5 Does your organization employ any service standards for taxpayer connectivity? Yes No

If 'yes', please describe the standards applied

(Insert response)

5.6 Does your organization employ phone traffic sharing arrangements across your network to distribute workloads during peaks and troughs? Yes No

5.7 Does your organization have a formal quality assessment program for call centre operations? Yes No

5.8 Are there any links between the website and the call centres? Yes No

5.9 Are calls handled by staff of the tax administration? Yes No

If 'no', please describe the arrangements in place

(Insert response)

5.10 *Technology features*: please provide the information requested.

(Please indicate either 'yes' or 'no' in the space provided)

Subject area	Features	Response
Does your organization employ the types of technology identified for its call centre operations?	(1) Interactive voice response.	
	(2) Voice recording equipment.	
	(3) Computer telephony integration Automatic call delivery.	
	(4) Knowledge tools.	
	(5) Other special technology support (please specify below)	
Do call centre staff have on-line access to the information described?	(1) Client data.	
	(2) On-line reference materials.	
	(3) The same on-line information that is available to clients	

(Please insert any additional information to describe the features of your technological support for call centre operations)

(Insert response)

5.11 *Call centre metrics*: Please provide the data requested in the table below

Data requested	Response
(1) What year were call centre operations first implemented?	
(2) How many call centres are in operation today?	
(3) What is the typical size of a call centre (i.e. approximate number of staff at peak business times)?	
(4) What are the hours of operation of the call centre services offered?	
(5) What was the volume of their phone traffic in the last completed fiscal year?	
(6) What is the expected volume of phone traffic for the current fiscal year?	
(7) How many staff (i.e. the approximate staff usage (FTE's)) were used for call centre operations in the last completed fiscal year?	

5.12 Describe any formal performance standards that have been set for call centre operations

(Insert response)

5.13 Describe the major change strategies being pursued to enhance call centre operations?

(Insert response)

6. Remote access to corporate systems

6.1 Please provide the data requested in the table below.

<i>Data requested</i>	<i>Response</i>
(1) Do any of your employees have remote access to your corporate systems (Yes/no).	
(2) If remote access is allowed, describe the type of work function(s) that are supported by remote access	
(3) Indicate the approximate number of staff with remote access capabilities	
(4) Indicate the main problems experienced with provision of this capability	
(5) Indicate the security used surrounding the provision of this capability.	
(6) Indicate (rank 1 (low) to 5 (high)) the benefits obtained from providing remote access: - improved efficiency of mobile staff; - improved service to taxpayers; - improved case/issue development; - other (specify).	

7. Cost data

7.1 Please provide the data requested in the table below.

<i>Data requested</i>	<i>Response</i>
(1) What was the total amount spent on information technology (IT) operations (*) in each of the last 2 years.	Latest year: Prior year:
(2) What proportion did this represent of total operating expenditure of the organization for the years concerned?	Latest year: Prior year:
(3) What was the average percentage of the total amount sent on IT operations necessary to operate the system for the years concerned (i.e. total IT costs less new investments)?	Latest year: Prior year:
(4) If possible, of the amounts referred to in (1), how much was expended on Internet, electronic transaction, and call centre services?	Latest year: Prior year:

***** If you answered 'yes' to either questions 2.1 or 2.5, please attach an electronic copy of the relevant information with your electronic questionnaire response.

Thank you very much

Attachment 1

Definitions/Acronyms

Definitions of some specific terminology used in this survey are indicated in the following table. Where this terminology is used in the survey document, it is followed by an asterisk symbol (*).

Terminology	Definition/ explanation
Account managers	Tax officials specially nominated to act as the first point of inquiry for designated large taxpayers.
Call centres	Specialized and dedicated telephony-based organizational units established to answer taxpayers' telephone inquiries.
CIT	Corporate/ company income tax.
Direct debit payment facility	A facility whereby taxpayers can authorize the tax body to electronically advise the taxpayers' bank to debit their bank account at a nominated time for any tax debt due.
Electronic filing	Relates to the provision of tax return information, in electronic form, <u>from the taxpayer or a professional tax return preparer</u> . For the purpose of this survey, it does <u>not</u> include outsourced data capture of tax return information from paper documents supplied by taxpayers or their representatives, or the use of scanning technology to generate data in electronic form.
EPR	Employer payroll reports (i.e. reports of wages paid, taxes withheld).
FTE's	Full time equivalents (i.e. staff usage on an annualized and full person basis).
IT operations	Costs of equipment, manpower, services, contracts, and overheads to develop and operate the organization's IT capability
Integrated return payment and filing arrangements	These are arrangements enabling businesses to report and pay multiple tax liabilities (e.g., VAT, personal income tax withholdings, and advance payments of corporate tax) with a single return and payment. (Arrangements along these lines are known to be in use in Australia, Italy, and Sweden.
Large taxpayers	These are taxpayers specially nominated by a tax body, using various size criteria, for special administrative attention. Size criteria will vary from country to country.
Phone banking payment facility	A facility enabling payers (e.g., taxpayers) to direct their bank (by phone) to pay a specific debt (e.g., tax liability).
PIN	Personal identification number.
PIT	Personal income tax.
PKI	Public key infrastructure.
Public rulings	These are formal statements issued by the tax body or MOF explaining how particular provisions of the tax laws will be interpreted. Such rulings are normally binding on the tax body.
Self assessment	Taxpayers self-determine their tax liability (and or taxable base) which is largely accepted in the first instance by the tax body. Returns are <u>not</u> subject to examination/ query by technical staff. The information in tax returns is subsequently screened for audit selection and other verification purposes and a sample of taxpayers' returns is selected for individual verification action (e.g., a desk or field audit).
Time-bound service standards/ objectives	A predefined time-specific level of performance expected for an aspect of service (e.g., refunds 95% of electronically filed income tax returns will be processed in two weeks).
VAT	Stands for 'value added tax'.

SURVEY TABULATIONS
Table 1. Service Delivery Strategy of Tax Bodies

Country	Formal statement of taxpayers' rights and services they can expect	Formal strategy for improved service delivery	Strategy elements for improved delivery of services to taxpayers						Increasing skills of workforce	Resources for taxpayer service activities in last completed year (FTEs)
			Increased range of electronic services	More tailored approaches for services to individuals	Simpler tax laws and/or procedures	Better guidance to taxpayers to meet their obligations	Stronger partnerships with other parties	Improved timeliness of administrative actions		
Australia	✓	✓	✓	✓	✓	✓	✓	✓	3,912 (20%)	
Austria	x	x	✓	✓	✓	✓	✓	✓	1,000 (10%)	
Belgium	x	✓	✓	✓	✓	✓	✓	✓	1,200 (5%)	
Canada	✓	✓	✓	✓	✓	✓	✓	✓	4,454 (12%)	
Czech Rep.	x	x	✓	✓	✓	✓	✓	✓	224 (2)	
Denmark	x	✓	x	✓	✓	x	x	✓	250 (5%)	
Finland	✓	✓	✓	✓	✓	✓	✓	✓	?	
France	✓	✓	✓	✓	✓	✓	✓	✓	1,104 (1.4%)	
Germany /1	x	x	✓	✓	✓	✓	✓	x	n.a	
Greece	x	✓	✓	✓	✓	✓	✓	✓	?	
Hungary	✓	✓	✓	✓	✓	✓	✓	✓	579 (4.85%)	
Iceland	✓	x	✓	✓	✓	✓	✓	✓	28 (10%)	
Ireland	✓	✓	✓	✓	✓	✓	✓	✓	?	
Italy	✓	✓	✓	✓	✓	✓	✓	✓	7,000 (23%)	
Japan	✓	✓	✓	✓	✓	✓	✓	✓	?	
Korea	✓	✓	✓	✓	✓	✓	✓	✓	1,986 (11%)	
Luxembourg	x	x	✓	✓	x	x	x	✓	3 (0.5%)	
Mexico	✓	✓	✓	✓	✓	✓	✓	✓	1,880 (<1%??)	
Netherlands	x	✓	✓	✓	x	x	x	x	?	
New Zealand	✓	✓	✓	✓	✓	✓	✓	✓	881 (19%)	
Norway	✓	✓	✓	✓	✓	✓	✓	✓	6,671 ???	
Poland	✓	✓	✓	✓	✓	✓	✓	✓	4,000 (8%)	
Portugal	x	✓	✓	✓	✓	✓	✓	✓	???	
Slovakia	✓	✓	✓	✓	✓	✓	✓	✓	210 (3.6%) /1	
Spain	✓	✓	✓	✓	✓	✓	✓	✓	2,700 (10%)	
Sweden	✓	✓	✓	✓	✓	✓	✓	✓	623 (16%)	
Switzerland	✓	x	✓	✓	✓	✓	✓	✓	n.a (5% est.)	
Turkey	x	✓	✓	✓	✓	✓	✓	✓	?	
UK IRD	✓	✓	✓	✓	✓	✓	✓	✓	5,300/8,400(7/11%)	
UK C&E	✓	✓	✓	✓	✓	✓	✓	✓	?	
USA	✓	✓	✓	✓	✓	✓	✓	✓	18,000 (18%)	

/1. Germany—answers reflect an aggregate view of the 16 laenders (where possible) that individually administer the national tax system for their respective region; **Slovakia**—figures quoted relate to dedicated staff; many other staff make a partial contribution to taxpayer services function.

Table 2. Service Delivery Strategy and Key Stakeholders

Country	Stakeholders identified in service delivery strategy				Description of activities planned to enhance relationship with stakeholders identified
	External tax advisors	Accounting software developers	Financial institutions	Employers' PIT administration	
Australia	✓	✓	✓	✓	For tax professionals, improved quality of transactions processing, improved tax agents portal, improved design and delivery of products.
Austria	✓	✓	✓	✓	Regular meetings to harmonize developments, co-operation to develop electronic account, information campaigns
Belgium	✓	✓	✓	✓	
Canada	✓	✓	✓	✓	/1
Czech Rep.	✓	✓	✓	✓	
Denmark	✓	x	✓	x	
Finland	x	✓	x	x	
France	✓	✓	x	x	
Germany	x	x	x	x	
Greece	✓	✓	✓	✓	Collaboration with tax professionals and software developers for their eservice needs, and with financial institutions re taxpayers' payments
Hungary	✓	✓	✓	✓	
Iceland	✓	✓	✓	✓	/1
Ireland	✓	✓	✓	✓	
Italy	✓	✓	✓	✓	Formal agreements with bodies representing taxpayers and tax preparers. Convention with bans and Italian Postal Agency re tax data gathering & payments
Japan	✓	✓	✓	✓	Routine use of lecturers at seminars, collaboration with financial institutions and withholding agents
Korea	✓	✓	x	x	Annual meetings with Association of Certified Public Accountants to discuss major issues
Luxembourg	x	x	✓	✓	
Mexico	✓	x	✓	x	Close collaboration with banking institutions to administer Electronic Payment Plan
Netherlands	✓	✓	x	x	
New Zealand	✓	x	✓	✓	
Norway	✓	✓	✓	✓	/1
Poland	x	x	x	x	
Portugal	✓	✓	x	x	Collaboration with all the parties identified to improve the tax agents portal, electronic payments and to provide information campaigns
Slovakia	✓	✓	✓	✓	Close collaboration, especially concerning law changes
Spain	✓	✓	✓	✓	Active agreements with all bodies
Sweden	✓	✓	✓	✓	/1
Switzerland	✓	✓	✓	✓	Consultative committee on VAT involving tax officials, tax professionals, associations. Increasing transparency of internal instructions for tax assessment.
Turkey	✓	x	✓	x	Emphasis on educational activities fro tax advisors & tax collection functions of banks, etc.,
UK IRD	✓	✓	✓	✓	/1
UK C&E	✓	✓	x	n.a	
USA	✓	✓	✓	✓	/1

/1. **Canada**—A large number of initiatives: 1) Tax professionals—The Tax Professionals Advisory Committee, which includes senior Agency officials and members of the tax professional community, meets on a regular basis, at least once a year, to discuss matters of mutual interest; the tax professionals portal on the CRA web site contains useful tax information and links of interest to tax professionals; 2) Software developers—CRA has established a Software Developers Working Committee which meets semi-annually to discuss all aspects of the tax filing program; CRA participates in training sessions provided by the Software Developers to their clients; CRA provides software developers with statistics relevant to their software on a regular basis during tax filing season (e.g. the number of attempts to file using their software, the error rates, and what the major errors are); CRA also provides the overall totals for all software, to allow each developer to measure the performance of their software against a national standard; 3) eService providers—CRA initiates information and recruitment seminars, generally in the late Fall, to recruit and educate new Tax Preparers to the electronic filing program, regularly meets with various Tax Preparer Associations and Groups, such as the EFILE Association of Canada, to discuss issues and provide information about electronic filing, and use a list server to communicate with certified tax preparers, enabling The CRA to provide all tax preparers, or a designated subset, with current information about electronic filing; and 4) payroll agents—CRA meets regularly with the Canadian Payroll Association (CPA) and with a Federal Government Relations Advisory Counsel comprised of representatives from the CPA to discuss various employer related and payroll issues such as withholding, remitting and reporting of source deductions; CRA also participates in the CPA's annual conference and trade show that is geared specifically to the interest and needs of Canada's payroll community; **Iceland**—Fast and secure communication with tax advisors/tax professionals using digital certificates (PKI); possibility to file VAT returns directly from accounting programs; getting data from banks and financial institutions to make available for those filing electronically; possibility to look up previous communications on the web.; and enhancing payroll reports.

Norway—(1) *Tax professionals*: There are many planned activities that are directed to enhance our relationship with external tax advisors, accounting companies and accountants. Every year, there are several meetings both on the top management level and operational level on topic such as, law and legislation, filing periods, the use of EFS solutions, quality of data, the need for extensions in specific areas etc. Since 2001 we have involved some of these groups in a user council in connection with the development of a new governmental EFS solution (Altinn); (2) *Accounting software developers*: With our new EFS solution (Altinn) users can file their CIT forms, VAT forms and ERP forms with the use of the Internet portal or they can use their own IT-systems, for example salary and accounting systems or a yearly settlement package. The companies own IT-systems can then transfer data directly into Altinn. This has resulted in a need for a close collaboration with software developers. We also provide development guidelines and specifications to the different software developers; (3) *financial institutions*: By law, banking and other financial institutions are demanded to deliver data electronically to the Directorate of taxes. This is both related to individual taxpayer's accounts and for businesses. We also receive updated data on account numbers that are used in connection with the refund of taxes paid. We do also have co-operation to some extent with banks on security matters; (4) *Employers*: By law data from employers on ERP are received electronically. This call for a close contact with employers on both on legislation issues, operational and technical issues. The Employer organisations such as NHO- Confederation of Norwegian Business and Industry" and HSH Federation of Norwegian Commercial and Services Enterprises" has also been included in the user council in connection with the development of Altinn a new governmental EFS solution put in production 1 Q 2004.

Sweden—There are a large number of activities to strengthen relationship with outside the Tax Agency: *Financial institutions and Employers*: Employers, banks, credit institutes, insurance companies etc. are obliged to file income statements, one copy to the tax authority and another to the person in question. According to regulation income statements should be reported for several kinds of incomes and also for a few kinds of deductible expenses. Most of the income statements are received electronically. On a yearly basis there are meetings both on top management level and on operational level. *Tax professionals*: At the main office regular meetings are held with representatives of tax professionals to inform and discuss major changes. On operational level there are given several opportunities for tax professionals to get information about new laws and in technical matters. *Electronic Services*: The Tax Agency collaborates with financial institutions to promote the use of a security solution as an electronic identification certificate. The e-services require the use of an electronic identification system – an e-ID solution for identification and signatures. The solution used has been developed by four major Swedish agencies to set a governmental standard for secure communication between companies and citizens one the one hand and governmental agencies on the other hand. It has been an open bidding of the supply on security systems. The contract of the security systems was sign by a government organization and six Swedish banks and the Swedish post office. As a customer in one of those banks you are given the opportunity to down load the security program that contains an electronic identification document. That is also possible at a regular post office. The taxpayer can choose approved certificate issued by a number of bank. The certificates are available from the website of banks involved. The taxpayer can download the certificate from those website and install the program on the hard disk. It is the same certificate as for the VAT and PAYE tax return.

UK IRD—(1) (a) **Working Together Initiative**: Jointly established by members of tax professional bodies and Inland Revenue. The scheme builds on established links and provides fast track mechanisms for the identification, and wherever possible anticipation, of the sorts of national problems and issues which typically become visible first at local level. Key objectives of the scheme are to improve two way communications, support the Revenue's efforts to become an enabling organisation which is more responsive to its customers' needs, and provide greater transparency around the actions it takes to resolve issues identified in this way; **Electronic Services**: Services exist to allow tax agents to submit returns, and receive information, electronically. These are being enhanced to make them more attractive to the agent community. Additional work is about to be undertaken to help understand how we can further leverage the agents' multiplier effect. (2) **Tax and Accounting software developers**: Provision of information and support to assist development of software which is fit for purpose (e.g., correctly calculates relevant tax liabilities) and/or supports e-filing capabilities. This includes the provision, online, of the majority of the 'business rules' for different taxes and the inclusion of software developers in a forum for the creation and maintenance of XML schemas; (3) **Banks and financial institutions**: Agreements with them to provide e-filing for their customers on their websites.

US— The IRS has extensive involvement with external stakeholders through many and varied forums. Regular meetings are scheduled with representatives from tax professional groups (ABA, AICPA, NAEA, NATP, etc.), tax industry groups (National Association of Computerized Tax Processors, Software Developers Conference), state tax agencies (Federation of Tax Administrators – IRS Tactical Advisory Group) and other advisory groups recognized under the Federal Advisory Committee (FACA) Act, e.g., IRS Advisory Committee (IRSAC), Information Returns Program Advisory Committee (IRPAC), Electronic Tax Administration Advisory Committee (ETAAC).

Table 3. Service Performance Standards and Taxpayers' Perceptions of Service Delivery Quality

Country	Explicit time-bound service standards are used	Performance against time-bound standards is made public	Surveys conducted of taxpayers' perceptions of service quality	Results of taxpayers' perceptions survey are made public	Results of most recent survey of taxpayers' perceptions of service delivery quality
Australia	✓	✓	✓	✓	/1
Austria	x/1	n.a	x	n.a	
Belgium	x	n.a	x	n.a	
Canada	✓	✓	✓	✓	/1
Czech Rep.	x	n.a	x	n.a	
Denmark	✓	x	x	n.a	
Finland	✓	✓/1	✓	✓	Conducted separately for corporations and individuals every three years. Last survey (2001) gave an overall 8 out of 10 rating.
France	✓	x/1	✓	✓	National survey conducted annually. 2003 survey revealed 81% (individuals) and 74% (companies) satisfaction rate. 31% and 39% respectively reported improvement over prior years, against 4% and 6% who reported deterioration.
Germany					
Greece	✓		✓	✓	Conducted by private firm. Last survey reported around 75% satisfaction rate with services delivered, covering speed, quality, infrastructure, politeness, simplification and numbers of staff.
Hungary	✓	?	x	n.a.	
Iceland	✓	?	x	n.a	
Ireland	✓	✓	✓	✓	90% plus levels of satisfaction reported in relation to method of contact and service received, from both a soft skills and technical perspective
Italy	✓	✓	✓	✓	High level satisfaction reported, especially with politeness, competence, availability, accessibility. Weaknesses reported with queues, complexity of claims and unclear forms
Japan	✓	✓	✓	✓	High level of satisfaction reported from latest survey.
Korea	✓	x	✓	x/1	
Luxembourg	x	n.a	x	n.a	
Mexico	✓ (2004)	x/1	✓/1	x	High satisfaction rate achieved from latest surveys
Netherlands	✓/1	n.a	✓	✓	?
New Zealand	✓	✓	✓	✓	Customer satisfaction rating based on survey of customer opinions. 2003 rating was 86-88%, the highest ever achieved
Norway	✓	x	✓	✓	*****See attachment
Poland	✓	x	✓	✓	
Portugal	✓	?	x	n.a	
Slovakia	✓	x	✓	x	/1
Spain	✓	✓	✓	✓	/1
Sweden	✓	✓	✓	✓	/1
Switzerland	x	n.a	x	n.a	/1
Turkey	x/1	n.a	x	n.a	
UK IRD	✓	✓	✓	✓	/1

UK C&E	✓	✓	✓	✓	✓	/1
USA	✓	✓	✓	✓	✓	For the period January 2004-May 2004, the taxpayer assistance scores for satisfied taxpayers ranged from 94-96%.

/1. **Australia**—Conducts an annual Community Perceptions Survey to obtain high level measures of general community’s perceptions of tax office, taxes, and the revenue system. It is conducted by an independent consultant and core questions have been asked continuously since 1996 to enable monitoring of trends. With some exceptions, results are trending positively across most measures (from 2003 ATO Annual Report, page 91); **Austria, Mexico and Turkey**—plan to introduce service standards;

Canada— All results of public opinion research surveys conducted by contractors for the CRA are made public through the National Library. All non-contracted study results are available through Access to Information requests. At the “corporate” level, the CRA conducts an annual survey of the general public each autumn that includes perceptions of service quality. Respondents who have contacted the CRA about income tax or have gone through Customs since the beginning of the year are asked for their level of agreement with several statements on aspects of their experience. The survey results have been positive and consistent for each statement in the four years the survey has been conducted. Levels of agreement with individual statements range from approximately 70% to almost 100%. A random survey of visitors to the CRA’s Web site was started in 2003 and will be repeated in 2004. The results are also positive with 78% of the respondents saying they are satisfied with the site.

A variety of program-specific efforts (surveys and other feedback mechanisms) are also made by specific areas of the CRA to assess satisfaction of their clients. For example, the CRA participates in the EKOS Research Associates Inc. Rethinking the Information Highway study. The survey is comprised of two components: individuals and businesses. Although not a CRA-specific survey (it encompasses other federal departments and agencies, provincial governments, municipal governments and other non-government bodies), the information is useful in setting direction and knowing client preferences. The CRA also participates in the Citizens First research initiative, a study conducted on behalf of the Institute for Citizen-Centred Service (ICCS). This study, conducted every two years, is the latest in a series of world-class research initiatives focused on offering Canadian governments insight into citizens’ views of public sector services and direction in improving service quality. CRA is also participating in a similar survey entitled “Taking Care of Business”. Like “Citizens First” it will be repeated to evaluate business views of the public service.

Finland—service standards, which may vary between jurisdictions, are negotiated annually between national Board, regional and local offices; **France**—results are given to Minister, staff, and the National Users Council; **Korea**—Survey results used internally to enhance tax services; **Mexico**—quality standards and objectives are currently being designed to comply with ISO 900 standards; results are not made public but can be obtained at specific request of taxpayer; **Netherlands**—internal objectives only which are not publicized; **Slovakia**—From latest survey: personal contact—92,4 % satisfied; response through written letter—77% satisfied; communication with tax officials—90,6% satisfied; and providing information via Internet—52.1% satisfied; **Spain**— Tax agency has surveyed taxpayers’ perceptions of the ease of use of, and satisfaction with, e-services; generally speaking, relatively few report high degree of difficulty of using agencies services. Also survey taxpayers’ perceptions of the five most useful services (generally e-services) offered; **Switzerland**— Surveys were conducted in the Cantons of Basel and Berne in 2001 and 2002. The survey in Berne focused on the use of an Internet-based tax return compared with the use of a simultaneously offered CD-solution. According to the opinion poll: taxpayers, although increasingly willing to try IT, were still hesitant - mainly for security reasons - to make use of the Internet tax return, preferring therefore the CD-solution.; **UK IRD**—Public Service Agreement 5 requires a 2.5 point improvement in customer service by 2004, as measured by an annual customer service index. Index achieved through a survey of 9 customer groups representing around 40m customers. Published results: 2001/2 benchmark overall score 68.6 (split between) core process score 60.9, contact score 74.2; 2002/3 overall score 69.8, core process score 63.1, contact score 74.9; **Sweden**—The Swedish tax agency does surveys regularly about citizens and companies perceptions. 46 % of the companies think we do a good work, only 8 % think we don’t. 87 % think our brochures and forms have a good quality. 70 % of the taxpayers want to call us and more and more go for electronic services, rather than personal and writing. 52 % of our citizens have a high confidence in us, only 9.9 do not; and **United Kingdom**—2002 Business needs surveys revealed overall satisfaction with Customs and Excise services was very high. 89% were either fairly or very satisfied, and only 2% fairly or very dissatisfied (others were neutral or expressed no opinion).

Table 4. Specific Services Provided to Businesses and their Representatives

Country	Dedicated inquiry services by industry groupings			Specific services provided to business taxpayers			Consultative arrangements/ mechanisms		
	Account managers designated taxpayers	Specific service/ education programs for new businesses	Pre-identified payment notices issued for major taxes	Integrated reporting of tax return and payment data (E=electronic)	Industry/ business bodies	Representatives of large corporate taxpayers			
Australia	✓	✓	✓	✓E	✓	✓			
Austria	✓	x	✓	✓E	✓	x			
Belgium	✓	x	x	✓	✓	✓			
Canada	x	✓	✓	✓E	✓	✓			
Czech Rep.	x	x	x	✓E	x	✓			
Denmark	x	✓	✓	✓E	✓	x			
Finland	✓	✓	?	x	x	x			
France	✓	✓	✓	✓E	✓	✓			
Germany	x	x	x	x	x	x			
Greece	x	x	x	x	✓	✓			
Hungary									
Iceland	✓	x	✓	✓E	x	x			
Ireland	✓	✓	✓	x	✓	✓			
Italy	x	✓	x	✓E					
Japan	✓	✓	✓	x	x	x			
Korea	x	x	✓	✓E	x	x			
Luxembourg	x	x	x	x	x	x			
Mexico	✓	x	✓	✓E	✓	✓			
Netherlands	x	✓	✓	x	x	x			
New Zealand	✓	✓	✓	✓E	✓	✓			
Norway	✓	✓	✓	✓E	✓	✓			
Poland	x	✓	x	x	✓	✓			
Portugal	✓	✓	x	✓	✓	✓			
Slovakia	x	✓	x	x	✓	✓			
Spain	✓	✓	x	x	x	x			
Sweden	x	✓	✓	✓E	✓	✓			
Switzerland	x	x	x	x	x	x			
Turkey	x	x	x	x	✓	✓			
UK IRD	✓	✓	x	x	✓	✓			
UK C&E	x	✓	✓	x	✓	✓			
USA	✓	✓	✓	x	✓	✓			

Table 5. Specific Services Provided for Personal Income Taxpayers

Country *	Pre-identified/ populated returns sent	Simple PIT return form available	Comprehen- sive content on agency web site /1	Multiple electronic filing facilities available	Dedicated call centre operations available	Refunds to bank accounts available	Multiple payment facilities exist (incl. electronic)	Time-based service standards applied	Formal consultative mechanism exists
Australia	x	✓	✓	✓	✓	✓	✓	✓	✓
Austria *	✓	x	✓	✓	✓	✓	✓	x	✓
Belgium	x	x	x	✓	?	✓	x	x	x
Canada	x	✓	x	✓	✓	✓	✓	✓	✓
Czech Rep.	x	x	x	x	x	✓	✓	x	x
Denmark	✓	✓	x	✓	x	✓	✓	?	x
Finland	✓	x	x	x	✓	✓	✓	?	x
France	✓	x	✓	x	✓	✓	✓	✓	✓
Germany *	x	x	x	✓	✓	✓	x	x	x
Greece	x	x	x	✓	x	x	✓	✓	✓
Hungary	?	?	x	x	✓	✓	x	?	✓
Iceland	✓	x	x	✓	✓	✓	✓	?	x
Ireland *	x	✓	✓	✓	✓	x	✓	✓	x
Italy *	✓	✓	✓	✓	✓	✓	✓	✓	x
Japan *	✓	✓	x	x	✓	✓	✓	✓	x
Korea *	✓	✓	x	✓	✓	✓	✓	✓	x
Luxembourg	x	✓	x	x	x	✓	x	x	x
Mexico	x	x	x	✓	✓	✓	✓	✓	x
Netherlands *	x	✓	x	✓	✓	✓	x	?	x
New Zealand *	✓	✓	x	✓	✓	✓	✓	✓	x
Norway	✓	✓	x	✓	✓	✓	✓	✓	✓
Poland *	x	x	x	x	✓	✓	✓	✓	x
Portugal	x	✓	✓	✓	x	✓	✓	✓	x
Slovakia *	x	x	x	✓	x	✓	x	✓	✓
Spain	x	✓	✓	✓	✓	✓	✓	✓	✓
Sweden	✓	✓	✓	✓	✓	✓	✓	✓	x
Switzerland	✓	x	x	✓	✓	✓	✓	x	x
Turkey *	x	✓	x	x	✓	✓	✓	?	✓
UK IRD *	x	✓	✓	✓	✓	✓	✓	✓	✓
USA	x	✓	x	✓	✓	✓	✓	✓	✓

* In the countries indicated, employee taxpayers are generally not required to file annual tax returns owing to the use of special cumulative withholding arrangements.
/1. Identified as “comprehensive” where positive answers given to **all** information categories 1-5 and 8-11 of question 3.7 (re Internet content) of survey instrument.

Table 6. Service Performance Standards Used by Tax Administration Agency

Country	Service performance standards/ objectives			
	Sending PIT refunds (for paper-filed returns)	Sending PIT refunds (for e-filed returns)	Sending VAT refunds	Result in last full year
	Performance standard/ objective	Performance standard/ objective	Performance standard/ objective	Result in last full year
Australia	90% completed in 42 days	95% completed in 14 days	90% completed in 14 days	94.9%
Austria	n.a./1	n.a./1	n.a./1	-
Belgium	n.a	n.a	n.a	n.a
Canada	Within 28-42 days	Within 14 days	Within 28-42 days	95
Czech Rep.	n.a	n.a	n.a	n.a
Denmark	/1	/1	Within 21 days	Almost 100%
Finland	?	?	?	?
France	n.a/1	n.a/1	?	?
Germany				
Greece	Within 50 days	?	?	?
Hungary	?	?	?	?
Iceland	?	?	?	?
Ireland	80% within 10 working days, balance within 20 working days	72%, 96%	Not measured in 2003	80%, 93%
Italy	Claims managed within 20 working days	?	Claims managed within 20 working days	?
Japan	85% completed within 6 weeks	94.8%	n.a	-
Korea	All completed within 30 days	Met	All completed within 30 days	Met
Luxembourg	n.a	n.a	n.a	n.a
Mexico	All completed within 40 days	?	All completed within 40 days	?
Netherlands				
New Zealand	80% completed within 6 weeks	87.6%	80% completed within 6 weeks	97.6%
Norway	All completed within 6 weeks	Met	All processed within 15 working days	95.1
Poland	All within 3 months	Met	All processed within 3 weeks	97
Portugal			?	?
Slovakia	Completed within one month	93%	Completed within one month	96%
Spain	Completed in 28 days	100%	Completed in 28 days	92%
Sweden	/1	/1		
Switzerland				
Turkey	n.a			
UK IRD	?	?	Not applicable	?
UK C&E	Not applicable	?	Not applicable	?
USA	Completed in less than 45 days	28 days (av)	Completed in less than 21 days	8-10 days

/1. **Austria**—there are legal orders requiring the completion of these actions within 6 months; **Denmark**—finalized by July (within calendar fiscal year); **France**—in the absence of any withholding at source, refunds are virtually non-existent; **Sweden**—refunds are issued at three precise points in time, either in August (5.4 million), September (1.5 million) or in December (1.9 million); all taxpayers filing via the Internet receive their refunds in August.

Table 7. Service Performance Standards Used by Tax Administration Agency (contd.)

Country	Service performance standards					
	Send substantive response to written letter Performance standard/ objective	Result in last full year	Answer telephone for phone inquiry Performance standard/ objective	Result in last full year	Resolve taxpayers' complaints Performance standard/ objective	Result in last full year
Australia	84% completed in 28 days	87.7%	80% completed in 2 mins (non-peak), or in 5 mins (peak)	89.1	Taxpayer contacted in 3 days of receipt of substantiated complaint	99.8
Austria	n.a./1	n.a.	n.a.	-	n.a.	-
Belgium	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Canada	Advance tax rulings—60 days Technical interpretations—90 days		80% in 120 secs.		Acknowledgment within 2 days, resolution or client contact within 15 working days	
Czech Rep.	n.a.		Yes (not stated)		n.a.	
Denmark	All completed within 3 months	82.4%	Immediate	About 85%	All completed within 3 months	-
Finland	?		?		?	
France	Letters answered within 30 days, email within 48 hours	92%, 70%	Answer immediately or substantive response in 48 hours	79%	Same as for letters	-
Germany						
Greece	All within 3 days ?	Met ?	All	Met	All	Met
Hungary	?		?		?	
Iceland	?		?		?	
Ireland	100% within 20 working days for routine matters	98%	Calls answered within 30 secs. (2004)	n.a.	Resolve within 20 working days, n.a. longer for complex cases (2004)	n.a.
Italy	100% within 120 days	Met	50% answered within 4 mins.	61%	n.a.	n.a.
Japan	n.a.	n.a.	n.a.	n.a.	Resolve within 3 days	88.4%
Korea	All completed within 30 days	Met	?		All completed within 14 days	Met
Luxembourg	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	All completed within 3 months	?	n.a.		Resolved within 24/72 hours	Not met
Netherlands						
New Zealand	85% completed within 3 weeks	87.9%	80% answered within 20 secs.	75.7%	% resolved on initial call	91%
Norway	All answered within 3 weeks	?	70% within 30secs. (local office)	50%	PTT: 95% resolved within 3 months; VAT—6 months	73.9%, 90%
Poland	All within 30 days, but may be extended to 60 days for complex cases	?	n.a.	n.a.	All within 30 days, but may be extended to 60 days for complex cases	?
Portugal						
Slovakia	Issue response to inquiry within 30 days	75%	Immediate	99%	Complaints resolved within 30 days	68.4%
Spain	Complete in 45 days	97%	Immediate	100%	Resolved within 25 days	100%
Sweden	No special goal	-	73% of inquirers in contact with expert in 5 mins. (2004)		No special goal	-
Switzerland	n.a.					
Turkey	n.a.					
UK IRD	77% completed within 15 working days	81.5%	90% of calls answered within 20 secs. (for local services)	92.4%	?	?

UK C&E	Reply within 10 working days	92.4%	80 % of calls answered within 20 secs.	Not known	Resolved within 10 working days	92.4%
USA	Answer 22.6 million	97%	?	?	?	?

Table 8. Service Performance Standards Used in Tax Administration (contd.)

Country	Service performance standards		
	Process taxpayers' applications for registration Performance standard/ objective	Other standards in use	
	Result in last full year		
Australia	Processed within 28 days	91%	Variety of other standards applied covering work such as activity statements, objections, requests for amendment, enquiry counter services
Austria	Response within 6 months		
Belgium	n.a.		
Canada	Deemed registration within 60 days	77%	Variety of other standards applied covering work such as corporate tax refunds, client requests for amendment, enquiry counter services.
Czech Rep.	n.a.		n.a.
Denmark	Within 3 days	90%	
Finland			
France			
Germany			
Greece			
Hungary			
Iceland	?	?	
Ireland	All within 5 working days (10 for VAT)	73%, 90%	Variety of other standards applied covering work such as CGT clearances, application for contractors repayment card
Italy	-		
Japan	-		
Korea	Processed within 7 days	Met	
Luxembourg	n.a.	n.a.	
Mexico	Processed within 24 hours	Met	
Netherlands			
New Zealand	85% within 3 weeks	87.9%	
Norway	-		
Poland	All within 30 days; may be extended to 60 days for complex cases	?	
Portugal			
Slovakia	Processed within 30 days		
Spain	No standard in place		
Sweden	n.a.	n.a.	n.a.
Switzerland	-		
Turkey	-		
UK IRD	-		Variety of other standards applied covering work such as counter enquiry service times
UK C&E	Processed within 15 working days	96%	Variety of other standards applied covering work such as customs clearances, excise refunds
USA	-		

Table 9. Services and Consultative Arrangements—Tax Agents/ Tax Professionals

Country	Features of current and future services and work with tax agents						Plans include specific activities to enhance relationship with tax professionals
	Personal income tax returns prepared with assistance of tax professionals (%)	Corporate tax returns prepared with assistance of tax professionals (%)	Dedicated inquiry services for tax agents	Consultative mechanism for tax agents' representatives	Tax professionals are primary suppliers of e-filed returns		
Australia	77	97	✓	✓	✓	✓/1	
Austria	70	100	✓	✓		✓	
Belgium	?	50	x	✓	x	✓	
Canada	45	75 (est.)	x	✓	✓	✓	
Czech Rep.	4	16	✓	✓	x	✓	
Denmark	10	50	✓	✓		✓	
Finland	35-50/2	85-90	x	x		x	
France	<5	?	✓	✓		✓	
Germany	n.a	n.a	x	✓	✓	x	
Greece	?	?	x	✓	✓	✓/1	
Hungary	0.25??	0.76?	✓			✓	
Iceland	33	90	✓			✓	
Ireland	70	90	x	✓	✓	✓	
Italy	96	99	✓	✓	✓	✓/1	
Japan	-	87	✓	x		✓	
Korea	46	88	x	✓	✓	✓	
Luxembourg	5	90	✓	x	n.a	x	
Mexico	<1?	<1?	✓	✓		✓	
Netherlands	30	95	✓	✓		x	
NZ	30	?	✓	✓		✓	
Norway	5	70-80	x	✓		✓/1	
Poland	50	85	✓	✓	n.a	x	
Portugal	1.25	15.8	✓	✓	x	✓	
Slovakia	1	5	x	✓		✓	
Spain	25	70	✓	✓		✓	
Sweden	10	47	✓	✓	x	✓	
Switzerland	25	75	x	✓		✓/1	
Turkey	57	95	x	✓		✓/1	
UK IRD	53	85	✓	✓		✓/1	
UK C&E	N.A	N.A	x	✓		✓	
USA	56	91	✓	✓	✓	✓/1	

/1. **Australia**—plan to progressively improve quality of transactions with tax body (e.g., allow real time processing of some forms, pre-populate some forms sent to agents, improve quality of services available via tax agent portal, improve the design and delivery of some information products); **Greece**—increased collaboration to meet their needs for e-services; **Italy**—formal agreements with associations and organizations representing taxpayers and tax preparers; **Korea**—formal annual meetings with representative body; **Norway**—regular meetings during year at top management and operational levels on a range of administrative issues; **Switzerland**—formal committee on VAT matters, increasing transparency of formerly (internal) instructions for tax assessment of individuals and SMEs; **Turkey**—educational activities; **UK IRD**—Working Together Initiative provides fast track mechanism for the identification and anticipation of national

problems and issues which typically become visible first at local level. Key objectives of the scheme are to improve two way communications, support the Revenue's efforts to become an enabling organisation which is more responsive to its customers' needs, and provide greater transparency around the actions it takes to resolve issues identified in this way; **United States**—Regular meetings are scheduled with representatives from tax professional groups (ABA, AICPA, NAEA, NATP, etc.), tax industry groups (National Association of Computerized Tax Processors, Software Developers Conference), state tax agencies (Federation of Tax Administrators – IRS Tactical Advisory Group) and other advisory groups recognized under the Federal Advisory Committee (FACA) Act, e.g., IRS Advisory Committee (IRSAC), Information Returns Program Advisory Committee (IRPAC), Electronic Tax Administration Advisory Committee (ETAAC).

/2. **Finland**—figures relate to proportion of self-employed and other business operators;

Table 10. Operational Aspects of Tax Body’s Internet Site

Country	Operational aspects of tax body’s Internet site						Security used for giving on-line access taxpayers’ accounting data
	Information presented principally by major taxpayer groupings	Site uses a content management system	Site is linked to other government departments and/or sites for different levels of govt	There are cross channel links to other service channels	Inquirers can navigate between information & transactions portions of website	Transaction & information parts of website are separated by different security levels	
Australia	✓	✓	✓	✓	✓	✓	PIN or PKI
Austria	✓	✓	✓	x	✓	✓	User ID and PIN
Belgium	✓	✓	✓	✓	✓	✓	Token, PKI
Canada	✓	x	✓	✓	✓	✓	Shared secrets /1
Czech Rep.	✓	x	✓	x	x	x	n.a
Denmark	✓	✓	✓	x	✓	✓	PIN, PKI
Finland	✓	✓	x	✓	x/1	x/1	n.a
France	✓	✓	✓	✓	✓	✓	PKI
Germany	x	✓	✓	x	x	x	n.a
Greece	✓	x	✓	x	✓	✓	Login name/ Password SSL
Hungary	x	✓	✓	x	✓	✓	PKI /1
Iceland	x	x	✓	x	✓	✓	SSL & PIN (PKI soon)
Ireland	✓	x	✓	x	✓	✓	PIN & digital signature
Italy	✓	✓	✓	✓	✓	✓	PKI, PIN
Japan	✓	x	✓	x	?	?	?
Korea	x	✓	✓	x	✓	✓	PKI, PIN
Luxemburg	✓	✓	✓	x	-	-	n.a
Mexico	x	✓	✓	x	x	x	/1
Netherlands	✓	x	✓	x	✓	x/1	n.a
NZ	x	x	✓	x	x	✓	User code password, HTTPS
Norway	✓	✓	✓	x	✓	✓	PIN & password
Poland	✓	✓	✓	✓	x	x	n.a
Portugal	x	x	✓	x	✓	✓	PIN and password
Slovakia	✓	x	x	x	✓	✓	PIN
Spain	✓	x	✓	✓	✓	✓	PKI + ID nos.
Sweden	✓	✓	✓	✓	✓	✓	PIN and PKI
Switzerland	✓	✓	✓	x	x	✓	Nil
Turkey	✓	✓	✓	x	✓	✓	Account name, user ID, password, PKI
UK IRD	✓	✓	✓	x	✓	✓	User ID, password, known facts
UK C&E	✓	✓	✓	x	✓	✓	PIN & password
USA	✓	✓	x	✓	✓	✓	PIN/password & shared secrets /1

/1. **Canada**—the term ‘shared secrets refers to information normally expected to be confidential to the inquirer, PKI is under investigation; **Finland**—all transmission of information from taxpayers to tax body is channeled through a TYVI (?) operator (i.e. Elima, TeliaSonera, TietoEnata, and Novo. TYVI operators have their own websites through which returns are sent, which are linked to the website of the tax body; **Hungary**—PIN and time stamp from 2005; **Netherlands**—to be implemented in the near future; **Mexico**—Mexican Tax Administration Service is not

giving on-line access to taxpayers accounting information; this service will be available once the Advanced Digital Signature project is completed (using PKI standards); this project started in march 2004; by the beginning of 2005 the use of digital signatures for annual revenues will be mandatory; **US**— The Electronic Federal Tax Payment System (EFTPS) provides online access to 16 months of electronic tax payment history. Access is allowed based on Taxpayer identification Number, EFTPS PIN and EFTPS password (passwords are aged and expired after 120 days).

Table 11. Information/Content Categories Accessible via Tax Bodies' Website for Major Taxes—2004

Country	Specific information types/ functionality on tax body's Internet site (refer legend)																	
	General information			Specific topics				Taxpayers' transactions			Taxpayers' records		Legal		Legislation references			Tax administration
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Australia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Austria	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Belgium	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Canada	✓	✓	x	x	✓	✓	✓	✓	✓	✓	✓	x	x/1	✓	✓/1	✓	✓	
Czech Rep.	✓	✓	✓	✓	✓	x	x	✓	x	x	x	x	✓	✓	✓	x	x	
Denmark	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Finland	✓	✓	x	x	✓	x	x	x	x	x	x	✓	x	x	x	✓	x	
France	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	
Germany	✓	✓	✓	✓	✓	x	x	x	x	x	x	✓	✓	✓	✓	x	✓	
Greece	✓	✓	✓	✓	✓	x	x	✓	x	x	✓	x	✓	✓	✓	✓	✓	
Hungary	✓	✓	✓	✓	x	x	x	x	x	x	x	✓	✓	✓	✓	x	x	
Iceland	✓	✓	✓	✓	✓	x	✓	✓	x	✓	x	x	✓	✓	✓	x	x	
Ireland	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	
Italy	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Japan	✓	✓	✓	✓	✓	✓	✓	x	x	x	x	✓	✓	✓	✓	✓	✓	
Korea	✓	✓	✓	✓	✓	✓	x	x	✓	✓	x	✓	✓	✓	x	✓	✓	
Luxembourg	✓	✓	✓	✓	✓	x	x	x	x	x	x	x	✓	✓	✓	✓	x	
Mexico	✓	✓	✓	✓	✓	✓	x	✓	x	x	x	✓	✓	✓	✓	x	x	
Netherlands	✓	✓	✓	x	✓	✓	x	✓	x	x	x	x	✓	x	✓/1	✓	x	
NZ	✓	✓	✓	✓	✓	✓	x	✓	x	✓	✓	x	x	✓	✓	✓	x	
Norway	✓	✓	✓	✓	✓	✓	✓	✓	x	x	x	✓/1	✓/1	✓/1	✓/1	✓/1	x	
Poland	✓	✓	✓	✓	x	✓	x	x	x	x	x	✓	✓	✓	✓	?	?	
Portugal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	
Slovakia	✓	✓	✓	✓	✓	✓	x	✓	x	x	x	x	x	✓	x	✓	x	
Spain	✓	✓	✓	✓	✓	x	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	
Sweden	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Switzerland	✓	✓	✓	✓	✓	✓	✓	✓	x	x	x	✓	✓	✓	✓	x	✓	
Turkey	✓	✓	✓	✓	✓	x	✓	x	x	✓	✓	x	✓	✓	✓	✓	✓	
UK IRD	✓	✓	✓	✓	✓	x	x	✓	✓	✓	✓	✓	✓	x/1	✓	✓	✓	
UK C&E	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x/1	x/1	x/1	x/1	✓	x	
USA	✓	✓	✓	x	x	✓	✓	x	✓	x	x	x	✓	✓	✓	x	x	

Legend: 1- tax forms; 2- tax brochures, guides; 3- tax law; 4- tax rulings; 5- tax calculators; 6- media materials; 7- industry-focused tax advice; 8- tax returns; 9- tax payments; 10- accounting information; 11- registration changes; 12- court decisions on tax matters; 13- tax law; 14- tax rulings and other interpretative information; 15- new legislation; 16- operational performance data; 17- speeches of senior officials.

/1. **Canada**—links to DOF website; **Netherlands**—located on MOF website; **Norway**—coverage is limited for the content categories indicated; **UK IRD**—link to another government website where this information is accessible from.

Table 12. Metrics for Internet Operations

Country	Main web metrics gathered for planning and monitoring	Size of website (pages)	Web pages with static information	Web pages with dynamic information	No. of page requests in last completed year (millions)
Australia	Comprehensive usage statistics—hits, page requests, average requests per visit, visit duration, top 10% of first request pages, bottom 10% of last 10% pages, daily visit trends, visits by day of the week, hour of day, average number of daily visits including by weekdays and weekends, operating system, browser & version, daily bandwidth consumption)	356,800 /1	356,500	300	140 (11 months)
Austria	Number of sessions and page hits, most and least requested pages, used web browsers of registered users, number of electronic transactions, average and peak electronic transactions per day and month, electronic transactions by hours of day, transaction performance (time of request)	2,550	2,000	550	120
Belgium	-	350	350	-	1
Canada	Analysis of logs using web analysis products, link usage on key navigational pages, visits to particular areas of site, paths for specific content, surveys of selected clients for real time assessment	50,825	(93.89%)	6.1%	209
Czech Rep.	No metrics used	950	900 (99%)	50 (1%)	150,000
Denmark	-	500,000 /1	(99%)	(1%)	36
Finland	Most popular websites, IP addresses, most popular browser platforms, HTTP referrer, monthly, hourly, and daily summary	3,252	3,252	-	4
France	Number of accesses, session duration are collected every two hours	?	?	?	147
Germany	n.a	n.a	n.a	n.a	n.a
Greece	No metrics used	200	30	170	n.a
Hungary	?	1,050	1,048	2	16
Iceland	Statistics on visits to every single page on the information part of our website. Same is planned for the secure part of the website, but currently monitor the overall load.	2,500	2,400	100	3.3
Ireland	Detailed log analysis of most frequently accessed/ visited pages	8,000	(99%)	(1%)	?
Italy	Total and partial hits compared with the mean number per period/subject; number of visited pages compared with the mean number per period/ subject; total and partial time to access reported per period/subject; viewed and downloaded documents' number; user's visits amount; report about the highly scored services; number of e-mail received from the website; number of newsletters delivered.	17,000	16,600	400	175
Japan	Number of visits to every single page and to tax forms pages	35,746	n.a	n.a	15
Korea	Numbers of subscribers and homepage visits	6,000	78	5,922 (?)	0.230 (?)
Luxembourg	Number of visits	900	891	9	2
Mexico	Number of visits and returns by visitors	7,424	6,424	1,000	28
Netherlands	Hits only	30,000	30,000	-	31
NZ	Successful requests for pages, average successful requests for pages per day, failed requests, redirected requests; distinct files requested; distinct hosts served, corrupt log-file lines, data transferred, and average data transferred per day.	3,000	3,000	-	51
Norway	Tax related - number of entries, changes if pre-loaded, the taxpayers local office etc; Call centre(help desk) – total use, e-mail, phone, type of question etc.; Technical -	1,800 (+EFS)	1,800	13	17 (+EFS)

Country	Main web metrics gathered for planning and monitoring	Size of website (pages)	Web pages with static information	Web pages with dynamic information	No. of page requests in last completed year (millions)
	total session, type of browser used, session length etc; and other data- total numbers, time of delivery, forms used, age, sex etc..				
Poland	Operating system, time of access and name of browser	13,000	-	-	5
Portugal	Nil	373	262	111	19
Slovakia	Number of accesses, requests, and questionnaires	900	750	150	???
Spain	Total number of accesses, total number of accessed pages, total number of downloaded programs, total number of tax payments, total number of tax returns presentations, total number of surveys answered	10,000	5,000	5,000	95
Sweden	Various statistics from search engine, different kinds of utility studies including WAI (W3C) studies, analyses of the ways people use the site through a measuring instrument provided by web trends	10,000	10,000	<100	87
Switzerland /I	Nil	8,214	75%	25%	30
Turkey	Nil	2,446	2,359	87	3
UK IRD	/I	80,000	80,000	200-300	45+ (est.)
UK C&E	Under consideration.	4,500	4,500	Nil	20
USA	Hits and downloads at present time, adding visits and page views in future	20,652	Almost all	<100	463

/1. **Australia**—includes legal database accessible via web of 350,000 pages; **Denmark**—includes legal database accessible via web site; **Switzerland**—data are for federal site only (i.e. exclude cantons); **UK IRD**—Web statistics are provided by IRD's ISP. The IR web hosting solution includes two servers. Web statistics for each server are accessed via the Internet using password-protected accounts. The statistics for each server are generated separately so "total" figures need to be derived by the user. The interface is a calendar of reports and statistics which can be obtained for Single days, Weeks, Months, Quarters, Year. Over a period of time stats relating to both single days and weeks are weeded off. Weblogs: Website hits, movement between pages; between content and transactional etc.

Table 13. Special Strategies being Employed to Increase Rate of Internet Usage

Country	Description of strategies to increase Internet usage
Australia	Redesign and integration of online information through a user-centred design process. Covers information pages, transactions, legal database. Applying online design to personal tax downloadable application.
Austria	Folder and press conferences
Belgium	Press information and communications
Canada	Increase in resources being employed to analyse existing information and to initiate a comprehensive cross channel comparisons of client usage, small pilot to encourage clients to contact call centre where small survey is conducted and additional resources for one time increased marketing in selected areas.
Czech Rep.	Doubling of server capacity
Denmark	Advertising (for instance use of PKI). Phone contact to 90,000 enterprises, result in 35,000 new internet users for VAT.
Finland	?
France	In 2003, a specific brochure has been distributed to all reception desks of Tax Department and Treasury Department and also to Wardenships, City Halls, regional councils, family allowance funds, social security contribution collection offices, health insurance regional funds and National health offices. The aim was to show users, through a partners association, how they can easily reach tax administration through internet. Meanwhile several specific time-bound campaigns have been lead to promote the new services accessible through tax portal (income tax campaign, VAT campaign...). That year, the tax portal won the "Clic d'Or", a price organised by CB News to reward best internet web sites.
Germany	?
Greece	Daily processing of registration forms to increase the rate of access to the transactional portion of the Internet site.
Hungary	?
Iceland	Advertising and flyers distributed with tax forms
Ireland	Website was completely overhauled, redesigned and relaunched in February 2004 to provide better, more intuitive customer categorisation and easier navigation to the thousands of sub-pages of tax and customs information.
Italy	Press and TV campaigns; banners on most popular ISP's websites; fairs, forum, workshops, promotional publishing (brochure, CD rom, etc.); public schools programs; free availability of an Internet corner inside the agency's offices.
Japan	NTA is in the process of revising the Internet site in order to classify information by the taxpayer category and expand the amount of information offered.
Korea	Print publication and information pamphlet contains our internet website address. KNTS News letter which is our Internet based news letter also has a link to the KNTS website.
Luxemburg	Advertising of website on forms and in media.
Mexico	The implementation of the Advanced Digital Signature Project that will allow secure transactions between tax payers and the Mexican Tax Administration Service. PKI technology will facilitate the development of new electronic services that will help taxpayers to comply with their obligations easily and timely. Advertising of the Internet page through all MTAS' s channels.
Netherlands	None
New Zealand	Redesigning the web site to make it more customer segment focused. Also providing more applications on the Internet such as account lookup and more filing
Norway	Focus on updated material for PIT's and CIT's , website and EFS that are "easy" to use, availability of website and EFS 24/7, EFS linked up to website, marketing activities are deployed specially to the use of website and electronic services, and cooperation with other government agencies(in development, use and marketing). In addition, new more personalised website in place from 2003 to increase our service to the taxes payer. (Award given in 2002 for most useful website in Norway, site nominated as the most useful government website in 2004.) New EFS put into production from January 2004 focuses on CIT, VAT and ERP. More than 60 forms are available electronically. Plans for further development are in place for 2004 to 2007). Program for electronic filing in place since 2001- program is anchored with top management steering committee. Information and marketing plans are in place for the electronic services.
Poland	-
Portugal	Tax law and press campaigns to increase taxpayers use of the Internet
Slovakia	Enhancement of web site's quality, content, implementation of future e-services
Spain	Some facilities when payment is done via Internet. Agencia Tributaria prepares the tax return of the taxpayer. Taxpayers can download some data and integrate them with their tax return.

Country	Description of strategies to increase Internet usage
Sweden	Implementing two 1-gigabyte connections to the Swedish Internet backbone. In January 2004 was a redesigned website launched. Advertising about using the electronic certificate and e-services provided both in brochures and special banners. On the operational level, there has also been a lot of special activities.
Switzerland	Improvement of information guidance and navigation. Development of transactional operations (registration, payment, filing, payments, and tax refunds).
Turkey	?
UK IRD	Improvements to the PAYE online service; Business Support Teams providing personal face-to-face tuition; encouraging employers to file online (up to £850 over 5 years starting next May); Self Assessment marketing campaign; online services marketing.
UK C&E	Telemarketing campaign soon to be followed by a press campaign in trade press.
USA	Marketing campaigns used a “Drive (Users) to the Web” approach. In addition web banner ads with co-branded sites (e.g., Yahoo), direct email, inserts with official notices, tax professional marketing kit, IRS web site messages, automatic enrolment of all new businesses in EFTPS, rebate of late payment penalty with e-pay usage for four subsequent quarters are examples of methods used.

Table 14. Use of Electronic Filing (EF) for Personal Income Tax Returns—2004

Country *	EF in use	Year of introduction (actual or planned)	% of returns e-filed in last full year	Target % for current year	Kind of security in use	Media used for EF (ranked by current and (future) volumes) /1			
						Internet	Phone system	Tax professional	Other 3rd party provider
Australia	Yes	1990	80	81	/1	2 (2)	3 (3)	1 (1)	
Austria *	Yes	2003	5	15	PIN	1 (1)		2 (2)	
Belgium	Yes	2002	1	2.5	Token	1 (1)		2 (2)	
Canada	Yes	1992	48	50	?	2 (2)	3 (3)	1 (1)	4 (4)
Czech Rep.	No	-	-	-	-	- (1)	-	- (2)	-
Denmark	Yes	1994	64	66	PIN and PKI	1 (1)	2 (2)	3 (3)	
Finland	No	2006	-	-	-	(1)			
France	Yes	2001	4	6	PKI	1 (1)		(2)	
Germany *	Yes	1999	4	-	n.a	1		1	
Greece	Yes	2001	3	4	PIN	1 (1)		2 (2)	
Hungary	No	2005	-	-	-				(1) /1
Iceland	Yes	1999	82	88	SSL, PIN, PKI	1 (1)		2 (2)	3 (3)
Ireland *	Yes	2001	40	40	PKI	2 (2)		1 (1)	3 (3)
Italy *	Yes	1998	100/1	100/1	PIN & PKI	3 (2)		1 (1)	2 (3)
Japan *	Yes	2004	-	-	PKI	-	-	-	-
Korea *	Yes	2004	-	35	PIN & PKI	3 (2)		1 (2)	2-Kiosk, (3)
Luxembourg	No	2008	-	-	-	-	-	-	-
Mexico *	Yes	1998	30	40	PIN	1 (1)	(3)	2 (2)	(4)- Kiosk
Netherlands *	Yes	1996	80	85	PIN	1 (1)			1-floppy, (2)
NZ *	Yes	1991	27	-	VPN	3 (2)		2 (3)	1 (1)
Norway	Yes	1999	30	40	PIN	1 (1)	2 (2)		
Poland *	No	2006	-	-	-				
Portugal	Yes	2000	13	60	PIN/ password	3 (1)		4	1 (kiosk) (2), 2 (3)
Slovakia *	Yes	2003	-	1	PIN & PKI	3 (3)		2 (2)	1 (1)
Spain	Yes	1999	9	20	PKI	3 (3)		2 (2)	1 (1)
Sweden	Yes	2002	15	20	PIN & PKI	1 (1)	2 (2)		3-SMS (3)
Switzerland	Yes	2000	45	50	PIN	3 (1)		2 (3)	1-CD (2)
Turkey *	No	2005	-	-	PKI	(1)	-	-	-
UK IRD *	Yes	2000	13	20	User ID/ password	1 (2)	4 (3)	2 (1)	3
USA	Yes	1986	40	45	Encrypted	2 (2)	3	1 (1)	

* For the countries indicated, employee taxpayers are generally not required to file annual tax returns owing to the use of special cumulative withholding arrangements.

/1. **Australia**—for ELS, authentication check and password; for ETAX, authentication check; **Hungary**—described as downloadable forms; **Italy**—Individuals can e-file their own returns or present them at banks or post offices which must capture all requisite relevant data and transmit these electronically to the tax agency, tax professionals must use e-file arrangements; banks and post offices are reimbursed by the revenue authority for the cost of this service (on average €7 per return), which in 2003 covered 1.3% of returns.

Table 15. Use of Electronic Filing (EF) for Corporate Tax Returns—2004

Country	EF in use	Year of introduction (actual or planned)	% of returns e-filed in last full year	Target % for latest year	Kind of security in use	Media used for EF (ranked by current and (future) volumes) /1	Internet	Phone system	Tax professional	Other 3rd party provider	Other
Australia	Yes	1994	90	90	/1				1 (1)		1 (1)
Austria	Yes	2004	-	50	PIN	(2)			(1)		-
Belgium	No	(2006)	-	-	-				-		-
Canada	Yes	2002	2	6	PIN and WAC	1 (1)			2 (2)		3 (3)
Czech Rep.	No	-	-	-	-	- (1)			- (2)		-
Denmark	No	2005	-	-	-						-
Finland	Yes	2000	1	-	PIN/PKI	1 (1)					
France	Yes	1991	25	30	EDI				Use kiosk- no. unknown		1- kiosk (1)
Germany	Yes/no?	2000	?	-	-						
Greece	No	-	-	-	-						
Hungary	Yes	1999	1	2	PKI	(1)			2 (2)		1 (2) /1
Iceland	Yes	1997	95	95	SSL, PIN, PKI	2 (2)			1 (1)	4 (3)	3- floppy
Ireland	Yes	2001	30 (2004)	-	PKI	2 (2)			1 (1)	3 (3)	
Italy	Yes	1998	100/1	100*	PIN & PKI	2 (2)			1 (1)	3 (3)	
Japan	Yes	2004	-	-	PKI						
Korea	Yes	2004	-	92	PIN and PKI	2 (2)			1 (1)		3 (3)
Luxembourg	No	2008	-	-	-				-		-
Mexico	Yes	1998	100/1	100?	PIN						
Netherlands	Yes	1995	1	2	PIN/PKI	(2)			(1)		1- kiosk,
NZ	Yes	1991	?	?	VPN	3 (3)			2 (2)	1 (1)	
Norway	Yes	2000	30	50	PIN	?		?	?		
Poland	No	2006	-	-	-						
Portugal	Yes	2000	5	100	PIN/ password	2 (1)					1 (kiosk) (2) (3)
Slovakia	Yes	2003	-	1	PIN & PKI	4 (3)			2 (2)	1 (1)	3
Spain	Yes	1999	10	10	PKI	2 (2)			1 (1)		
Sweden	No	/1	-	-	-	(2)			(1)		
Switzerland	No	(2007)	-	-	-						
Turkey	No	2005	-	-	PKI	(1)					
UK IRD	Yes	2003	<4	4	User ID/ password	(2)			(1)	(3)	
USA	Yes	2004	-	1	Encrypted	2 (2)			1 (1)	3 (3)	

/1. **Australia**—for ELS, authentication check and password; **Hungary**—described as downloadable forms; **Italy**—tax professionals must use e-file arrangements, companies can also present them at banks or post offices which must capture all requisite relevant data and transmit these electronically to the tax agency; banks and post offices are reimbursed by the revenue authority for the cost of this service (on average €7 per return), which in 2003 covered around 1% of returns; **Mexico**—e-filing mandatory for all companies from fiscal year 2003; **Sweden**—Limited companies and private companies have been able to file balance sheets and statement of incomes electronically since 1992, but companies and other entities are not yet able to file the tax return electronically. The reason is legal matters that have not yet been solved. When there is a solution of the legal matter concerning the signature of the tax return it will be possible even for legal person to file their tax return via Internet.

Table 16. Use of Electronic Filing (EF) for Value Added Tax Returns—2004

Country	EF in use	Year of introduction (actual or planned)	% of returns e-filed in last full year	Target % for latest year	Kind of security in use	Media used for EF (ranked by current and (future) volumes) /1			Other 3 rd party provider
						Internet	Phone system	Tax professional	
Australia	Yes	2000	26	30	/1	2 (2)	3 (3)	1 (1)	
Austria	Yes	2003	50	75	PIN	2 (2)		1 (1)	
Belgium	Yes	2001	5	15	PKI	2 (1)		3 (2)	1- edi (3)
Canada	Yes	2002	2	6		2 (2)	1 (1)		3 (3) /1
Czech Rep.	Yes	2002	0.3	1	PKI	1 (1)		2 (2)	
Denmark	Yes	1999	50	60	PIN & PKI	1 (1)		2 (2)	
Finland	Yes	1996	17	30	PIN & net bank ID	1 (1)			2 (2)- floppy disc
France	Yes	2001	3	10	PKI	1 (2)		Use kiosk- number unknown	1- kiosk (1)
Germany	Yes	?	<1	-	?	2		1	
Greece	Yes	2000	41	45	PIN	1 (1)		2 (2)	
Hungary	Yes	1999	1	2	PIN	(1)		2 (2)	1 (2)
Iceland	Yes	2001	13	18	SSL, PIN, PKI	1 (2)		2 (1)	3 (3)
Ireland	Yes	2000	6	20	PKI	1 (1)		3 (3)	2 (2)
Italy	Yes	1998	100 /1	100	PIN & PKI	2 (2)		1 (1)	3 (3)
Japan	Yes	2004	-	-	PKI				
Korea	Yes	2000	24	45	PIN & PKI	2 (2)		1 (1)	3 (3)
Luxembourg	Yes	?							
Mexico	Yes /1	-	-	-					
Netherlands	No	2005	-	-		(1)		(2)	
NZ	Yes	2002	10	-	SSL	3 (3)		2 (2)	1 (1)
Norway	Yes	2001	23	40	PIN	?	?	?	?
Poland	No	2006							
Portugal	Yes	2000	30	100	PIN/ password	3 (1)		2	1 (kiosk) (2)
Slovakia	Yes	2003	-	1	PIN & PKI	3 (3)		2 (2)	1 (1)
Spain	Yes	1999	9	15	PKI	2 (2)		1 (1)	
Sweden	Yes	2001	4	15	PKI	1 (2)		(1)	
Switzerland	No	(2006)							
Turkey	No	2005	-	-	PKI	(1)			
UK C&E	Yes	2003	1	5	Dig. Certif.	2 (1)		3 (3)	1 (2)

/1. **Australia**—for ELS, authentication check and password; **Canada**—EDI through financial institutions website; **Italy**—taxpayers can file via the Internet, while tax professionals must use e-file arrangements; VAT payers can also present their returns at banks or post offices which must capture all requisite relevant data and transmit these electronically to the tax agency; banks and post offices are reimbursed by the revenue authority for the cost of this service (on average €7 per return), which in 2003 covered 4.3% of returns; **Mexico**—VAT is included with PIT and CIT returns.

Table 17. Use of Electronic Filing (EF) for Employers' Payroll Reports—2004

Country	EF in use	Year of introduction (actual or planned)	% of returns e-filed in last full year	Target % for latest year	Kind of security in use	Media used for EF (ranked by current and (future) volumes) /1	Internet	Phone system	Tax professional	Other 3rd party provider	Other
Australia	Yes	1990's	76 /1	-	-	2 (2)				1 (1)	
Austria *	Yes	1994	95	95	PIN	1 (1)			2 (2)		
Belgium	Yes	2002	40	65	PKI					1 (1)	
Canada	Yes	1968	65	?	PIN and WAC	2 (2)					1 (1)
Czech Rep.*	No	-	-	-	-	- (1)			- (2)		-
Denmark/2	Yes	1999	75	77	PIN & PKI	2 (2)			3 (3)	1 (1)	
Finland/ 2	Yes	1996	50	60	PIN & net bank ID	1 (1)					2 (2)
France	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
Germany*	?				Not applicable /1	*****	*****	*****	*****	*****	*****
Greece	No	-	-	-	-						1- floppy?
Hungary	Yes	1999	1	2	PKI	(2)			1 (1)		2 (2) floppy
Iceland /2	Yes	2002	14	18	SSL, PIN	2 (1)			3 (2)	4 (3)	1- floppy
Ireland *	Yes	2000	19	20	PKI	3 (2)			4 (3)	2 (1)	1 (4)- floppy
Italy*	Yes	1998	100/1	100	PIN & PKI	2 (2)			1 (1)	3 (3)	
Japan*	Yes	2004	-	-	PKI						
Korea*	Yes	2000	58	85	PKI & PIN	1 (1)			2 (2)		3 (3), 4 (4) /2
Luxembourg*	No	2010	-	-	-	-			-	-	-
Mexico*	Yes	2001	61	70	PIN	1 (1)	(3)		2 (2)		(4)- kiosk
Netherlands*	?	?	?	?	?	?			?	?	?
NZ*	Yes	2001	88	-	SSL	1 (2)			2 (1)		
Norway /2	No	?	98-99	99	PIN					1 (1)	
Poland*	No	?									
Portugal	Yes	2003	7	100	PIN/ password	1 (1)					(2) (kiosk)
Slovakia*	Yes	2003	-	1	PIN & PKI	4 (3)			2 (2)	1 (1)	3
Spain	Yes	1999	5	20	PKI	2 (2)			1 (1)		3 (3)- floppy
Sweden/2	Yes	1979	99	99	-	(1)					1-tape/disc (2)
Switzerland	No	(2005)									
Turkey*	No	-	-	-	-						
UK IRD*	Yes	2000	17	15	User ID/ password	5 (3)			2 (2)	1 (1)	3-EDI, 4- ELS
USA	Yes	1994	15	20	Encrypted	3		1 (3)			2- mag tape

* For the countries indicated, employee taxpayers are generally not required to file annual tax returns owing to the use of special cumulative withholding arrangements.

/1. **Australia**—Balance of reports are processed by imaging and OCR software; **Denmark, Finland, Iceland, Norway, and Sweden**—In these countries, the revenue authority prepares statements of income and tax liabilities (using employers' income reports and other information) that are sent to taxpayers and for many require no further adjustment; **France**—employers are required to withhold tax source in respect of social contributions (but not personal income tax) and remit these amounts to the social security agency. Under these arrangements, employers report details of wages paid, amounts withheld, etc., to the social security agency which makes this information available to the tax body; **Italy**—tax professionals must use e-file arrangements, employers can also present them at banks or post offices which must capture all requisite relevant data and transmit these electronically to the tax agency; banks and post offices are reimbursed by the revenue authority for the cost of this service which in 2003 covered around 27% of returns; **Korea**—dedicated kiosk and floppy disc.

Table 18. Use of Incentives and Inducements for Electronic Filing: Personal Income Tax (PIT)—2004

Country	Incentives or inducements introduced or planned									
	Faster refunds of tax	Longer filing periods	Streamlining of tax return information	Mandatory requirement under law	Free use/ access to filing software	On-line help/service facility	Targeted mail-out promotions	Tax credits/ monetary incentives	Other	
Australia	✓	✓			✓	✓				
Austria	✓	✓	✓		✓	✓				
Belgium		✓	✓		✓					
Canada	✓				✓/1		✓			
Denmark			✓		✓	✓	✓			
Finland										
France		✓	✓		✓	✓	✓			
Germany	✓				✓		✓			
Greece	✓				✓	✓		✓		
Hungary			✓		✓	✓				
Iceland		✓			✓	✓			/1	
Ireland	✓	✓	✓		✓	✓				
Italy	✓	✓	✓	✓/1	✓	✓	✓			
Japan					✓	✓				
Korea	✓				✓	✓	✓	✓/1		
Luxembourg	-	-	-	-	-	-	-	-	-	
Mexico	✓			✓/1	✓	✓		✓		
Netherlands										
NZ	✓		✓			✓				
Norway					✓	✓	✓		✓	
Poland	-	-	-	-	-	-	-	-	-	
Portugal	✓	✓	✓		✓	✓	✓			
Slovakia	✓		✓		✓	✓		✓	✓	
Spain	✓		✓		✓	✓	✓			
Sweden	✓		✓		✓	✓	✓			
Switzerland	✓		✓		✓	✓				
Turkey					✓	✓				
UK IRD	✓		✓		✓	✓	✓			
USA	✓	✓	✓		✓	✓	✓			

/1. **Canada**—provided, but limited; **Iceland**—Various data accessible at “My pages”, free certified electronic copies of tax returns (now up to 3 years back), and digitally signed (PKI); **Italy**—Individuals can e-file their own returns or present them at banks or post offices which must transmit them electronically to tax agency, tax intermediaries must e-file also; **Korea**—tax deduction for e-filer; **Mexico**—for businesses with income over 1.75M pesos, or other individuals with income over 0.3M pesos.

Table 19. Use of Incentives and Inducements for Electronic Filing: Corporate Income Tax (CIT) —2004

Country	Incentives or inducements introduced or planned									
	Faster refunds of tax	Longer filing periods	Streamlining of tax return information	Mandatory requirement under law	Free use/access to filing software	On-line help/service facility	Targeted mail-out promotions	Tax credits/monetary incentives	Other	
Australia	✓		✓			✓				
Austria	✓	✓		✓/1		✓				
Belgium										
Canada						✓	✓/1			
Denmark										
Finland						✓				
France		✓		✓/1			✓			
Germany	????????									
Greece										
Hungary			✓	✓/1	✓	✓				
Iceland		✓			✓	✓			/1	
Ireland	✓		✓	✓/1	✓	✓				
Italy				✓/1	✓	✓				
Japan					✓	✓				
Korea	✓				✓	✓	✓	✓		
Luxembourg	-	-	-	-	-	-	-	-	-	-
Mexico	✓			✓/1	✓	✓		✓		
Netherlands				✓/1						
NZ	✓		✓			✓	✓			
Norway		✓			✓	✓	✓			
Poland	-	-	-	-	-	-	-	-	-	-
Portugal	✓	✓	✓		✓	✓	✓			
Slovakia	✓		✓			✓		✓		✓
Spain	✓		✓	✓/1	✓	✓	✓			
Sweden	✓		✓		✓	✓	✓			
Switzerland	✓				✓	✓				
Turkey					✓	✓				
UK IRD	✓		✓		✓	✓	✓			
USA	✓		✓	✓			✓			

/1. **Austria**—for all companies which have Internet access and annual turnover > €100,000; **Canada**—CRA has mailed unique web access codes to a large number of corporations during the first year. This practice has since been replaced by other methods of either getting a web access code or by the registration of client representatives who can file any number of returns on behalf of their clients; **France**—All companies with turnover > € 15 million per annum or that re owned (over 50%) by a company whose assets or turnover > € 600 million (€ 450 million in 2005); **Hungary**—for largest 10,000 taxpayers; **Ireland**—mandatory filing proposed from 1/1//2007; **Iceland**—Various data accessible at “My pages”, free certified electronic copies of tax returns (now up to 3 years back), and digitally signed (PKI); **Italy**—compulsory for all companies/ employers, and tax intermediaries; **Korea**—tax deduction for e-filer; **Mexico**—for all companies from January 2003; **Netherlands**—mandatory for all businesses with computers from 2005; **Spain**—taxpayers with annual sales > € 6 million per annum; **USA**—mandatory for large corporations (assets > \$50 million) and exempt bodies (assets > \$100 million from 2006 (for the 2005 fiscal year).

Table 20. Use of Incentives and Inducements for Electronic Filing: Value Added Tax (VAT)—2004

Country	Incentives or inducements introduced or planned									
	Faster refunds of tax	Longer filing periods	Streamlining of tax return information	Mandatory requirement under law	Free use/access to filing software	On-line help/service facility	Targeted mail-out promotions	Tax credits/monetary incentives	Other	
Australia	✓			✓/1		✓	✓			
Austria	✓			✓/1		✓				
Belgium			✓		✓	✓				
Canada						✓	✓			
Czech Rep.				✓	✓					
Denmark			✓		✓	✓	✓	✓/1		
Finland					✓					
France				✓/1	✓	✓	✓			
Germany				✓/1	✓					
Greece	✓			✓/1	✓	✓				
Hungary			✓	✓/1	✓	✓				
Iceland					✓	✓	✓			
Ireland	✓			✓/1	✓	✓				
Italy				✓	✓	✓				
Japan					✓	✓				
Korea	✓				✓	✓	✓	✓		
Luxembourg										
Mexico	✓			✓/1	✓	✓		✓		
Netherlands				✓/1						
NZ	✓		✓			✓	✓			
Norway	✓	✓		✓/1	✓	✓	✓			
Poland	-	-	-	-	-	-	-	-	-	
Portugal	✓	✓	✓		✓	✓	✓			
Slovakia	✓		✓		✓	✓		✓	✓	
Spain	✓		✓	✓/1	✓	✓	✓			
Sweden			✓		✓	✓	✓			
Switzerland	✓		✓		✓	✓				
Turkey					✓	✓				
UK C&E		✓				✓	✓			

/1 **Australia**—for designated large businesses; **Austria**—same requirement as for corporate income tax; **Denmark**—small tax credit provided in 2003-04; **France**—All companies with turnover > € 15 million per annum or that re owned (over 50%) by a company whose assets or turnover > € 600 million (€ 450 million in 2005); **Greece**—mandatory for large enterprises; **Hungary**—for largest 10,000 taxpayers; **Ireland**—mandatory filing proposed from 01/01/2007; **Italy**—compulsory for all companies, employers, and tax intermediaries; **Korea**—tax deduction for e-filer; **Mexico**—see PIT and CIT; **Netherlands**—mandatory for all businesses with computers from 2005; **Norway**—electronic filing required for regular (i.e. bimonthly) filers from May/ June 2004; **Spain**—see comments for corporate tax.

Table 21. Use of Incentives and Inducements for Electronic Filing: Employer Payroll Reports (EPR)—2004

Country	Incentives or inducements introduced or planned													
	Faster refunds of tax	Longer filing periods	Streamlining of return information	Mandatory requirement under tax law	Free use/ access to filing software	On-line help/service facility	Targeted mail-out promotions	Tax credits/ monetary incentives	Other					
Australia				✓/1										
Austria		✓		✓		✓								
Belgium			✓		✓									
Canada				✓/1										
Denmark			✓		✓		✓		✓/1					
Finland				✓/1		✓								
France					*****Not applicable*****									
Germany				✓										
Greece														
Hungary			✓	✓/1		✓								
Iceland					✓		✓							
Ireland	✓			✓/1	✓									
Italy				✓/1	✓									
Japan					✓									
Korea	✓				✓		✓		✓					
Luxembourg	-	-	-	-	-	-	-	-	-	-				
Mexico	✓			✓	✓				✓					
Netherlands														
NZ			✓			✓								
Norway					✓				✓					
Poland	-	-	-	-						-				
Portugal	✓	✓	✓		✓		✓							
Slovakia	-	-	-	-	-	-	-	-	-	-				
Spain	✓		✓	✓/1	✓									
Sweden	-	-	-	-	-	-	-	-	-	-				
Switzerland														
Turkey					✓									
UK IRD	✓			✓/1	✓		✓		✓	✓/1				
USA										✓				

/1. **Australia**—under the laws in place, where a taxpayer has the ability to report data in electronic form, there is a requirement to do so; in practical terms, any employer who uses a computer based payroll system is required to provide the information electronically; **Canada**—Employers with more than 500 employee income reports are required to file electronically, sanctions apply under law for non-compliance; **Denmark**—small tax credit provided in 2003-04; **Finland**—for employers (incorporated) with more than 40 employees; **Hungary**—for largest 10,000 taxpayers; **Ireland**—mandatory filing proposed from 01/01/2007; **Italy**—compulsory for all companies/ employers; **Korea**—tax deduction for e-filer; **Mexico**—see PIT and CIT; **Spain**—as for CT; **UK**—Employers with more than 250 employees must file year-end returns electronically from May 2005; small businesses with fewer than 50 employees do not have to file on line till 2009/10; incentive of up to £825 tax free for small employers to e-file from 2004-05.

Table 22. Payment Facilities Available for Taxpayers—2004

Country	Types of tax payment facilities available (and ranking in terms of use)							Incentives for use
	Phone banking Service	Direct online payment	Direct debit	Payment kiosk	Mailed cheque	Personal payments at agent or tax body	Credit/ debit card	
Australia	✓ (3)	✓ (2)	✓ (5)		✓ (2)	✓ (1)	✓ (1)	Yes /1
Austria					✓ (3)	✓ (1)	✓ (1)	Yes /1
Belgium /1	-	-	-	-	-	-	-	-
Canada	✓ (4)	✓ (3)	✓ (5)		✓ (1)	✓ (2)	✓ (6)	
Czech Rep.	✓ (2)	✓ (3)	x	✓ (1)	x	✓ (4)	x	
Denmark		✓ (1)	✓ (4)		✓ (2)	✓ (3)		Yes /1
Finland		✓	✓			✓		Yes /1
France		✓ (1)	✓ (1)		✓ (2)	✓ (3)		Yes /1
Germany			✓ (1)					
Greece	✓	✓		✓		✓		
Hungary					✓	✓		
Iceland		✓ (3)	✓ (1)		✓ (4)	✓ (2)		Yes /1
Ireland		✓ (4)	✓ (1)		✓ (2)	✓ (3)		Yes /1
Italy		✓ (2)	✓ (2)		✓ (3)	✓ (1)		Yes /1
Japan		✓ (3)	✓ (2)			✓ (1)		
Korea	✓ (2)	✓ (2)	✓ (3)	✓ (4)		✓ (1)		
Luxembourg					✓ (1)	✓ (1)		
Mexico	✓ (4)	✓ (2)			✓ (3)	✓ (1)		
Netherlands/1	-	-	-	-	-	-	-	-
NZ		✓ (3)	✓ (2)		✓ (1)	✓ (4)		
Norway	✓	✓	✓		✓	✓		
Poland			✓		✓	✓		
Portugal	✓ (5)	✓ (4)		✓ (1)	✓ (2)	✓ (3)		
Slovakia						✓ (1)		
Spain		✓ (2)		✓ (1)			✓ (3)	
Sweden	✓ (2)	✓ (1)				✓ (3)		
Switzerland		✓ (2)			✓ (1)	✓ (3)		
Turkey					✓	✓	✓	
UK IRD	✓ (4)	✓ (5)	✓ (1)		✓ (2)	✓ (3)		
UK C&E					✓	✓	✓	
USA	✓ (3)	✓ (2)			✓ (1)	✓ (4)	✓ (5)	Yes /1

/1. **Australia**—VAT taxpayers get longer to file returns and pay; **Austria**—information campaign; **Belgium and Netherlands**—payments through banks only; **Denmark**—no bank fees for electronic payments; **Finland**—payment by cheque is discouraged; **France**—electronic payment is mandatory for large companies; **Iceland**—For VAT and EPR filed electronically, information is sent to the Icelandic Banks Data Centre, so those with access to their bank on the web can pay what they owe with “one click”; **Ireland**—3 week extension to filing date for individuals; **Italy**—information campaign to explain security of e-payments; **UK IRD**—From income tax year 2004/05, employers paying electronically have a later payment date of 22nd of the month (for years prior to 04/05 and for those paying by a non electronic payment method the payment date is 19th); for all other customers paying electronically and employers paying electronically for years 2003/04 and earlier there is a one-day concession (the effective date of payment is the bank-working day prior to the date the payment reaches our bank account); **United**

States— Automatic enrolment of all new businesses; rebate of late payment penalty upon subsequent use of EFTPS for four quarters; credit card payment reminders; 365/24/7 customer service; electronic acknowledgement/confirmation; limited rebates of credit card convenience fees, multiples of reward points for using credit cards.

Table 23. Electronic Crediting of Refunds to Taxpayers for Major Taxes—2004

Country	Mandatory (M) or voluntary (V) crediting of tax refunds to taxpayers' bank accounts		
	Personal income tax	Corporate income tax	Value added tax
Australia	V	n.a	M
Austria	V	V	V
Belgium	M	M	M
Canada	V	V	V
Czech Rep.	V	V	V
Denmark	V/1	V/1	V/1
Finland	V	V	V
France	V	n.a	V
Germany	M	M	M
Greece	V	n.a	V
Hungary	V	M	M
Iceland	V	n.a	n.a
Ireland	n.a	n.a	M
Italy	V	V	V
Japan	V	V	V
Korea	V	V	V
Luxembourg	V	V	-
Mexico	M	M	M
Netherlands	M	M	M
NZ	V	M	M
Norway	V	V	V
Poland	V	M	M
Portugal	V	V	V
Slovakia	V	V	V
Spain	V	V	V
Sweden	V	V	V
Switzerland	V	V	V
Turkey	V	V	V
UK IRD	V	V	V
UK C&E	n.a	n.a	n.a
USA	V	V	n.a

n.a—service not available or not applicable.

/1. **Denmark**—law recently passed making it mandatory for taxpayers, including enterprises, to nominate a bank account from 2006.

Table 24. Use of Email for Tax Administration Purposes

Country	Email is used (✓) or planned (C)	Free-form (F) or constrained (C)	Security or privacy controls	Nature of uses of email—taxpayer-initiated email	Other comments
Australia	✓	Both	Yes /1	Client contact—interactions and information provision, recruitment activity, communication with other government agencies	Around 3 million education/ marketing emails (2003); around 45,000 interaction type email; deliberate strategy to minimize (*)
Austria	✓	F	No	General and specific information requests, and complaints	Annual volume around 40,000
Belgium	✓	C	Yes	-	
Canada	x			Not applicable	
Czech Rep.	✓	F	No	General information requests	
Denmark	✓	Both	No	Information mail to taxpayers when declarations are ready	Around 2.25 million emails per annum. Client specific information is not included in emails
Finland	x (planned)			Not applicable	Use of email not encouraged at this time
France	✓	Both	No	Any topics but mainly on line services, tax payments, and tax rules	Annual volume of around 120,000 /year. Plan to offer exchange of client specific information in 2005 with a PKI based solution
Germany	✓	F	No	?	
Greece	✓	Both	No	General inquiries—around 800 /day	
Hungary	✓	Both	Yes	?	
Iceland	✓	F	Yes /1	Technical questions re e-filing and forms completion	Around 100,000 subscriptions, replies and reminders also sent to taxpayers
Ireland	✓	F	No /1	General information without sensitive details	Annual volume of around 1 million; secure system to be introduced by end-2004
Italy	✓	F	No	Simple questions not requiring interpretation of law or rulings	12,600 transactions in 2003
Japan	✓	F	No	Use of email with taxpayers for provision of information (i.e. non-client specific	
Korea	✓	Both	No	?	?
Luxembourg	x	n.a	n.a		
Mexico	✓	F	Yes /1	Information on taxes, annual returns and e-filing	2003 volume of 115,849
Netherlands	x				
NZ	✓	Both	Yes /1	General tax and social policy issues	Low volume and service not publicized due to setting expectations on service delivery
Norway	✓	F	Yes /1	General information, no sensitive information	?
Poland	✓	F	?	Answers to general questions	
Portugal	✓	C	x	To answer questions about taxes, laws, complaints and provide general information	
Slovakia	✓	F	No	Written responses to tax questions	Around 6,000 per year
Spain	✓	F	Yes /1	Information on refund taxes and general information; no sensitive information	13,500 per year
Sweden	✓	Both	No	Structured non-personal information	About 150,000 per year
Switzerland	✓	F	No	Any topics	No transfer of individual data through email

Country	Email is used (✓) or planned	Free-form (F) or constrained (C)	Security or privacy controls	Nature of uses of email—taxpayer-initiated email	Other comments
Turkey	x	*****Not applicable*****	*****	*****	*****
UK IRD	✓	C /2	Yes /1	Technical inquiries from e-business customers, tax inquiries from overseas taxpayers, tax inquiries from e-business customers	Currently process around 200,000 customer emails per year. /3
UK C&E	✓	F	Yes /1	For requests and supply of information	Volume unknown
USA	✓	Both	Yes /1	Answers to tax law questions	Around 200,000 per year

/1. **Australia**—virus and content checking; **Iceland**—Starting to use PKI, secure communication through “My pages”, using SSL and PIN; **Ireland**—none except virus scans; **Mexico**—use of firewalls, authorized personnel only; **NZ**—use of proxy server on firewalls, external mail gateway scans for government mail that is encrypted, Groupwise server scans internally for content and viruses; **Norway**—use virus and spam controls, and limited encryption, looking at options for enhanced security, tending to favor PKI for the future; **Spain**—security controls (i.e. digital certificate) applied when receiving/sending taxpayer information; **UK C&E**—Use of firewalls at GSI (anti-virus) and department borders, no privacy filters; **UK IRD**—All web services that collect confidential data from the user, use secure facilities. There are two scenarios: a) registered IR Portal users have a Government Gateway secure mailbox they use to communicate with the IR; and b) Internet users on the IR website who send an e-mail using a structured form – these pages are secure (https) when the content of the form requires confidential data collection – for example to identify the user; **US**—strong firewall with various virus checkers; analysis in course to identify security and infrastructure changes needed for wider use.

/2. **UK IRD**—Use web-based structured forms to collect information from selected taxpayer segments; approach proved for limited number of customer types and will be expanded more widely over next 1-3 years.

/3. **UK IRD**—These are split across three business areas: *Electronic Business Unit* – deals with technical enquiries from e-business customers; *Centre for Non Residents* – deals with tax enquiries from overseas taxpayers; and *Secure Portal for Individuals* – deals with tax enquiries from e-business customers.

Table 25. Use of Call Centers in Tax Administration—2004

Country	Call centers are used	Nature of role performed	Co-located (C) / separate(S)?	Tax body staff or outsourced?	Standards for call centre connectivity
Australia	✓	Handle enquiries from taxpayers and tax professionals	C	Tax body staff	Yes—see Table 13
Austria	✓	Personal advice for taxpayers using e-services	C	Tax body staff	Yes (not described)
Belgium	✓	Resolve taxpayers' issues	C	Tax body staff	Yes—see Table 13
Canada	x	*****Not applicable*****	*****Not applicable*****	*****Not applicable*****	*****Not applicable*****
Czech Rep.	x	*****Not applicable*****	*****Not applicable*****	*****Not applicable*****	*****Not applicable*****
Denmark	✓	Resolve taxpayers' issues and provide personal advice	C	Tax body staff	Yes—see Table 13
Finland	✓	General phone and email enquiries from taxpayers	S	Tax body staff	Yes—see Table 13
France	✓	General inquiries and e-filing help desk	?	Both	No
Germany	✓	Referral service	C	Outsourced	No
Greece	✓	Resolve taxpayers' issues	S	Tax body staff	No
Hungary	✓/1	Resolve taxpayers' issues	C	Tax body staff	?
Iceland	✓	Resolve issues and provide personal advice	C	Tax body staff	Yes—see Table 13
Ireland	✓	Resolve general and personal taxpayers' problems	S	Tax body staff	Yes—see Table 13
Italy	✓/1	Referral service	C	Tax body staff	No
Japan	✓	Integrated consultation service for all forms of contact	S	Tax body staff	Yes—see Table 13
Korea	x	*****Not applicable*****	*****Not applicable*****	*****Not applicable*****	*****Not applicable*****
Luxembourg	✓	Resolve taxpayers' issues and provide advice	Both	Both /1	No- to be implemented later in 2004
Netherlands	✓	Resolve taxpayers' questions	C	Tax body staff	Yes—see Table 13
NZ	✓	Resolves queries and issues and provide advice	S	Tax body staff	Yes—see Table 13
Norway	✓	General advice, referral and information provision	Both	Both /1	Yes—see Table 13
Poland	✓/1	Resolve taxpayers' issues	C	Tax body staff	No
Portugal	x	*****Not applicable*****	*****Not applicable*****	*****Not applicable*****	*****Not applicable*****
Slovakia	x/1	*****Not applicable*****	*****Not applicable*****	*****Not applicable*****	*****Not applicable*****
Spain	✓	Resolve taxpayers questions, other administrative functions	S	Tax body staff	Yes—see Table 13
Sweden	✓	Resolve taxpayers' questions	C	Tax body staff	No
Switzerland	✓	Resolve taxpayers' issues	C	Tax body staff	No
Turkey	✓	Receive and respond to taxpayers complaints and referral service	S	Tax body staff	No
UK IRD	✓	Resolve taxpayers' issues and provide personal advice	Both	Tax body staff	Yes—see Table 13
UK C&E	✓	Resolve general inquiries from public and businesses	C	Tax body staff	Yes—see Table 13
USA	✓	Resolve taxpayers' issues & provide tax filing assistance	C	Tax body staff/1	Yes- see Table 13

/1. **Iceland**—only used in peak periods; **Japan**—survey response referred only to phone switchboard services with borderless access to any taxpayers and provided from each of 12 regional offices and 139 major local offices; no centralized or consolidated phone inquiry service in place; **Mexico**—one outsourced centre to deal with general advice on tax obligations and services; **Norway**—one centre (help desk) for all online services; **Poland**—one centre only covering 2 of 16 regions; **Slovakia**—new technological phone centre built in 2003 as a base for the establishment of a call centre; **US**—pilot project (commenced in January 2004) underway for outsource tax law support; entails specific proportion of tax law applications being routed to external provider.

Table 26. Management of Call Centre Operations—2004

Country	Phone traffic sharing arrangements used	Formal quality assessment program is used	Performance standards generally applied
Australia	✓	✓	Answer general inquiries: 85% within 120 sec, 85% within 300 sec. (non-peak). Answer tax professionals: 90% within 120 sec. (all periods), with average wait < 30 secs. Accuracy: 90% of all calls pass technical quality check (all periods)
Austria	✓	x	Accept 80% of calls within 20 secs.
Belgium			
Canada	✓	✓	Connectivity: Answer 80% within 120 secs.; call accessibility- 40-60%; caller accessibility- 80% (individuals), 90% (business); calls abandoned- 10-15%; average response-50-70 secs; occupancy- 85%; Accuracy: 90%
Czech Rep.			*****Not applicable*****
Denmark			*****Not applicable*****
Finland	✓	✓	All calls are answered within 30 secs.
France	✓	x	Efficiency rate: calls answered/ calls received; average call duration for calls answered; average call waiting time; call abandonment rate (20%)
Germany	?	x	
Greece	x	x	?
Hungary	✓	x	?
Iceland	✓	x	
Ireland	✓	x	Answer calls within 30 secs., provide name and deal with calls courteously
Italy	✓	✓	Answer 50% within 180 secs.
Japan	x	✓	Handle taxpayers' questions quickly and properly
Korea	✓	✓	Consultant's performance measured by duration of calls and associated record
Luxembourg			*****Not applicable*****
Mexico	x	x	Standards will be implemented later in 2004
Netherlands	✓	✓	?
NZ	✓	✓	80% of calls answered within 20 secs. 85% of calls resolved on first contact
Norway	✓	✓	In-house centre: 70% of general inquiries answered within 30 sec.; In house centre/help desk for on-line services: 90% within 20 sec.; and outsourced centers: 90% of calls answered within 40 sec.; email answered within 2 hours.
Poland	x	x	
Portugal			*****Not applicable*****

Slovakia	*****Not applicable*****			
Spain	✓	✓	Call duration of 180 secs and abandonment rate < 5%	
Sweden	x	✓	75% of calls received will be answered within 5 minutes	
Switzerland	*****Not applicable*****			
Turkey	x	x	-	
UK IRD	✓	✓	For New Tax Credit calls 95% answered in day, for other callers 65% answered in day. 75% Of all calls dealt with correctly and completely	
UK C&E	✓	✓	Answer 80% of calls within 20 secs.; abandoned calls < 5%; qualitative measures being developed	
USA	✓	✓	Customer Service Representative Level of Service (LOS) reflects the percentage of callers obtaining toll-free service from an assistor. Average Speed of Answer (ASA) reflects the number of seconds a caller waits in queue before reaching an assistor—this measure is new for FY 2004. Accuracy is a new measure implemented in FY 2003—the measure evaluates customer impact and the percentage of calls answered accurate based on a statistically valid sample	

Table 27. Call Centre Metrics etc.,—2004

Country	General features of call centre operations						
	Year first implemented	Number of centers	Typical staff size (at peak)	Days and hours of operation	Traffic volume (last full year)	Expected traffic volume this year	Staff usage (last full year)
Australia	1999	12	17-1,300	M/F—0800/1800	12,000,000	11,700,000	1,800
Austria	2002	1 ?	?	M/F—0800/1800	170,000	180,000	10
Belgium							
Canada	1995	22	35-290	M/F—0800/1800 /1	20,821,054	19,780,001	1,678
Czech Rep.				Not applicable			
Denmark				Not applicable			
Finland	1997	3	85-100	M/F—0800/1615	1,700,000	1,700,000	150
France	2000	3	50	M/F—0800/2200, S—0900/1900	423,490	No projection	100
Germany	1999	3	?	?	?	?	?
Greece	2000	2	5	M/F—0800/1800	?	?	5
Hungary	2004	1	30	Business hours	-	75,000	-
Iceland	1999	1	10	M/F—0800/2100	10,000	12,000	3
Ireland	1997	8	40	M/F—0915/1730 /1	2,219,000	2,440,000	250
Italy	2000	6 large, 7 small	30	M/F—0900/1700, S—0900/1300	1,420,000	1,500,000	600
Japan /1	1965	151	52	M/F—0900/1700	2,846,000	2,805,000	628
Korea	2001	1	150	M/F—0900/1800	1,690,000	2,030,000	119
Luxembourg				Not applicable			
Mexico	1989	2/1	55	40 hours/week /1	1,916,184	2,500,000	155
Netherlands	1985	5	Vary a lot	M/F—0800/2000	8,600,000	9,000,000	200
NZ	1999	6	250	M/F—0800/2000, S—0900/1300	5,300,000	5,300,000	450
Norway	1989	18	16-20	/1	1,300,000	2,000,000	320
Poland	2000	1	24	M—0900/1700, T/F—0800/1600	60,000	140,000	24
Portugal				Not applicable			
Slovakia				Not applicable			
Spain	2000	3	400	M/F—0900/2100	9,175,226	15,000,000	400
Sweden	2002	10	30	M/F—0800/1900	4,700,000	5,000,000	500
Switzerland	2002	28 /1	5-15 /1	Office hours	N.A	N.A	500 (approx.) /1
Turkey	1991	1	14	M/F—0800/2000, S—0900/1700	Not avail.	Not avail.	14
UK IRD	1998	24-14 full contact	250-550	M/S—0800/2000	32,200,000	40,600,000	6,500
UK C&E	2001	6	162	M/F—0800/2000	2,200,000	2,200,000	299
USA	1998	30	100-500	M/F—0600/2400	128,200,000	115,400,000	8,586

/1. **Canada**—extended hours in peak periods, including weekends; Ireland—longer at peak periods in one centre; **Japan**—survey response referred only to phone switchboard services with borderless access to any taxpayers and provided from each of 12 regional offices and 139 major local offices; no centralized or consolidated phone inquiry service in place; **Mexico**—described as one (internal) and one (outsourced); outsourced centre operates 78 hours/week, 65 staff in-house and 90 outsourced; **Norway**—described as 16 internal and 2 outsourced; hours of operation generally 0830/1530, with longer periods in peak times; **Switzerland**—2 at federal level and 1 in each canton; typical size is 5-15 at cantonal level; 18-20 staff for each centre.

Table 28. Technology Features of Call Centre Operations

Country	Types of technology being employed				Types of information accessible by call centre staff			
	Interactive voice response	Voice recording equipment	Computer telephony integration	Knowledge tools	Other special technology support	Client data	On-line reference materials	Information available on-line to clients
Australia	✓	✓	✓	✓	✓ / 1	✓	✓	✓
Austria						✓	✓	✓
Belgium								
Canada	✓	✓	✓	✓	✓ / 1	✓	✓	✓
Czech Rep.	*****	*****	*****	Not applicable	*****	*****	*****	*****
Denmark	*****	*****	*****	Not applicable	*****	*****	*****	*****
Finland	✓					✓	✓	✓
France					✓ (ACD)		✓	✓
Germany								
Greece	✓	✓	✓	✓	✓	✓	✓	✓
Hungary	✓	✓	✓	✓	✓	✓	✓	✓
Iceland						✓	✓	✓
Ireland					✓ / 1	✓	✓	✓
Italy	✓	✓	✓	✓	✓ / 1	✓	✓	✓
Japan	✓	✓	✓	✓		✓	✓	✓
Korea	✓	✓	✓	✓		✓	✓	✓
Luxemburg	*****	*****	*****	Not applicable	*****	*****	*****	*****
Mexico	✓	✓		✓		✓	✓	✓
Netherlands	✓	✓		✓		✓	✓	✓
NZ	✓	✓	✓	✓	✓ / 1	✓	✓	✓
Norway	✓	✓	✓	✓	✓	✓	✓	✓ (limited)
Poland				✓			✓	
Portugal	*****	*****	*****	Not applicable	*****	*****	*****	*****
Slovakia	*****	*****	*****	Not applicable	*****	*****	*****	*****
Spain	✓	✓	✓	✓		✓	✓	✓
Sweden	✓	✓		✓	✓ / 1	✓	✓	✓
Switzerland		✓		✓		✓	✓	
Turkey	✓							
UK IRD		✓			✓ / 1	✓	✓	✓
UK C&E	✓			✓		✓	✓	✓
USA	✓	✓	✓	✓	✓ / 1	✓	✓	✓

/1. **Australia**—Call centre infrastructure and systems applied in all telephony areas (i.e. Genesys CTI Hanimax Nicelog Voice recording, Genesys Reporting, Genesys Routing, Genesys Voice Portal, Self help IVR; **Canada**—automatic call distributor system and management information system; **Ireland**—call monitoring; **Italy**—integrated communication channels, taxonomy of questions, knowledge based management; Sweden—use web “robot” (ERIK) that can answer questions within a few seconds; **NZ**- natural language SR; **UK IRD**—use InVision tool for managing resources; **US**—Entails the enterprise call centre, a multiple system/ platform infrastructure requiring support from Aspect, Intervoice Brite, AT&T, and Cisco in addition to the internal telecom and network support.

Table 29. Planned Future Developments with Call Centers

Country	Planned developments/ enhancements to call centre operations	
	Expansion or contraction of network of call centers	Major change strategies to enhance operations of call centers
Australia	Plans are to rationalize from existing 13 geographical sites to a fewer sites	Use of CRM technology, workforce manager, automated self help IVR, and natural language speech recognition
Austria	Nil	Nil
Belgium		
Canada	Ongoing rationalization should see reduction to 9 sites by 2007 *	Government initiative to rationalize use of call centers by smaller departments may result in CRA offering call centre services these bodies
Czech Rep.	No plans in this area	
Denmark	Plan to establish call center over 4 locations in 2006, as part of merger with municipal operations	
Finland	3 regions currently handle calls by themselves; by 2006, they will handle all calls?	Planned use of CRM and VOIP technology; examining skill-based routing (i.e. referral of taxpayers' inquiries to best skilled staff).
France	New organizational structure may be necessary to support expanded role of centers	Call centers will evolve to contact centers once personalized client information is available on line. Call centers will also be linked to local operations of the tax Department and Treasury to provide standard services for both telephone and electronic services
Germany	n.a	n.a
Greece	Nil	Nil
Hungary	New central contact centre in 2005	Extending the IT support function for downloadable programs and establish a general electronic customer service in tax issues
Iceland		
Ireland	Formal review in course; preliminary report due in June 2004	
Italy	Plan to expand network of call centers, creating more satellite centers	
Japan	Nil	Nil
Korea	Additional staff added to deal with substantial increase in traffic volumes	Various rewards and incentives offered for working at centers have contributed to improved service quality; additional staff provided in peak periods.
Luxembourg	Nil	
Mexico	Tax Service plans to further outsource call centre operations to third parties for cost reduction and service enhancement purposes	
Netherlands	No expansion	Introduction of CTI (?) and process toward one national number
NZ		Moving to a virtual contact centre concurrent with implementation of new telecommunications environment using VOIP
Norway	Plans to develop call centers specializing on specific areas (e.g., building industry)	
Poland	Expansion of network of call centres—additional 3 all interconnected	
Portugal		
Slovakia	New technological phone centre built in 2003 as a base for the establishment of a call centre	
Spain	Possible creation of further centers	Integration with VRU ?, new software to integrate other centers, new software for routing voice and data
Sweden		Feasibility study underway to look into the benefits of a common call centre, which may be introduced in 2005

Planned developments/enhancements to call centre operations	
Country	Major change strategies to enhance operations of call centers
Switzerland	-
Turkey	-
UK IRD	<p>Deliver improvements in the number of individuals and businesses who comply with their obligations and receive their entitlements. Deliver year on year reductions in compliance costs that act as a barrier to the establishment and growth of small businesses. Ensure by 2005 that 100% of services are offered electronically, wherever possible through a common Government portal, and promote take-up for key services. Achieve annual efficiency savings of at least 2.5% per year until March 2006 without detriment to accuracy or customer satisfaction. Achieve a 2.5 point improvement in customer service by March 2006, as measured by an annual customer service index (extract of IRD's business plan)</p>
UK C&E	<p>Technology enhancements enabling move to multi-channel centre</p>
USA	<p>(1) ISN Network Prompter Plan Replacement – Internet Service Node (ISN) is a highly scalable network IVR solution based on Voice Browser architecture that can eliminate current constraints within our ICM and AT&T infrastructure. It is a web based platform that provides Prompt/Collect, Queuing, and Call Control services for Contact Centres and self-service IVR applications.</p> <p>(2) Contact Recording – Provides the ability to record and monitor agent activity for training and quality purposes.</p>
	<p>Planned developments/enhancements to call centre operations</p>
	<p>Expansion or contraction of network of call centers</p>
	<p>Number of locations to be reduced as department relocates to strategic sites</p>
	<p>Plans to incorporate individual business organization call centers into the enterprise call centre environment</p>

Table 30. Remote Access to Corporate Systems by Tax Officials

Country	Remote access in use?	Type of work functions supported	Staff with access (%)	Main problems experienced	Type of security used	Main benefits derived from this service
Australia	✓	Email, corporate applications	3,800 (19)	Costs and technical constraints for security	/1	Improved efficiency of mobile staff
Austria	✓	Email, tax applications	All (?)	?	User ID & PIN, SSL encryption, VPN	Improved efficiency of mobile staff and service to taxpayers
Belgium	✓	Data consultation	100	Fraud	Login, password	Improved efficiency of mobile staff
Canada	✓	Email, tax applications	1,000 (3)	Lack of remote connectivity, slow response times	VPN, PKI certificate, encryption.	Improved efficiency of mobile staff and service
Czech Rep.	x	*****	*****	*****Not applicable	*****	*****
Denmark	✓	Email and intranet	500 (6)	Costs	Token pass	Improved efficiency of mobile staff
Finland	✓	Office systems, some applications	200 (3)	-	Secure ID	Improved efficiency of mobile staff & case/issue development
France	✓	All applications available on internet network	1,200 (2)	Slow access for some	Password and dedicated firewalls	Improved efficiency of mobile staff & case/issue development
Germany						
Greece	✓	Limited DB and system administration	2	Nil	Authentication, ID, & modem call back	
Hungary	x	*****	*****	*****Not applicable	*****	*****
Iceland	✓	Either email or complete access	10 (2)		VPN and passwords	Improved efficiency of mobile staff and service
Ireland	✓	Technical support /1	Few	Security	Secure ID, Passwords, firewalls	2005: Greater effectiveness and efficiency of audits & process
Italy	✓	Email, front end work functions	1,300 (4)	Security	Unbalanced SSL, strong authentication	Improved efficiency of mobile staff and service
Japan	x	*****	*****	*****Not applicable	*****	*****
Korea	x	*****	*****	*****Not applicable	*****	*****
Luxembourg	✓	IT system monitoring				
Mexico	✓	For consulting purposes (read only)	104 (<1)	Connectivity	Token pass	Improved efficiency of mobile staff
Netherlands	x	n.a	n.a	Security	n.a	n.a
NZ	Yes	Mail, LAN directory access and core tax queries	225 (5)	Costs of laptops using wireless aces for remote users	VPN—secure token and logon password	Improved efficiency of mobile staff & case/issue development
Norway	✓	Internal audit, top management, IT inquiry	130 (2)	Security, speed, usability	PKI- solution, dial back, Secure ID	Improved efficiency of mobile staff and case/issue development
Poland	x	Employees from help desk, fiscal control	150 (<1)	?	Passwords,	Improved monitoring and

Country	Remote access in use?	Type of work functions supported	Staff with access (%)	Main problems experienced	Type of security used	Main benefits derived from this service
Portugal	x	and reporting		Not applicable	dedicated access	efficiency of control staff
Slovakia	x			Not applicable		
Spain	✓	To allow tax officials to ascertain taxpayers' financial position	1,000 (5)	Mobility and performance	Checks on calling number, coding	Improved efficiency of mobile staff
Sweden	x			Not applicable		
Switzerland	✓	VPN	2-3% of total	Risk of access to client data by unauthorized persons	Encoding, user name and password	Improved efficiency of selected mobile staff
Turkey	x			Not applicable		
UK IRD	✓	Email, Intranet, file access	1,200 (2)	Speed: occasional non-availability	Various /1	Improved efficiency of mobile staff & case/issue development
UK C&E	✓	Email, Internet and Intranet access	1,000 (5)	Cost and slow connections	VPN, encryption	Improved efficiency of mobile staff and flexibility
USA	✓	Detailed range of IT support processes /1	224 (<1)	Technical malfunctions, lack of laptops	Secure dial in, controlled access	Improved efficiency of mobile staff and service

/1. **Australia**—Password protection via a smart-card, VPN used. Engagement security checks on the staff themselves. Security around the Citrix metaframe for accessing all corporate applications (MS Outlook goes through an exchange server); **Ireland**—available for verification and audit functions in 2004 and 2005; **UK IRD**— Multiple levels of Firewall from different vendors, IDS, multiple levels of AV from different vendors, remote access limited to seeded devices, enhanced password handling; **United States**— covers IT support processes including 1) Database Administrators (DBA); 2) System Administrators (SA), 3) Data Storage Administrators (DSA), 4) LAN, Tier II System Access; 5) application & system software development maintenance; 6) Tier I systems software support during off-shift hours and flexi-place hours; 7) Peoplesoft Administration; 8) systems software Installation, configuration, testing, evaluation, monitoring and maintenance; 8) Operating Systems, COTS software support; and 9) demand /interactive programming to test development and production systems; system monitoring; troubleshooting/problem solving.

Table 31. Information Services Cost Data

Country	Total costs of IT operations (millions) /1		Total IT costs/Total admin costs (%)		Average proportion of amount spent to operate systems (%)		Costs of Internet, e-services and call centers (millions) /1	
	Latest year	Prior year	Latest year	Prior year	Latest year	Prior year	Latest year	Prior year
Australia	405	395	18	18	78	77	n.a	n.a
Austria	50	50	9	9	40	40	?	?
Belgium	107	65	7	5	46	69	2.8	6.2
Canada	420	433	12	11	64	-	n.a	n.a
Czech Rep.	€30	€30	20	20	80	80	€8	€8
Denmark	600	600	18	18	50	45	n.a	n.a
Finland	31	30	10	9	14	14	1.7	0.9
France	350	300	8	7	40	46	49	33
Greece	?	?	?	?	?	?	?	?
Hungary	\$US 15	\$US21	19	19	65	48	\$US 0.18	\$US 0.18
Iceland	4.4	4.1	20	19	91	89	?	?
Ireland	38	39.3	11	13	52	51	7.2	9.2
Italy	206	265	9	12	53	40	29	44
Japan	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Korea	40	37	5	6	77	75	3.8	4.3
Luxembourg	2	1.2	4.5	2.9	25	25	.07	-
Mexico	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Netherlands	620	517	25	22	80	80	n.a	n.a
NZ	86	86	20	20	?	?	?	?
Norway	682	724	18	20	39	38	50	62
Poland	119	59	5	2	n.a	n.a	0.39	0.13
Portugal	€26	€29	4.7	5.3	35	38	€6	€6
Slovakia	553	562	18	21	30	43	n.a	n.a
Spain	70	69	20	20	-	-	4.6	4.5
Sweden	1080	1040	14	14	25	24	?	?
Switzerland	15 /2	14 /2	11 /2	10 /2	30	30	n.a	n.a
Turkey	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
UK IRD	n.a	n.a	14	14	73	74	n.a	n.a
UK C&E	180	120	18	12	70	90	n.a	n.a
USA	1,273	1,908	19	20	80	78	61	62
U/w aver. (%)			14.1	13.8	54.8	56.2		

/1. Intended to relate to the costs of equipment, manpower, services, contracts, and overheads to develop and operate the organization's IT capability. All costs expressed in country currency (millions) unless stated otherwise.

/2. **Switzerland**—cost data is for federal level only which administers VAT, with income taxes administered at cantonal level.

ANNEX 4

CHARACTERISTICS OF A CALL CENTER

What is a telephone call centre?

56. A telephone call centre is an operation that uses telephone and computer technology in sophisticated ways to assist people to deliver services to customers. Call centres are one service delivery option for providing services and for providing and receiving information between an organisation and the community. Staff are employed to answer large volumes of telephone traffic: responding to queries, updating information databases and/or providing further written information or products through the post or facsimile as required. These staff are trained and skilled in customer service. They can be based at a single or multiple sites depending on the configuration of the call centre and the organisation.

Why have a call centre?

57. Call centres can: 1) deliver improved customer service through increased access for customers and a more rapid completion of some inquiries and transactions leading ultimately to greater customer goodwill and increased efficiency and effectiveness in service delivery; 2) facilitate rationalisation of operations through the removal of significant volumes of customer inquiries and reengineering of transactions; through the telecommunications network, call centres can be located anywhere; the concentration of customer inquiries in a single, or small, number of centres enables economies of scale in staffing and related costs to be achieved; and 3) enable remaining branch office operations to be re-engineered to specialise in providing customer services for walk-in customers and less time-critical aspects of the organisation's operations (leading to improved customer service, more streamlined organisational structures and increased productivity).

58. Potential benefits include providing a timelier and focused customer service based on information being available to the customer anytime and anywhere. Although there are substantial benefits to be gained from the establishment of call centres, they require a significant investment in terms of technology, people and time.

What are the key elements of a call centre?

59. The plan for any call centre must include and integrate a number of basic elements:

- telephone networks and equipment provide and control customer access to the call centre; consideration needs to be given to matters such as call streaming through different access telephone numbers, automated voice response units (including automated call handling) or general receptionist teams/queues;
- the people who answer calls, customer service officers, are primarily responsible for the quality of the transaction, and the final outcome of the call; competencies, job structure, shift composition and resourcing levels all need to be reviewed in detail during the planning phase and to be appropriate for the call centre environment;
- well planned call centre processes, systems and procedures ensure that the work is conducted in a manner appropriate to the telephone environment and that consistent outcomes are produced within the call centre and between and among the various service delivery channels. This means that face-to-face-based operations cannot be simply translated into the call centre environment. There is a need to reengineer processes appropriate to the needs of the new environment;
- management practices must take into account the unique qualities, demands and characteristics of working by telephone. Practices include forecasting of call loads and patterns, flexible staffing to meet

uneven demand, regular work observation and monitoring for staff development and quality control, strong team leadership and staff participation, adaptation to the demands for timeliness in this work environment, and channel specific key performance indicators; and

- information and support systems must help to ensure that the centre staff can access relevant customer data, reference relevant information and process the results of the phone transaction. The design of screens and speed of response need to support telephone-based transactions. Information systems can also handle some types of calls automatically and this can free up centre staff for handling the more complex calls. Given the importance of timely, integrated and useable data in call centre operations, it is vital that organisations maintain an ongoing investment in the necessary software and systems.

Source: *Telephone Call Centers*, Australian National Audit Office (December 1996).

ANNEX 5

INCENTIVES FOR E-FILING AND USE OF OTHER ELECTRONIC SERVICES

Extract of report: Incentivization of e-Government

“We have used an analytical framework based on the generic resources at the disposal of government departments such as Customs. We consider these resources to be exhaustive, in that they represent the only alternatives available and we have discounted resources (such as social pressure) which we do not consider to be available to government departments. We summarise below the possible ways in which Customs might use each of the resources as part of a strategy to drive up demand for on-line VAT services.

Financial Incentivization: Using money

- Cash incentives for on-line filing
- Introducing later payments for electronic returns (around three weeks), capped by size of business
- Guaranteeing that refunds will be paid earlier for electronic returns
- Differential benefits for the number of days the payment is late (would avoid peaks in demand)
- Additional payment flexibility for new VAT registrants
- Surcharge for paper returns and cheque payments for large businesses

Compulsion: Using legitimate authority

- Compelling large businesses to file on-line, with compulsion for smaller businesses introduced at a later stage
- Compelling some categories of customer to file VAT returns on-line, in particular accountants and tax consultants – especially if a tailor made electronic lodgement service were introduced

Reducing Transaction Costs: Using organisational capacity

- Encouraging on-line banking sites to signpost HM Customs as a payee
- Advertising VAT services from on-line banking sites and other sites commonly used by businesses
- Considering development of a tailored service for accountants and tax intermediaries
- Packaging up on-line VAT services with other government services via a proper UK government business portal (www.business.gov, for example) and reconsidering the registration option
- Partnering with SAGE to offer on-line VAT as part of the SAGE accounting package

Sector Specific Content Provision: Using information and expertise

- Tailoring content provision for specific customer segments, such as those buying and selling in Europe
- Providing customers using on-line VAT facility with account history statements, if technically possible
- Offering an e-mail query facility
- Developing an intelligent form that performs VAT calculations, to be completed off-line

Obviously, Customs cannot pursue all these options at the same time. But it is our view that all have been used successfully by either a public or private sector body, that most of them are mutually reinforcing and that they could all usefully be considered as part of an e-strategy to drive up take-up.

A clear finding from research into the banking sector was that banks that have been successful in developing on-line banking services have employed a creative mix of a number of strategies. Banks carefully monitor usage of each on-line service and tailor incentives to drive up usage in specific areas. They realise that shifting business practices on-line can involve significant marketing effort but that such a drive can be cost justified through reduced transaction costs. Importantly, they have not waited for overall systems transformation before introducing on-line banking services. For example, one major bank, previously a building society, offers four on-line products but has not integrated their legacy systems and staff in branches will have 14 windows open when they serve customers.

Evidence from both banks and overseas governments suggests that once a critical mass of users is established, rapid growth is possible. Accenture (2003:33) suggest that there is a barrier at about the 10 per cent usage level and that once this initial barrier has been breached, dramatic increases are achievable. Therefore, it is worth investing marketing efforts and targeting resources at specific groups of users, such as new VAT registrations.

Finally, future research strategies of government departments like Customs need to include the type of research carried out by the financial organisations mentioned above. In common with most research carried out by UK government departments, none of the research previously carried out by Customs (reviewed in Phase 1) had involved any stimulus-based research of functionality testing, where actual versions of potential web sites are presented to respondents. As well as usability testing in laboratories,

organisations like Egg or the major banks carry out a range of functionality testing rather than asking people in an abstract way whether they might be likely to use a certain on-line service, such as in the Customs annual business needs survey. Typically, functionality testing will involve mocking up web sites and employing a variety of strategies such as letting interviewees 'surf it alone'; discussion of the site in focus groups and finally, allowing individuals to test sites in the home or business environment over longer periods of time."

Source: Margetts Helen and Yared Hala, Incentivization of e-government to accompany NAO report 'Transforming the Performance of HM Customs and Excise through Electronic Service Delivery', (School of Public Policy, UCL, commissioned by the National Audit Office).