



# BIENNIAL REPORT

Wisconsin Department of Revenue | 2021-2023

---



# State of Wisconsin • DEPARTMENT OF REVENUE

2135 RIMROCK ROAD • Mail Stop 624A • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933 • 608-266-6466 • FAX (608) 266-5718  
<http://www.revenue.wi.gov>

*Tony Evers*  
Governor

*Peter W. Barca*  
Secretary of Revenue

October 16, 2023

The Honorable Tony Evers  
Governor of Wisconsin  
115 East State Capitol  
Madison, WI 53707

Richard Champagne, Acting Senate Chief Clerk  
State Capitol  
Room B20 Southeast  
Madison, WI 53707

Edward Blazel, Assembly Chief Clerk  
Risser Justice Center  
17 West Main Street, Suite 401  
Madison, WI 53703

Dear Governor Evers and members of the Wisconsin State Legislature:

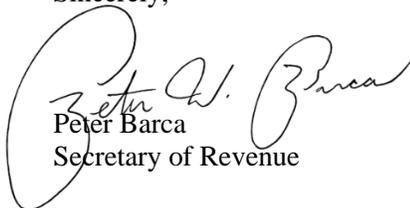
The Wisconsin Department of Revenue respectfully submits its 2021-2023 biennial report. This report provides an overview of the agency's operations, accomplishments during the biennium, and goals for the 2023-2025 biennium.

In the upcoming biennium, I will promote the agency's goals, which are to:

- Implement fair and consistent tax policy.
- Deliver excellent customer service to individual customers, businesses, and local governments.
- Operate the department efficiently and effectively.
- Maintain a positive work environment.
- Provide up-to-date economic data and fiscal analysis for stakeholders.

We will work to wisely use taxpayer dollars in operating the agency in a manner to effectively serve all the taxpayers, partners, and customers we are privileged to serve.

Sincerely,

  
Peter Barca  
Secretary of Revenue

# Table of Contents



4	SECRETARY'S MESSAGE	5	DOR OVERVIEW
16	STATE & LOCAL FINANCE	24	RESEARCH & POLICY
29	GENERAL COUNSEL	32	TECHNOLOGY SERVICES
38	ENTERPRISE SERVICES	46	INCOME, SALES & EXCISE TAX
59	WISCONSIN LOTTERY		

# Secretary's Message

This biennium, the Wisconsin Department of Revenue (DOR) finalized the implementation of a dozen additional initiatives from our 2019 strategic plan, and developed new mission, vision and values statements. We made continual progress on our vision of being the premier state agency in providing innovative and accessible resources, and exceptional customer service. From our impressive customer service statistics to our record-breaking lottery sales, DOR continues to lead the way for state tax agencies across the country. We have continued to build on DOR's history of innovation through new recruitment tools and an improved culture of learning in the agency.

This report documents our continued efforts to provide taxpayers, customers, and local governments with helpful and up-to-date information. We have expanded our outreach to Wisconsin small businesses through events around the state to help keep them in compliance with tax obligations, so they can avoid the interest and penalties that come with past-due obligations. Additionally, the Business Development and Government Relations (BDGR) Team continues to advise businesses on complicated tax law. The team has set up Wisconsin Economics and Business roundtable discussions to provide region-specific economic updates and engage in dialogue with business and civic leaders.

DOR has once again proved to be a leader in customer service. In fact, the department received a 99% positive rating for professional and knowledgeable service from the 33% of customers who completed a survey following calls to our help lines. This is especially impressive considering many of these calls involve asking taxpayers to comply with past due tax bills. Our staff demonstrate the department's values every day by ensuring Wisconsinites receive the respect and services they need, even when those calls include difficult conversations.

Our agency's knowledge and ideas are often used as examples for tax agencies in other states. Each year, the department wins national awards, and this biennium was no different. The Unclaimed Property Professionals Organization named DOR the 2023 Unclaimed Property State of the Year, recognizing our customer-friendly approach and stellar efforts to return unclaimed assets to the rightful owners. The Federation of Tax Administrators recognized DOR in 2022 for our Virtual/In-Person (VIP) Recruitment Team. This new recruitment approach in a hybrid work environment has expanded our outreach and ultimately our applicant pools. This year, we also received the Innovation and Excellence award for revamping the training process in our Compliance Bureau. The results of this improved training yielded tangible results in increased collections as well as the confidence and leadership development of our staff.

The Wisconsin Lottery continues to introduce new, creative games and shatter sales records. While these games are great entertainment sources, record sales are especially important as it means more money going back into Wisconsin property owner's pockets through the Lottery Property Tax Credit. For the second year in a row, Wisconsin homeowners received credits of more than \$200.

In addition to gains in delivering the top-notch service to our internal and external customers, we made great strides in shaping the learning culture at DOR. There are a significant number of natural leaders in the agency, and we decided to take a proactive step in making sure they have the tools to grow as people and managers. We just finished our fourth class of Emerging Leaders at DOR. We also started a formal mentorship program where staff are paired with mentors who help them achieve their work goals. This also gives our more experienced staff the opportunity to share their knowledge and gain experience as mentors. So far, We have successfully paired to date 50 employees with mentors. This significant investment in staff skills has also helped DOR retain employees in a very difficult hiring environment.

As you will see in this report, DOR continues to perform extraordinarily well on behalf of our customers. We also have prioritized investing in the wellbeing and development of our employees, to ensure the next generation of staff continue delivering exceptional customer service to Wisconsinites.



Secretary of Revenue

PETER BARCA



# Wisconsin Department of Revenue

- Administers the state's major tax laws, including the collection of individual income taxes, sales taxes, corporate income taxes and excise taxes
- Assists local governments in property assessment and financial management
- Administers programs that provide state financial aid to local governments
- Estimates state revenues and forecasts state economic activity
- Helps formulate state tax policy
- Administers the Wisconsin Lottery, which provides property tax relief for homeowners
- Administers the Unclaimed Property program for property that becomes unclaimed or abandoned after a period of time



# DOR Divisions/Offices



## SECRETARY'S OFFICE

Overall management and administration, including inter-agency relations, policy development, and public information.



## STATE AND LOCAL FINANCE

Administration of property tax system and oversight of tax incremental finance, real estate transfer fee, and assessor certification and education programs.



## TECHNOLOGY SERVICES

Administration of technology services, including data administration, applications development, workstation support, data collection, and technology planning.



## RESEARCH AND POLICY

Provides detailed analyses of fiscal and economic policies, assesses the impact of current and proposed tax laws, prepares official general fund tax revenue estimates, and develops various statistical reports.



## GENERAL COUNSEL

Represents and advises the department, and provides a level of internal appeals.



## INCOME, SALES AND EXCISE TAX

Administration of individual income, employee withholding, corporate franchise/income, state and county sales and use, estate, excise, recycling, and other tax programs.



## ENTERPRISE SERVICES

Human resources, financial management, and budget services.



## WISCONSIN LOTTERY

Management and administration of the Wisconsin Lottery.

# DOR Major Goals and Objectives

**The Wisconsin Department of Revenue developed the following goals reflecting outcomes it seeks to achieve:**

- Implement good tax policy focusing on policies that promote job growth
- Improve customer service to individuals and businesses
- Operate DOR efficiently and effectively, while identifying opportunities to implement process improvement initiatives



## Collection of Taxes

### **Goal – Ensure accountability through enforcement of tax laws**

- Objective/activity – delinquent balances per fiscal year
- Objective/activity – collect debts owed to state agencies, courts, the legislature, state authorities and local government units through the State Debt Collection Program
- Objective/activity – use analytics to detect and prevent fraudulent returns or credits, including corrections to amount claimed for earned income and homestead credits
- Objective/activity – enforcement cost per dollar impact

### **Goal – Promote efficiency and integrity**

- Objective/activity – growth in individual income, corporate franchise/income and sales and use tax returns electronically received
- Objective/activity – average processing time for tax returns

### **Goal – Provide excellent customer service**

- Objective/activity – average hold time and answer rate for customer service call center
- Objective/activity – DOR employees are considered professional and knowledgeable by customers

# DOR Major Goals and Objectives



## Tax Collection

Performance Measure	FY21		FY22	
	Goal	Actual	Goal	Actual
Delinquent collections	\$322.0 million	\$355.8 million	\$328.0 million	\$360.3 million
Enforcement cost per dollar impact	\$0.095	\$0.0712	\$0.095	\$0.066
Percentage of individual income (II), sales tax (ST), and corporate (C) returns received electronically	85.0% (II)	89.0% (II)	85.0% (II)	91.9% (II)
	95.0% (ST)	96.0% (ST)	95.0% (ST)	97.0% (ST)
	90.0% (C)	87.0% (C)	90.0% (C)	88.0% (C)
Average processing time for individual income tax returns	E-filed no further review: 5 days	E-filed no further review: 1.7 days	E-filed no further review: 5 days	E-filed no further review: 1.1 days
	E-filed further review: 40 days	E-filed further review: 25.3 days	E-filed further review: 40 days	E-filed further review: 24.4 days
	Paper no further review: 25 days	Paper no further review: 13.2 days	Paper no further review: 25 days	Paper no further review: 16.2 days
	Paper further review: 45 days	Paper further review: 33.6 days	Paper further review: 45 days	Paper further review: 31.0
Average hold time/answer rate for customer service call center	90-second hold time	66-second hold time	90-second hold time	100-second hold time
	97.8% answer rate	99.3% answer rate	97.8% answer rate	99.1% answer rate
Performance Measure	FY23		FY24	FY25
	Goal	Actual	Goal	Goal
Delinquent collections	\$362.0 million	\$393.5 million	\$362.0 million	\$372.0 million
Enforcement cost per dollar impact	\$0.08	\$0.0711	\$0.08	\$0.08
Fraudulent returns stopped, incorrect refunds/credits reduced or denied	\$55 million	\$357.4 million	\$55 million	\$55 million
Statewide debt collection program	\$37.4 million	\$59.8 million	\$69.5 million	\$69.5 million
Percentage of individual income (II), sales tax (ST), and corporate (C) returns received electronically	91.0% (II)	92.0% (II)	91.0% (II)	91.0% (II)
	96.0% (ST)	98.0% (ST)	96.0% (ST)	96.0% (ST)
	90.0% (C)	85.0% (C)	90.0% (C)	90.0% (C)
Taxpayer survey results	98.0% professionalism	99.4% professionalism	98.0% professionalism	98.0% professionalism
	98.0% knowledgeable	99.2% knowledgeable	98.0% knowledgeable	98.0% knowledgeable
Average processing time for individual income tax returns	8 days	4.2 days	8 days	8 days
Average hold time/answer rate for customer service call center	90-second hold time	71-second hold time	90-second hold time	90-second hold time
	97.8% answer rate	99.5% answer rate	97.8% answer rate	97.8% answer rate

# DOR Major Goals and Objectives



## State and Local Finance

### Goal – Ensure equitable tax compliance, collection, and property valuation

- Objective/activity – detect and prevent incorrect real estate transfer fee exemptions claimed, including audit corrections to the amounts claimed (fiscal year dollar amount assessed)
- Objective/activity – minimize the number of local governments not e-filing the Municipal Financial Report on a timely basis
- Objective/activity – maintain a passing percentage of 60.0% for assessor certification exams

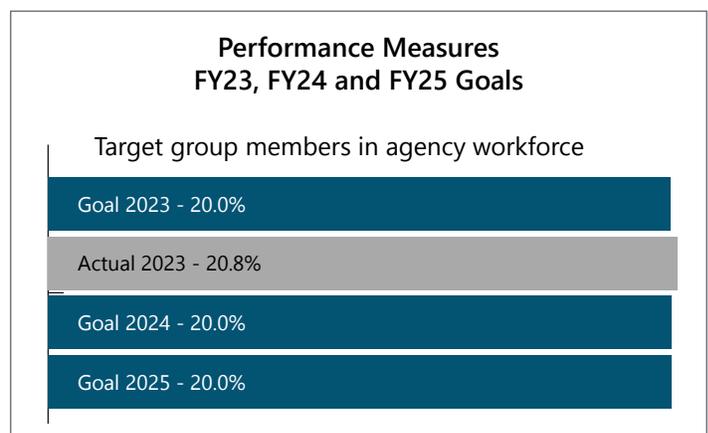
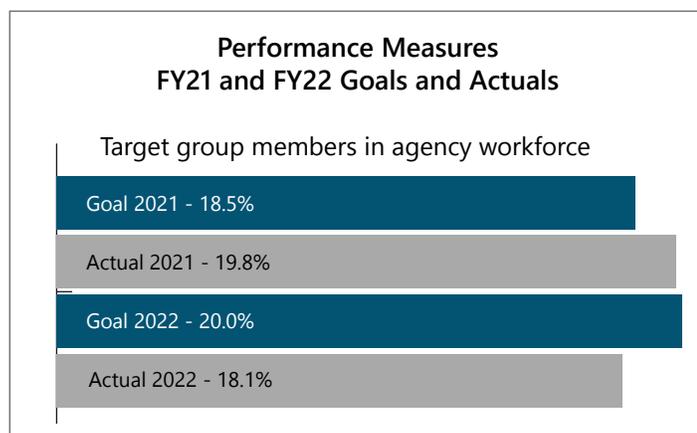
Performance Measure	FY21		FY22		FY23		FY24	FY25
	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Goal
Dollar amounts assessed from real estate transfer fee audits	\$750,000	\$891,840	\$750,000	\$882,338	\$750,000	\$920,367	\$800,000	\$835,000
Number of local governments not timely e-filing the municipal financial report	10	9	10	16	10	15	10	10
Percentage of assessors passing certification exams on first attempt	60%	62%	60%	49%	60%	47%	60%	60%



## Administrative Services

### Goal – Maintain a positive work environment

Objective/activity – percentage of target group members in agency workforce.



# DOR Major Goals and Objectives



## Unclaimed Property

### Goal – Promote efficiency and integrity

Objective/activity – process unclaimed property claims within 90-day statutory limit.

#### Performance Measures FY21 and FY22 Goals and Actuals

Processed unclaimed property claims within 90 days

Goal 2021 - 100%

Actual 2021 - 100%

Goal 2022 - 100%

Actual 2022 - 100%

#### Performance Measures FY23, FY24 and FY25 Goals

Processed unclaimed property claims within 90 days

Goal 2023 - 100%

Actual 2023 - 100%

Goal 2024 - 100%

Goal 2025 - 100%



## Lottery

### Goal – Achieve the highest possible revenue for property tax relief by offering entertaining and socially responsible games, while ensuring integrity and public trust

Objective/activity – increase the amount available for property tax relief over the prior year.

#### Performance Measures FY21 and FY22 Goals and Actuals

Change in funds distributed for property tax relief from prior year

Goal 2021: 1.0%

Actual 2021: -12.7%

Goal 2022: 1.0%

Actual 2022: 44.1%

#### Performance Measures FY23, FY24 and FY25 Goals

Change in funds distributed for property tax relief from prior year

Goal 2023 - 1.0%

Goal 2024 - 1.0%

Goal 2025 - 1.0%

# DOR Alternative Schedule and Flexible Work Plan

The Wisconsin Department of Revenue (DOR) created a policy to support the use of alternative schedules and flexible work plans for their employees. Allowing such flexibility assists with retention and recruitment efforts.

DOR Policy [HR81 – Hours of Work & Overtime](#) was amended over time to comply with various changes under state law, (sec. [230.215](#), Wis. Stats.). The policy was last updated in 2018. In its current version, *HR81 – Hours of Work & Overtime*, incorporates section 81.05, *Alternative and Less Than Full-time Work Schedules*, allowing for departmental divisions to create directives to further define how alternative schedules and less than full-time schedules can be used in their business areas. While DOR focus is to ensure adequate staffing during the standard hours of 7:45 a.m. to 4:30 p.m., the supervisors are responsible for ensuring coverage during that time.

To modify or end a previously approved schedule requires at least two weeks advanced notification.

## Alternative work schedules at DOR include:

- Staggered schedules, where an employee selects fixed starting and ending times that differ from the standard schedule
- Compressed schedules, where an employee completes 40 hours of work in less than five workdays during a work week
- Flex schedules, where an employee varies their arrival or departure times while working specified “core” hours

All the alternative schedules—flex, staggered, and less than full-time work—are used at DOR. In the table below, 718 of 1,086 employees work eight hours per day Monday through Friday, however the majority of those are a flex or staggered schedule varying from the standard business hours 7:45 a.m. to 4:30 p.m.

See the summer 2023 schedule below:

Schedule	Number
8 hours per day, Monday through Friday	718
10 days per pay period, staggered schedule	68
80 hours per pay period, compressed schedule	156
Undefined flexible schedule	100
Limited term, work as needed	12
Management, undefined schedules	23
Part time	9
<b>Total employees in snapshot</b>	<b>1,086</b>

# SOAR Update

Since 2019 when Secretary Peter Barca brought the *Appreciative Inquiry* process for strategic planning and process improvement to the agency, DOR used the principles to share ideas, pursue initiatives, and collaborate to implement those initiatives. SOAR (strengths, opportunities, aspirations, and results) and Appreciative Inquiry are part of our department culture.

## Appreciative Inquiry Principles

- Strengths-based – “what we look for, we find; what we pay attention to, grows”
- Participatory and inclusive – people commit to what they help create

## Initiatives

As of September 2023, all 24 identified initiatives were completed. The pinnacle of the work for this period was the completion of *Mentorships* and *Learning Culture* pilots and formation of the ongoing programs. Both programs, as well as the other initiatives completed over the last two years, were

focused on the engagement, inclusion and retention of DOR staff. To continue this work, a small group of program development staff continue to manage the Mentorships program, and have built, or worked with DOA to build, training for emerging leaders, new leadership, and supervisors. They will continue to administer these programs, with support of others from around the department, while also working hand in hand with DOR’s divisions to continue the focus on strategic engagement, inclusion and retention of DOR staff.

## Initiatives

In 2021 DOR undertook a second iteration of strategic planning. A focus team of employees and a focus team of senior managers separately developed and finalized DOR’s mission, vision, and values.

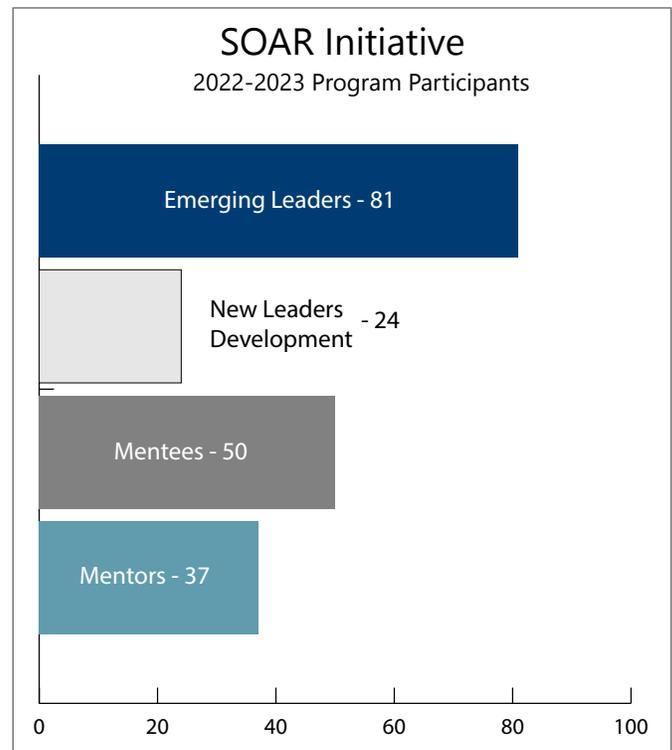
*Mission: Strengthen Wisconsin through fair tax and lottery administration, while educating and serving the public, our customers, and communities.*

*Vision: To be the premier agency in providing innovative, accessible resources, and exceptional customer service built on a foundation of trust, inclusivity, and creativity.*

*Values: Integrity, Knowledge, Innovation, Empathy, Inclusivity, Security*

## Where we go from here

As we move into our third iteration of strategic planning, we will employ this proven appreciative inquiry process and the SOAR model again. The strategic planning process will result in a list of suggested projects that DOR will undertake to become an “Employer of Choice,” improve upon our exceptional customer service, and other processes leading to efficiencies and better outputs.



# Recruitment and Retention Efforts Recognized

With labor markets tightening and competition for talent increasing, DOR recognized the need to be more innovative and creative with recruitment, hiring and retention.

## Virtual/In-person (VIP) Recruitment Team

Formed during the pandemic to better connect with students looking for work after graduation, the Income, Sales, and Excise Tax Division's staff-led VIP Recruitment Team continues to innovatively and creatively spread the word that DOR is an employer of choice. Messaging has expanded beyond students to include anyone looking for work in accounting, chiefly in the areas of audit and compliance.

### First year results were impressive:

- Recruitment video had 518 impressions and a 16.6% engagement rate in its first week on social media
- Expanded relationships with colleges and universities and expanded presence on Handshake (recruitment platform), from 49 schools in our network to 242 schools
- The number of applicants for our auditor positions went from 13 in the January 2022 recruitment to 84 in April 2022

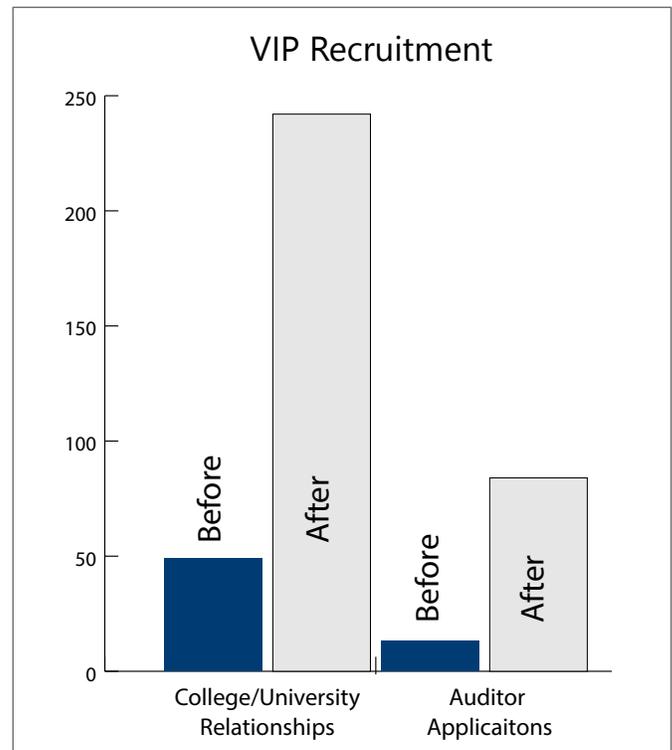
These efforts were recognized on the national stage when the VIP Recruitment Team received an Innovation and Excellence Award from the Federation of Tax Administrators in 2022.

## Council on State Taxation Recognizes Wisconsin in the Area of Sales Tax Administration

The Council on State Taxation (COST) ranked Wisconsin as one of the top four state sales tax systems in the nation on its 2022 Sales Tax Scorecard. Wisconsin surpassed all states scoring the only "A" grade on fair audit and refund procedures.

## Income, Sales, and Excise Tax Division Staff Receives Accolades

- The Wisconsin Association of Women Police recognized Excise Tax Agent Georgeann King as the 2021 Woman Police Officer of the Year
- Received recognition from Wisconsin Institute of CPAs colleagues to the Office of Technical Services and Audit Bureau for collaboration on developing pass-through entity audit legislation to improve the pass-through entity audit process



# Recruitment and Retention Efforts Recognized

## Compliance Bureau Progressive Training Program

To better meet the needs of employees at different experience levels, the Compliance Bureau implemented a progressive learning approach, dividing training into steps and emphasizing adult learning principles.

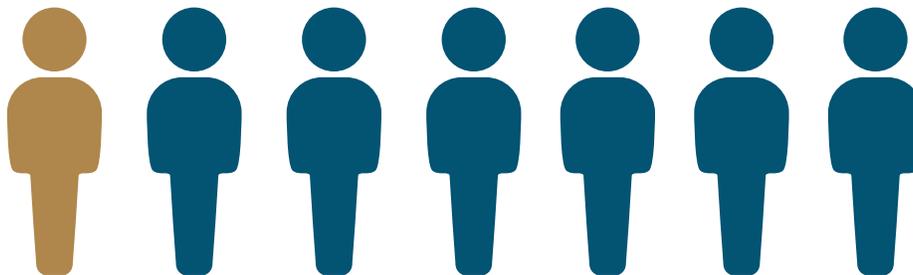
- Agents are assigned work tasks based on complexity, with more experienced agents handling the more intricate cases
- Agents are trained to recognize when they should move an account to a staff person with more experience
- New agent training is now progressive as opposed to all at once. This “just in time” training supports employees with the right information at the right time, as they prepare for reclassification to the next level
- Additionally, focus groups and peer assistance initiatives foster collaboration, problem-solving, and continuous learning. Better matching complex cases to employees with the right levels of experience has paid dividends. Collections are up significantly. Our more experienced employees are more effectively working business accounts needing attention

These efforts were also recognized on the national stage when Compliance Bureau Training Team received an Innovation and Excellence Award from the Federation of Tax Administrators in 2023.

## Wisconsin DOR Named Unclaimed Property State of the Year

Earlier this year, DOR received the Unclaimed Property Professionals Organization’s (UPPO) 2023 Members’ Choice State of the Year Award. This national award honors a state with an unclaimed property holder-friendly approach across the entire program and staff. This includes a user-friendly website and accessibility to pertinent compliance information, as well as a commitment to engaging the holder community. Wisconsin’s easy search system and public awareness campaigns have led to an uptick in claim submissions.

- One in seven people have unclaimed property in their name, and the average unclaimed property claim is worth \$1,225
- Anyone may visit DOR’s Unclaimed Property Search page at [www.revenue.wi.gov/ucp](http://www.revenue.wi.gov/ucp) to search unclaimed property in any name



*One in seven people have unclaimed property in their name*

# Recruitment and Retention Efforts Recognized

## Information and Technology Division gets National Attention

In its March 2023 edition, Government Technology magazine praised DOR for its modernized tax system. Efforts to modernize began in 2005 when over 35 systems, none of which were connected, were integrated into one. This increased efficiency tremendously.

The work took six years and 11 rollouts: all were completed on time and on budget. Since then, DOR migrated its tax data warehouse into the new system, incorporated an unclaimed property program, and introduced an ID verification feature. The new system has about 7.4 million active user accounts spanning 100 tax account types, including income, business, and sales. During tax season, it averages one million transactions per day. Modernization efforts continue. An automated workflow allows any employee to submit ideas for enhancements. Ideas are evaluated based on things like how many people they will impact, or whether they generate more revenue for the state. A governance group then meets once a quarter to discuss ideas, and the process goes from there.

Division of Technology Services Administrator

Rick Offenbecher received the 2023 Top 25 Doers, Dreamers, and Drivers Award by Government Technology magazine for the aforementioned efforts and for continuing to push upgrades of the technological foundations of state tax collection, an effort that involves local governments, businesses, residents, and other stakeholders.



Source: [govtech.com/top-25](https://govtech.com/top-25)

# Division of State and Local Finance

The State and Local Finance Division (SLF) annually calculates statewide equalized values; conducts property assessment services for manufacturing, telecommunication, and other utility company properties; assesses and collects certain taxes; and certifies assessors across the state. SLF also administers the state's shared revenue and property tax relief and administers the tax incremental financing program.



## EQUALIZATION

Annually certifies equalized and tax incremental finance values; ensures assessment compliance; reviews assessment appeals, chargebacks, and omitted requests; and provides training.



## MANUFACTURING

Assesses manufacturing property; ad valorem assessment of telecommunications, pipelines, airlines, railroads; and assesses gross receipts of light/heat/power companies.



## LOCAL GOVERNMENT SERVICES

Reviews local government financial statements, property assessment, tax reports; distributes state aids and property tax credits; certifies equalized values for school, special and tech college districts; and administers real estate transfer fee program.



## ASSESSMENT AND TECHNOLOGY

Oversees assessor certification and education; administers tax incremental finance program; and provides technology, applications support.

# SLF Accomplishments and Goals

## Professional Property Tax Administration

The Wisconsin Department of Revenue promotes efficient, effective and consistent property tax administration, and ensures compliance of statutorily required deadlines by SLF and local government officials, including assessors, clerks and listers. SLF also allows for timely and accurate production and distribution of property assessment and taxation deliverables.

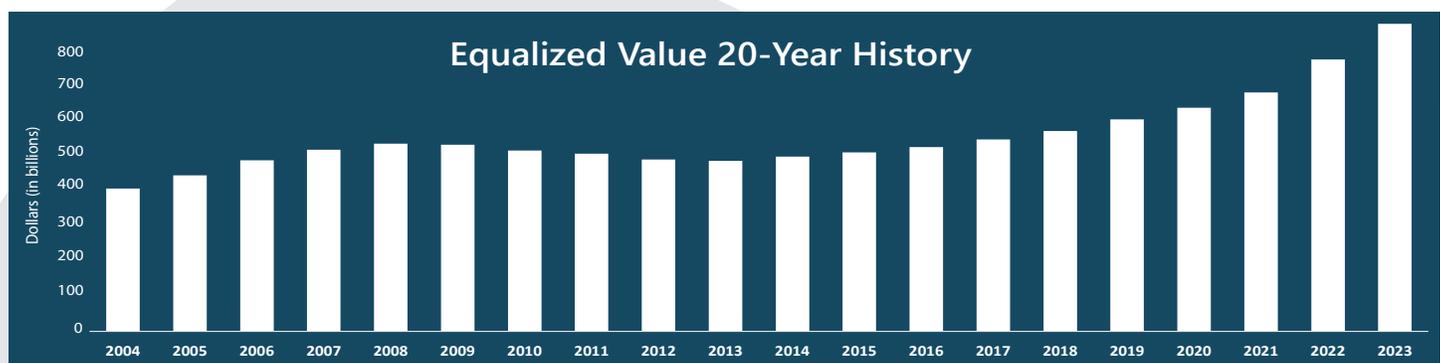
This is accomplished through:

- Education
- Timely provision of values, certificates, and statistical data
- Timely issuance of state aids, notifications, and assessments



## Accomplishments

- Developed new DOR SLF e-Learning platform within Cornerstone – successfully added assessors and the 2022 annual assessor meeting
- Provided technical guidance with the drafting of personal property tax repeal legislation (2023 WI Act 12)
- Assessed manufacturing property of \$21.07 billion in 2022 and \$23.45 billion in 2023, an increase of 11.3%
- Levied \$407 million in utility taxes and gross revenue license fees during the 2022 assessment year
- Certified total state equalized value of \$745.2 billion in 2022 and \$842.7 billion in 2023
- In 2023, Wisconsin’s equalized value increased 13% over the prior year, experiencing its second consecutive year of double-digit growth led by residential and manufacturing property
- Assisted local governments in the imposition of \$12.5 billion in gross property tax in 2022
- Distributed \$1.4 billion in property tax relief for the 2021 tax year and \$1.4 billion for the 2022 tax year
- Distributed \$1.06 billion of shared revenue in FY22 and \$1.059 billion in FY2023
- Provided all values, estimates and statistical data to local governments and partner agencies on or before statutory deadlines



Note: Review summary reports and visualizations on the DOR [Reports](#) web page.

# SLF Accomplishments and Goals



## Goals

- Implement standardization to support system-wide efficiencies in the valuation and assessment of property
- Develop property assessment curriculum and training for new and experienced assessors to ensure compliance with assessment standards and uniformity
- Implement the repeal of personal property tax (effective January 1, 2024 via 2023 Wisconsin Act 12), including updating systems and forms and educating local officials and property owners

# SLF Accomplishments and Goals

## Leverage Technology to Improve Processes

DOR uses electronic filing, forms processing, web content, and various online tools to:

- Gain efficiencies
- Inform and educate customers and stakeholders
- Implement other improvements in:
  - » Customer filings
  - » Data gathering
  - » Internal processes
  - » Data provision
  - » Education



## Accomplishments

- Developed model to assist with the valuation of certain manufacturing properties
- Transitioned reporting of manufacturing forms and utility annual reports and assessment notifications into an established processing system – WINPAS and My Tax Account
- On-time completion of the conversion of fallen protective services adjustments, exempt computer aid, first dollar credit, and lottery and gaming credit processing applications from mainframe to the Value Aids Utilities Local Governments Taxes (VAULT) processing system
- Implemented business procedure to evaluate and prioritize SLF technology projects
- Enhanced My DOR Government Account filing platform to include options to view historical filings and SLF notifications
- Updated systems, forms, and instruction for 17 acts impacting state and local finance programs during the 2021 legislative session



## Goals

- Per system surveys, attain “very good/good” rating by 85.0% of users for overall satisfaction with external SLF filing systems (My DOR Government Account and My Tax Account)
- Revise electronic real estate transfer fee return and property assessment data system to improve user experience and data accuracy
- Implement solution to ensure Manufacturing Bureau maintains year-round Integrated Property Assessment System (IPAS) access to avoid processing delays
- Coordinate with the Division of Technology Services to complete the conversion and decommissioning of mainframe
- Implement technology to receive electronic payments for all SLF invoices
- Update systems and create new applications to support the shared revenue changes included in 2023 Wisconsin Act 12

# SLF Accomplishments and Goals

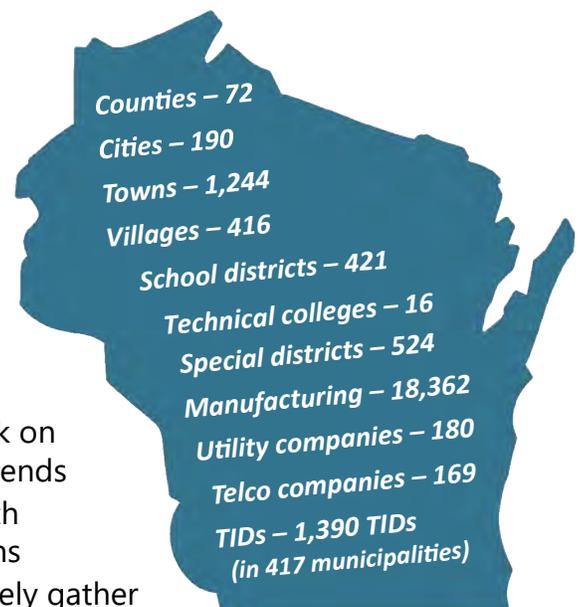
## Customer Relationship Management

Customer satisfaction surveys are administered every two years. We work to provide exceptional customer service to customers and stakeholders and effectively collaborate with local government officials, business owners, other state agencies, and stakeholders to administer SLF programs.



### Accomplishments

- Based on the 2022 customer service survey, 88.2% of respondents rate their overall satisfaction with SLF services as “very good/good”
- Continued the publication of SLF newsletter to enhance connection with customers and stakeholders – [available editions](#)
- Utilized webinars to communicate American Rescue Plan Act information, revised manufacturing and utility forms walk-throughs, and annual My DOR Government Account updates
- Implemented new assessor workshops to solicit feedback on assessment practices, professional needs, and industry trends
- Continued annual tax incremental finance workshops with consultant firms to provide updates and answer questions
- Executed listening sessions and focus groups to proactively gather customer insights regarding form revisions (ex: electronic real estate transfer fee), law changes, and guidance (ex: Wisconsin Property Assessment Manual (WPAM))
- Proactively sent consistent filing and payment reminders to customers to support timely compliance
- Increased use of X (previously Twitter) and expansion onto LinkedIn
- Published resources for new local government officials (ex: [Municipal Staff Filing Timeline & Resources](#))
- Developed and posted 14 new training videos outlining SLF forms and systems – see [DOR Video Center](#)
- Averaged over 25,000 views per quarter of the [DOR Governments](#) web page
- Increased participation and impact at outreach events since the pandemic. Per calendar year:
  - » 2020: 1,097 attendees at eight events
  - » 2021: 1,700 attendees at 22 events
  - » 2022: 1,945 attendees at 24 events



# SLF Accomplishments and Goals



## Goals

- Automate the update and maintenance of local government official contact information
- Continue the development of SLF training videos and webinars to explain program requirements and provide form filing instructions
- Modernize SLF publications and guides, and post reports in multiple formats
- Continue to use surveys to collect targeted feedback and hold roundtable sessions to collaborate with stakeholders

# SLF Accomplishments and Goals

## Employee Relations

Employee engagement surveys are conducted annually, typically in the beginning of each calendar year. We work to ensure division employees have the resources and flexibility to be highly productive in an inclusive environment.



### Accomplishments

- Seven SLF employees participated and graduated from DOR's Emerging Leaders program and ongoing professional development meetings within SLF
- Implemented property assessment specialist lead positions within Equalization and Manufacturing bureau district offices
- Per employee engagement survey: overall job satisfaction of 76.0% by SLF team members in 2022 and 2023
- Employee engagement plans developed and implemented for each bureau/work area based on survey feedback and additional suggestions
- Implemented in-person division updates within each district office two to three times per year
- SLF all-staff conferences conducted virtually in 2021 and in person in 2022, with over 81.0% of employees rating their overall satisfaction as "very satisfied/satisfied," both years
- Implemented colleague check-in and reflection time during monthly joint SLF management meetings
- Implemented monthly all-bureau meetings within multiple bureaus to offer staff training and collaboration opportunities
- Enhanced SLF's SharePoint team site adding SLF directives, recommended training, employee celebrations and reclassification guidance
- Innovation Team piloted within the Equalization Bureau (EQ), includes one team member from each district office and focuses on evaluating technology and processes, equipment suggestions, and making recommendations to EQ management



### Goals

- Per employee engagement survey, attain overall job satisfaction within SLF above 85.0%
- Revise employee training plans to provide consistency and expand expertise, including group onboarding
- Expand training for managers to ensure SLF leadership fosters an environment that promotes a high level of employee wellbeing
- Evaluate SLF office spaces to identify improvement opportunities, ensuring efficient workspaces that fit our operational needs

# SLF Accomplishments and Goals

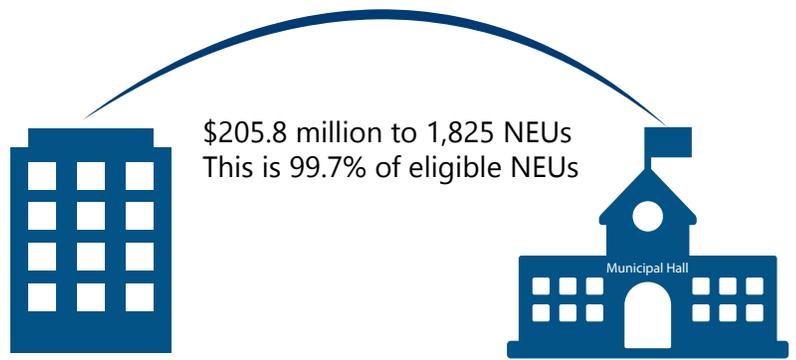
## American Rescue Plan Act – Local Fiscal Recovery Funds

The Wisconsin Department of Revenue was responsible for distributing American Rescue Plan Act (ARPA) funds to non-entitlement units of government (NEU) within the state of Wisconsin on behalf of the U.S. Department of the Treasury (Treasury).



### Accomplishments

- Distributed \$205.8 million to 1,825 NEUs in 2021, and \$205.7 million to 1,824 NEUs in 2022, which is 99.7% of eligible NEUs
- Annually provided updated Wisconsin NEU contact information to Treasury
- Implemented communication plan, including emails, webinars, phone calls, and social media to inform Wisconsin NEUs of allowable fund uses and reporting requirements based on Treasury guidance



# Division of Research and Policy

The Division of Research and Policy (R&P) provides detailed analyses of fiscal and economic policies to the Office of the Governor, DOR's Secretary's Office, and other state officials. The division assesses the impact of current and proposed tax laws, prepares official general fund tax revenue estimates used to develop the executive budget, issues quarterly forecasts of the state's economy, and develops various statistical reports.



## ECONOMICS

Prepares estimates of state general purpose tax revenues and forecasts of the Wisconsin economy.



## INCOME TAX POLICY

Conducts research on and analyzes individual income taxes and corporate franchise/ income taxes.



## SALES AND PROPERTY TAX

Researches and analyzes sales and use, property, excise and utility taxes, and other property tax relief programs. Provides analysis of fiscal issues affecting school districts, municipalities, and counties, including local financial assistance programs.



## BUSINESS DEVELOPMENT

Business Development and Government Relations (BDGR) connects the dots to federal, state, and local resources to help Wisconsin businesses grow and thrive.

# R&P Accomplishments and Goals

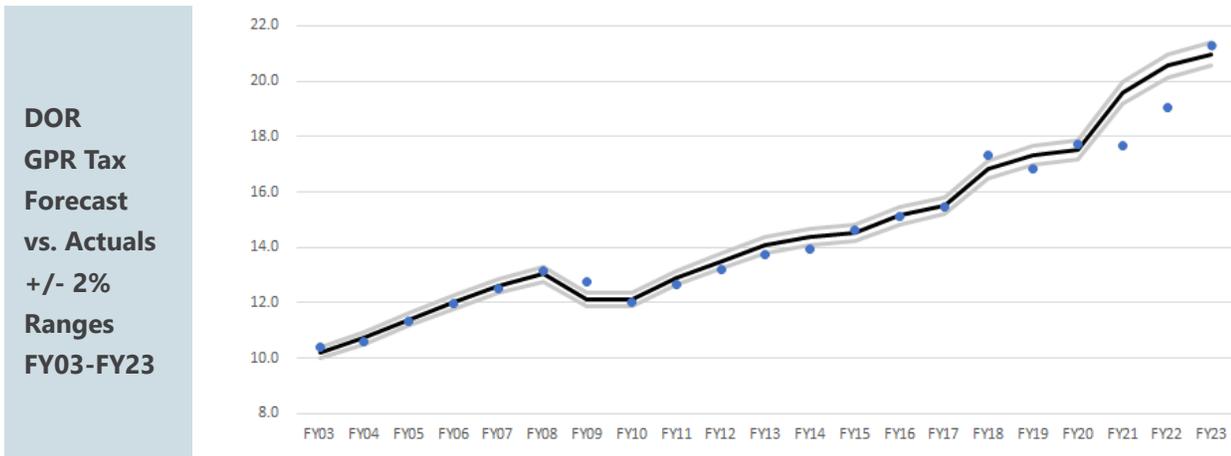
## General Fund Revenue and Fiscal Estimates

The Research and Policy Division is responsible for creation of the biennial revenue estimates presented by the executive branch. The division is charged with analyzing all tax policy proposals. More fiscal estimates are completed by R&P than any other state agency division.

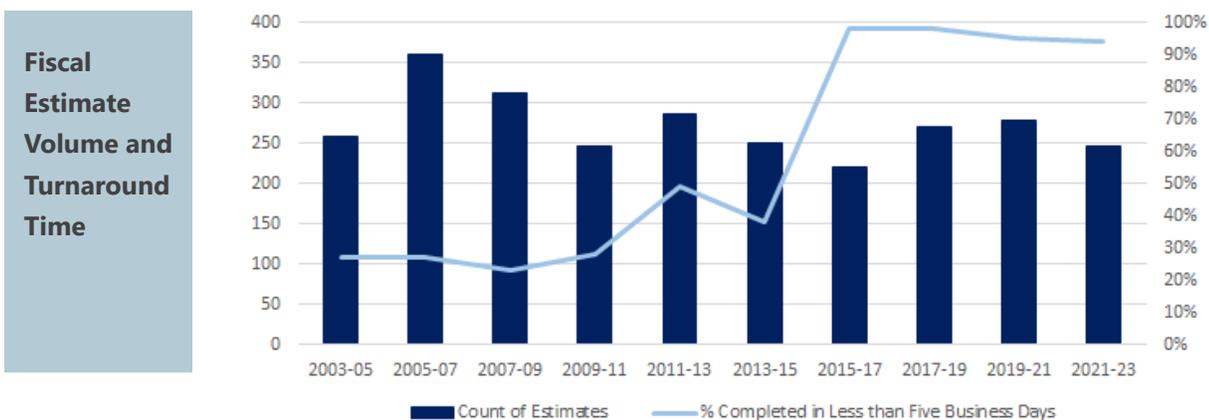


### Accomplishments

GPR tax revenue forecast of 7.5% in FY22, 1.5% in FY23 (preliminary) forecast horizons of eight months.



Completed 94.0% of 247 assigned fiscal estimates within five business days



### Goals

- Maintain forecast accuracy within 2.0% of actual annual revenue collections
- Complete 80.0% of fiscal estimates for proposed legislation within five business days. The division is currently tracking at 83.2% for the 2023 session

# R&P Accomplishments and Goals

## Database Creation and Publication

The Research and Policy Division produces many detailed statistical reports and databases for internal and external uses. Over the last few sessions R&P created more user-friendly graphic representations of information and data through data visualizations and tools for the public to access its substantial data resources.



### Accomplishments

- Created many data visualizations – the division now has 36 visualizations available for public consumption
- Created a stand-alone page for R&P visualizations at [DORViz.wi.gov](https://DORViz.wi.gov)
- Redesigned DOR's [Reports](#) page to a searchable and more user-friendly format
- Updated corporate and individual tax samples with tax year 2020 data, allowing for robust analyses of income tax data and proposed tax law modifications



### Goals

- Continue to update current data visualizations and provide additional user-friendly visualizations and interactive databases to DOR stakeholders
- Increase average daily views of R&P data visualizations – In fiscal year 2023, average daily views were 128 – a 28% increase from fiscal year 2022
- Create tax-year 2022 corporate and individual income tax samples

# R&P Accomplishments and Goals

## Business Development and Government Relations

Department of Revenue established a business outreach team in 2019 at the heart of the agency called BDGR, which stands for Business Development and Government Relations. BDGR team members include DOR's top leadership, senior economists, business liaisons, and members of our research and policy division.



The BDGR team works with individual businesses that need help starting or expanding their business or navigating public websites and programs. It connects entrepreneurs to lawyers who do pro bono work for businesses, and to private and public organizations created to assist local businesses.

They also coordinate with various businesses, chambers of commerce, and economic development professionals around Wisconsin to host economic outlook roundtable discussions. These are generally an hour-long discussion kicked off by local leaders and followed by the DOR leadership presenting the most recent initiatives impacting businesses. DOR economists share the latest data on the state and regional economic outlook and conclude with Q&A discussion on any key issues effecting the state, specific industries, or a local community.

BDGR members assist businesses on many issues through the [BDGR website](#). The BDGR website draws together federal, state, and local business resources to help community members start and grow their businesses, learn about tax incentives, and the current workforce outlook.

Finally, BDGR encourages businesses to connect with our data visualization page maintained by DOR economists. It includes interactive view of Wisconsin's assessed property values by municipality and county, commercial property sales data, commuter patterns, personal income distribution, and sales tax and individual income tax statistics. All this information and more can be found at our [interactive data page](#).

# R&P Accomplishments and Goals



## Accomplishments

- Expanded the BDGR initiative, addressing audiences at more than 40 events
- Creation of BDGR inbox to provide a direct line of communication for constituent questions & concerns
- Updated [BDGR website](#) to better connect constituents to other state and federal agencies such as the Small Business Administration. This need was especially acute during the pandemic



## Goals

- Respond to constituent concerns received in the BDGR inbox within 48 hours
- Improve collaboration on small business outreach across agencies
- Expand research offerings to the business community and public, such as the translation of the quarterly economic outlook into Spanish

# Office of General Counsel

The Office of General Counsel provides legal counsel to agency officials, litigates tax cases, reviews proposed administrative rules and tax legislation and works with other state agencies on legal matters.



## APPEAL RESOLUTION

Responds to and resolves taxpayer requests for redetermination of tax assessments and denials of claim for refund.



## LEGAL SERVICES

Represents the department at the Wisconsin Tax Appeals Commission, courts and other venues and advises the department on legal matters.



# OGC Accomplishments and Goals

## Provide timely, efficient and fair legal services, and appeal review

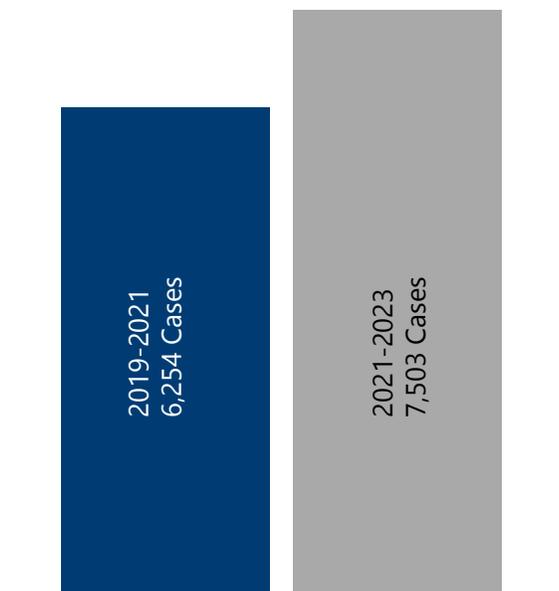
The Office of General Counsel provides timely, high quality and efficient legal services to DOR, and represents it in tax appeals at the Wisconsin Tax Appeals Commission (WTAC). The division also represents DOR in appeals of ad valorem assessments of telecommunications and other companies in state circuit court, and collection matters in state circuit court and federal bankruptcy court. Appeals are handled through correspondence, telephone, and informal conferences. Taxpayers may appeal the actions of the resolution officers to the WTAC.



### Accomplishments

- Created telecommuting opportunities for paralegals
- Continued to resolve appeals using remote depositions and meetings for better customer service
- Created office examination procedures and automated documents to provide another option for delinquent taxpayers to interact with DOR in a less formal setting
- Obtained decisions ruling that:
  - » Wisconsin and other states—not Delaware—are entitled to unclaimed teller and agent checks
  - » Totality of airplane leases are subject to sales and use tax, even if some lease proceeds are used by lessor for exempt services such as maintenance
  - » Depreciation recapture and gain should not be included in calculation of manufacturing credit
  - » Income from corporate average fuel economy credits is income apportionable to Wisconsin
  - » Income from vehicle leasing to cab drivers was subject to rental vehicle fee
  - » Sales tax is due on admissions to an indoor racetrack
  - » State law (sec. Tax 18.05, Wis Admin. Code) was validly created
- Achieved final resolution of 90% of cases acted on by the office audit resolution unit during the 2021-2023 biennium
- Resolved 81.8% of large case field audits within 25 months
- Decreased combined inventory for field audit resolution officer (FAROs) from 429 to 359
- Assisted in processing backlogged appeals from other units

Cases Completed



# OGC Accomplishments and Goals



## Goals

- Maintain or shorten time for resolution of taxpayer cases at the Wisconsin Tax Appeals Commission and in the Resolution Unit
- Improve current field audit resolution officer processes
- Maintain a diverse and equitable workplace

# Division of Technology Services

The Division of Technology Services (DTS) administers technology services for all parts of the department, including data administration, applications development, server and network support, data collection, and technology planning. The division also establishes and manages information technology standards and polices, and guidelines that ensure a secure environment for all electronic resources.



## APPLICATIONS

Provides application development and support to the department by working on projects that incorporate our business processes, data, and security into their respective business applications.



## CUSTOMER SERVICE

Provides technical assistance and support for staff members who use DOR systems and with external partners using DOR technical services.



# DTS Accomplishments and Goals

## Modernization of SLF Applications

In early 2015, DOR started a multi-year initiative to reengineer and modernize the various business applications used by the State and Local Finance Division (SLF). SLF uses these applications for:

- Processing shared revenue distributions to local governments
- Administering and managing telecommunications property tax, utility tax and other forms filed by local governments

The initiative involves transitioning existing legacy applications to new web-based, mobile-ready applications. The two main applications are the Values-Aids-Utilities-Local Governments-Taxes application, referred to as VAULT, and the Wisconsin Income Processing and Audit System, called WINPAS.



## Accomplishments

- Implemented two new applications in VAULT that streamlined processes and saved staff time:
  1. School levy tax credit
  2. Newly legislated Act 61 – Personal Property and Exempt Computer Aid Changes
- Automated the posting of equalization reports to MyDOR.Gov, saving staff time
- Implemented two new applications in WINPAS:
  - » Utilities tax returns
  - » Manufacturing tax returns



## Goals

- Continue to reengineer and modernize the two remaining mainframe applications:
  1. Lottery and gaming credit
  2. Administrative database
- Initiate the development of a new application for electronic real estate transfer forms within WINPAS

# DTS Accomplishments and Goals

## General Technology Services

The department continues to harness the value of technology by focusing on IT simplification. By simplifying its technology environment, DOR delivers better business performance, greater flexibility, higher productivity, and improved user experience. DOR continues to rely on enterprise services where appropriate. This enables the department to focus on improving business functions using technology instead of spending time managing those services.



## Accomplishments

- Distributed 418 additional laptops to employees in all divisions. This new standard helps to meet the mobility and telecommuting needs of DOR employees.
- Transitioned telephony services for all DOR staff from AT&T hosted Skype to Microsoft Teams. Teams is now DOR's tool for meetings, chat, and real-time collaboration and communication
- Implemented Microsoft Enterprise desktop management software as DOR's next generation endpoint management solution, enabling DOR to manage devices more effectively
- Improved identify and access management security solutions, including single sign-on capabilities
- Increased wireless coverage in multiple offices while increasing bandwidth to improve productivity, and audio and video quality while conducting virtual meetings
- Created a consolidated DOR, Wisconsin Department of Administration, Wisconsin Economic Development Corporation pandemic grant public search on DOR website
- Implemented a new case log retailers risk management system for the Division of Lottery
- Implemented a new case log online retailer application and renewal system for the Division of Lottery
- Modernized the agency's open records application for improved efficiency when processing and reporting on open records requests



Distributed 418 additional laptops to employees in all divisions.



# DTS Accomplishments and Goals



## Goals

- Migrate the scanning of additional tax forms off an outdated platform, continuing to move towards more current software technology
- Deploy modern technology in conference rooms for DOR staff to have an improved and simpler experience when participating in hybrid meetings
- Conduct a pilot and if appropriate implement an AI-powered natural language chatbot for self-service IT support. This will improve overall user experience and efficiency while reducing reliance on live Service Desk support agents.
- Upgrade all computers to the new Windows 11 operating system following the latest IRS guidance that ensures the policies, practices and controls are in place for the proper security and protections of our confidential data
- Prepare for a major version upgrade, called Core21, to DOR's tax processing system (WINPAS)
- Complete Act 142 changes related to net new construction
- Complete Act 12 and Act 19 changes
- Investigate and create a report discussing the potential benefits of a virtual desktop platform.
- Implement an application containerization system able to create, deploy, start, and stop applications in DOR's application environment

# DTS Accomplishments and Goals

## Cybersecurity

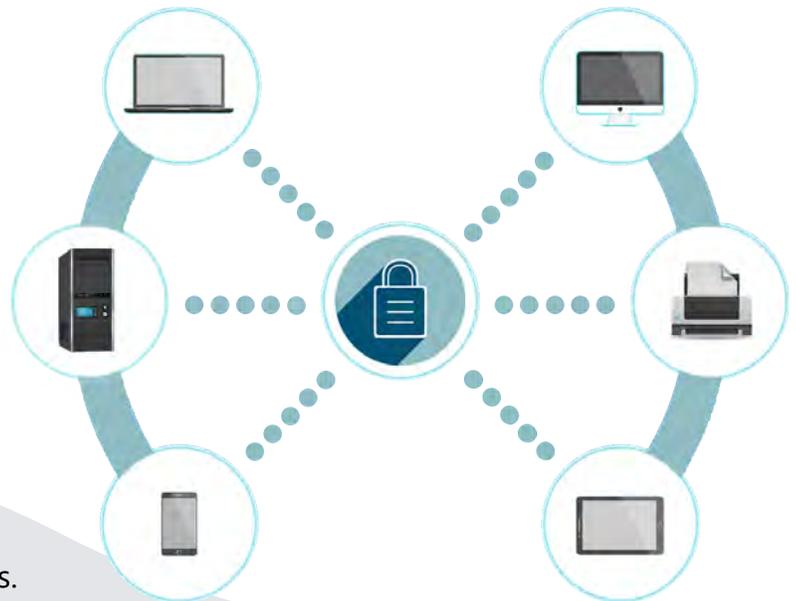
DOR is one of the most forward-thinking state agencies in terms of its overall information security program. It is often the first to implement security measures like two-factor authentication and live testing of its user's knowledge and awareness of information security topics. DOR is usually one of the first to volunteer to test any new enterprise security services and is often consulted by other agencies for assistance in developing their security programs. The department's continuous focus on information security is designed to protect the personally identifiable information (PII) of 5.7 million Wisconsin taxpayers, as well as federal tax information shared with the IRS.

DOR is proactive in its approach to employee security awareness and makes a significant effort to ensure staff members have the tools they need to protect systems and data, and prevent security incidents. Each employee is held accountable for their actions, and is expected to take seriously security and privacy.



## Accomplishments

- Replaced outdated multifactor authentication technology with a more cost-effective and robust platform that is easier to use, maintain, and support
- Implemented website application scanning for all DOR external facing web applications. This provides real-time configuration and vulnerability advice in the form of actionable security related requirements.
- Updated the agency's laptop encryption technology to a more integrated, and cost-effective solution that reduces overall configuration and management time. Encryption was also extended to include all desktop computers.



# DTS Accomplishments and Goals



## Goals

- Deploy a more robust data loss prevention (DLP) tool to protect outbound email from potential data loss
- Review and modify all social media web filtering rules to provide better DLP capabilities
- Migrate all DOR servers hosted within the state data center to the enterprise active directory domain for easier systems integration and enhanced security
- Complete a zero trust proof-of-concept and implement a final solution that would potentially allow employees to discontinue using a full access virtual private network, commonly referred to as VPN, when connecting to DOR applications
- Enhance DOR's security program to achieve higher efficiency and effectiveness in addressing vulnerabilities on servers, workstations, and applications. Streamlining patch management process and leveraging advanced automation tools, to reduce patch deployment times and ensure prompt resolution of identified vulnerabilities.
- Implement a password management application so employees may securely store and manage their credentials
- Switch from quarterly to continuous employee phishing testing

# Division of Enterprise Services

The Enterprise Services Division (ESD) provides department-wide administrative support for the agency, including budget and financial management, business planning and performance measurement, records management, printing, mail processing, fleet and facilities management, personnel, affirmative action, employee development, and employment relations.



## BUSINESS SERVICES

Provides administrative management to the department in the areas of facilities, fleet, document shredding, and forms management. Processes most incoming and outgoing mail, and prepares returns and correspondence for processing.



## FINANCIAL MANAGEMENT

Oversees development of the department's biennial and annual operating budgets, performing internal audits of department expenditures, serving as liaison for external audits, and developing the department's internal control plan.



## ADMINISTRATIVE OFFICE

Coordinates internal agency operations. Provides support and guidance strategic management, policies, procedures, training, continuance of operations planning, continuous improvement, and records management. The office also liases with human resources for workforce planning, diversity, equity, and inclusion and recruitment.



## STRATEGY AND ENGAGEMENT

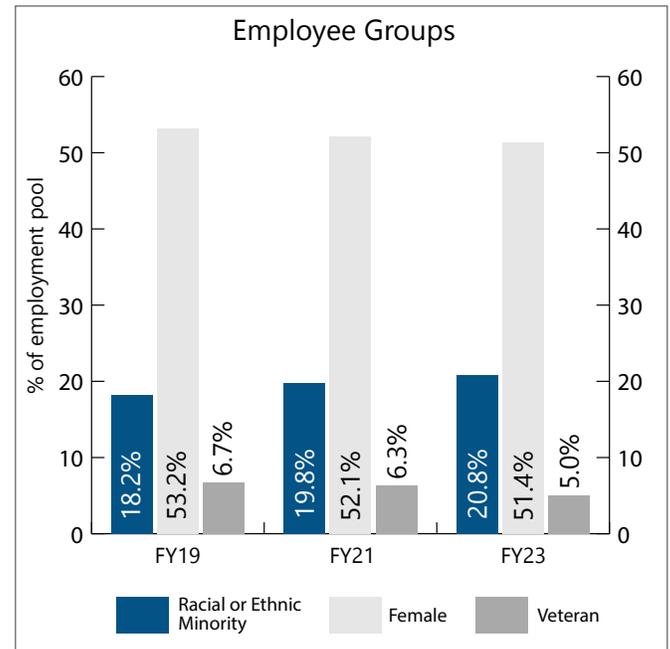
Manages employee onboarding, education and retention, programmatic training development, and the mentoring program, while supporting strategic planning and employee engagement initiatives.

# ESD Accomplishments and Goals



## Accomplishments

- The percentage of DOR employees who are racial or ethnic minorities increased from 18.2% in 2019 to 19.8% in 2021 and 20.8% in 2023 (June)
- The percentage of female DOR employees decreased slightly from 53.2% in 2019 to 52.1% in 2021, and a further drop to 51.4% in 2023
- The percentage of veterans employed by DOR increased from 5.6% in 2017 to 6.7% in 2019, but decreased since 2019 to 6.3% in 2021 and 5.0% in 2023
- DOR has no underutilized job groups of statistical significance
- Since 2020, when DOR developed its equity and inclusion plan following its strategic planning initiative and Executive Order #59 signed in November 2019, there are three overarching goals that DOR is focused on:
  - » Recruitment – actively work toward diversifying its workplace through recruitment
  - » Retention – actively address the disparity of promotions in marginalized populations and promote leadership and training opportunities to assist with retention
  - » Agency culture – promote a respectful and inclusive agency culture. The goals are to value diversity, promote equity and be bias free and for each employee to feel they can bring their “whole self” to work
- Support the Income, Sales & Excise Tax Division’s Gateway Program, developed to increase diversity and lift employees to a higher career by partnering with Milwaukee area secondary schools to employ interns with a two-year accounting degree and provide financial support in their quest for a four-year degree
- Staff developed and support two Adopt-a-School programs. We support Aldo Leopold Elementary in Madison and Nicollet Elementary in Green Bay (new in 2023)
- Continued to expand our employee resource groups (ERG). There are now six ERGs formed and led by DOR employees
- Support ERGs to offer activities that broaden understanding of the cultures they represent. Examples include:
  - » Participation in Pride and Juneteenth flag raisings
  - » Presentations on culturally significant history and ceremonies
  - » Cultural and ethnic potlucks



# ESD Accomplishments and Goals



## Goals

- Increase percentage of minority employees in leadership positions
- Continue to explore and expand methods to advertise position opportunities to diverse applicant pools
- Support and promote the DOR Equity and Inclusion Plan
- Promote participation in leadership and management development by minority and military veteran employees

# ESD Accomplishments and Goals

## Leverage technology and collaboration

Use the capabilities of STAR, Wisconsin's enterprise resource planning (ERP) systems, to improve efficiency, accuracy, integrity, and compliance while using TEAMS to improve collaboration and training effectiveness.



### Accomplishments

- Financial, procurement, and budget transactions meet state and federal requirements.
- Maintain no material findings in financial audits performed by the Legislative Audit Bureau (LAB)
- Develop new budget reports that are easier to prepare and more consistent while providing information to the customers in a clearer and more effective manner
- All staff being issued purchasing cards (p-cards) and supervisors who approve them must pass online training about p-card responsibilities before they receive their p-cards
- Began transition towards paperless p-card and reimbursement records
- Adopted automated retention disposition authorization system offered in STAR



### Goals

- Accurately prepared and submitted financial reports on time
- Improved procedures for reconciling clearing accounts
- Maintained no material findings in financial audits performed by LAB
- Developed dashboards and standard reports in STAR, Cornerstone and Sustainable Planner that customers and partners can run themselves to aid in budget management, training compliance, and continuity of operations

# ESD Accomplishments and Goals

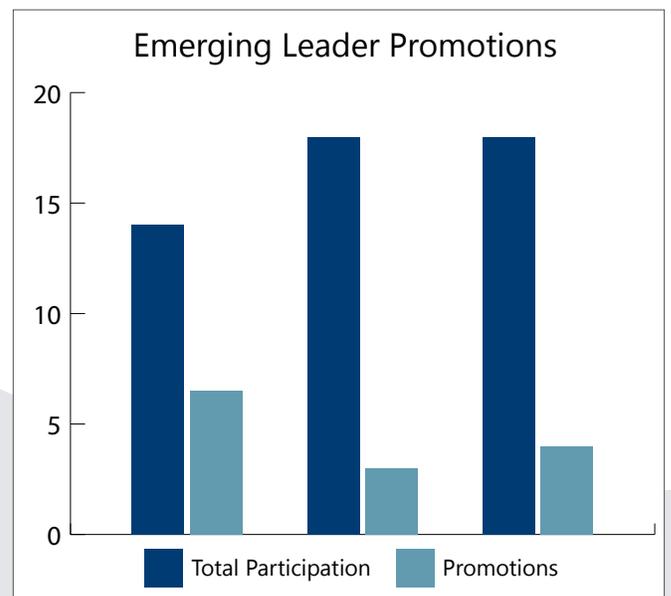
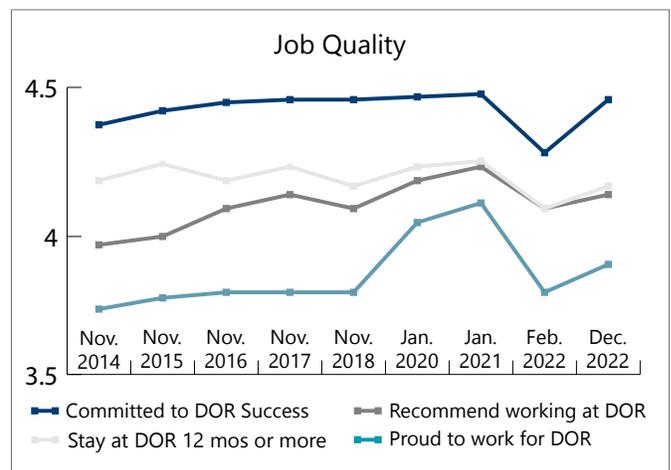
## Inspire employee engagement and retention

The agency's strategic planning process began in 2019 with SOAR, which stands for strengths, opportunities, aspirations, and results. This was followed by development of our modern mission, vision and values. Initiatives continue today that were identified and developed by staff to promote employee retention through continuous learning, knowledge transfer, collaboration, and feedback.



### Accomplishments

- Participated in divisions' operational business plan development to help identify and support financial and human resources needs
- Implemented a training and strategy section to operationalize the goals and activities of multiple SOAR initiatives, as well as enhance and lead employee onboarding, development, and retention efforts
- Developed and led three classes (aka, cohorts) of participants through our Emerging Leaders program in 2022. This prepared participants for success when advancing their careers, with 28% of participants attaining promotions to lead worker or supervisor positions
- Worked with the Bureau of Training and Development at DOA to provide DOR-specific training for new supervisors and managers in 2022. To be offered twice yearly, it is designed to strengthen their skills and provide a foundation for long-term success.
- All supervisors and managers participated in training focused on Gallup's Wellbeing at Work: How to Build Resilient and Thriving Teams. Training continues to build on those themes with particular focus on recognition, communication, and coaching to sustain retention.



# ESD Accomplishments and Goals



## Goals

- Support earlier SOAR deliverables as well as new initiatives resulting from the next phase of strategic planning
- Continue to focus on development and engagement, and tracking metrics that demonstrate the impact on job satisfaction and retention
- Advance from pilot to operating both the mentoring program and individual development plans
- Advertise monthly learning opportunities to support the "Take 4" initiative, supporting four hours of programmatic or career development training per month for all employees
- Provide new staff the information needed to be successful at DOR, including onboarding, safety, critical policies, and an introduction to leadership

# ESD Accomplishments and Goals

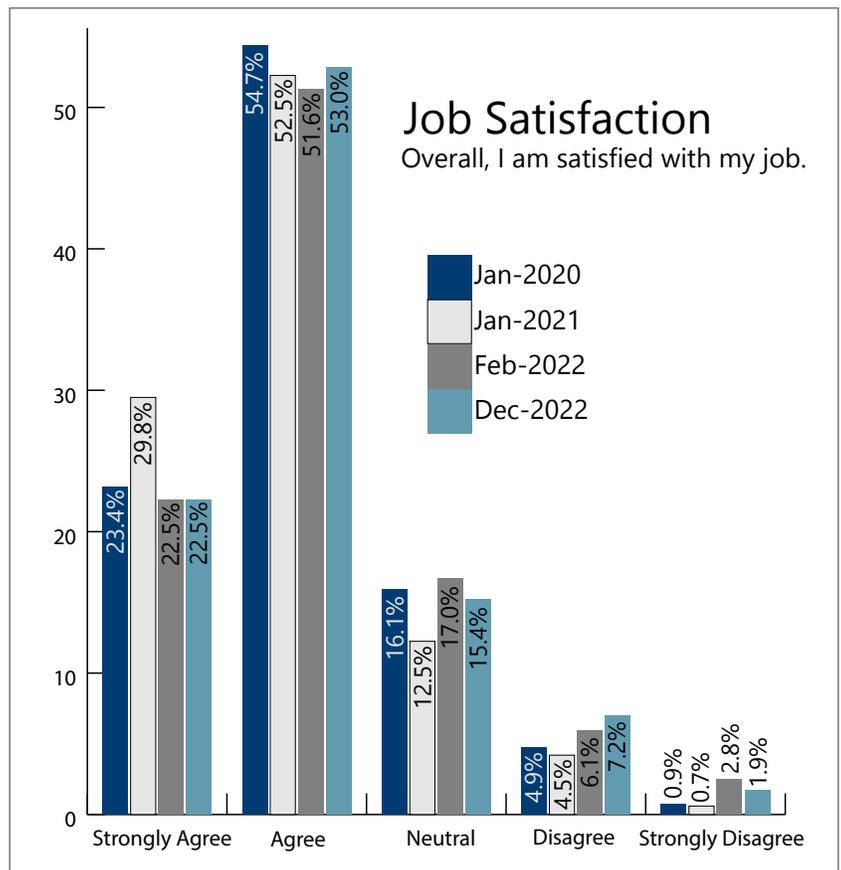
## Employee Engagement

Maintaining a positive work environment is a primary DOR goal. An annual survey conducted by DOR measures employee engagement.



### Accomplishments

- Employee engagement surveys were conducted each year since 2014, except for 2019 when DOR focused on involving the employees in SOAR
- In 2022, we surveyed staff twice – once in February after returning to the office in a hybrid style and again in December to return to annual late-fall survey schedules
- We saw job satisfaction peak in January 2021, drop slightly in early 2022, and begin to rebound in late 2022
- “I am committed to the success of DOR” remains the highest rated attribute, with 94.9% of employees surveyed agreeing or strongly agreeing with that statement
- Overall job satisfaction remains high



### Goals

- Provide training and develop action plans to increase scores of lower-rated attributes without losing focus on those that brought DOR success
- Continue the survey each year and provide DOR’s overall results

# ESD Accomplishments and Goals

## Encourage safe, secure practices and ensure continuity of operations

We place strong emphasis on education of our employees, to ensure safeguarding of confidential information. Providing additional focus on safety and continuity of operations ensures our employees can perform their essential work on behalf of our customers.



### Accomplishments

- Security, privacy, and confidentiality training were provided through documented policies, online learning and in-person training starting day one of new employment and repeated on multiple occasions throughout the biennium
- Employees were provided training on topics such as information technology security, physical security, and handling personally identifiable information
- A continuity of operations tabletop exercise was conducted in Fall 2022 on response and return to operations following a cyber-attack
- Live tests—simulated to represent actual events—were conducted each quarter to determine employee skills of recognizing and dealing with privacy and cybersecurity threats. Each test became increasingly difficult. Staff who failed any of the tests were provided in-person remedial training by DOR’s chief information security officer



### Goals

- Carry out Continuity of Operations program plan that lays out DOR’s training and exercise schedule
- Support the Division of Technology Services in the execution of security testing
- Review and update policies, online learning, and presentations when needed to address changes in environment, emerging threats, and new technology

# Division of Income, Sales & Excise Tax

The Income, Sales and Excise Tax Division (ISE) administers individual income, employee withholding, corporate franchise/income, state and county sales and use, estate, excise, economic development surcharge and other tax types, as well as homestead, earned income and other tax credit programs, and the unclaimed property program.



## TECHNICAL SERVICES

Directs division legislative and rulemaking activities; coordinates administration of state tax programs; develops tax forms, publications, and administrative rules; leads implementation of law changes; and provides rulings on tax issues.



## AUDIT

Conducts audits on tax returns, including those for income, sales, withholding, motor vehicle fuel, and excise taxes. Also, audits credit claims for homestead, earned income, and farmland preservation.



## COMPLIANCE

Collects all delinquent taxes and debts for state agencies, counties, and municipalities.



## CUSTOMER SERVICE

Provides timely, high-quality, and efficient assistance to taxpayers by telephone, email, and in-person.



## CRIMINAL INVESTIGATIONS

Conducts criminal investigations of individuals suspected of violating Wisconsin's tax laws and assets in the prosecution of the offenders. Responsible for enforcing Wisconsin's alcohol and tobacco laws.



## TAX OPERATIONS

Processes millions of tax returns annually, collects billions of dollars, administers unclaimed property program, and ensures processing system and tax software is working correctly.

# ISE Accomplishments and Goals

## WINPAS

The Wisconsin Income Processing and Audit System (WINPAS) is DOR's integrated tax processing system. WINPAS is used for administering, processing, auditing and managing all tax types for the state of Wisconsin. The system also includes My Tax Account (MTA), which is a free self-service portal where taxpayers may:

- View current account status
- File and amend returns
- Make payments
- Remit wage attachment payments
- Manage and update account information

WINPAS also provides a tax data warehouse, which is used for loading, mining, and managing data from multiple external data sources. This includes data from the IRS and other state agencies such as Wisconsin's departments of Workforce Development, Transportation, and Health Services.

WINPAS is a web-based application built using a commercial off-the-shelf tax administration software product, GenTax, a Fast Enterprises product. It uses modern technologies such as Microsoft .NET and Microsoft SQL Server.



## Accomplishments

**Business Tax Filing Frequency** (November 2021) - Annually, DOR reviews business accounts to ensure their filing frequency fits with their business activity. This scan is done annually. The process was very manual. Updating filing frequency can now be done by the business area without the assistance of IT programmers.

**Unclaimed Property Voluntary Disclosure** (February 2022) - Voluntary disclosure program was introduced February 1 and closed February 28, 2023. There were 707 holders that took advantage of the program to report and remit unclaimed property and 100% of the holder reports were processed systematically. Publicity events related to the voluntary disclosure period resulted in an unprecedented increase in properties reported to the Unclaimed Property program. In fiscal year 2023, DOR received 728,059 properties from holders, compared to 560,562 in fiscal year 2022.

**Wisconsin Identity Protection PIN (IP PIN)** (January 2022) – Starting with the 2021 income tax returns filed in 2022, DOR implemented a new program to help taxpayers prevent fraudsters from filing income tax returns using the taxpayer's identity by incorporating the Wisconsin IP PIN on Forms 1, 1NPR, Schedules H, and H-EZ. With fraud on the rise, this additional layer of security is essential.

**Temporary Events** (August 2022) – Improved the temporary events program by offering operators and vendors an easy way to acquire a seller's permit, and collect and remit sales tax by removing most of the manual process and providing a place in WINPAS to create an account. This project will support education, and increase compliance with event operators and vendors.

**Enrollment Schema** (September 2022) – Allows the automatic processing of client lists received by payroll service providers. An account attribute is added to a business withholding account to designate their payroll provider.

# ISE Accomplishments and Goals



## Accomplishments

**Audit Partnership Working Paper** – Created a new working paper system for partnership accounts to enable auditing at the entity level. Improved working paper functionality to improve auditing efficiency.

**Bankruptcy Case Modernization** – Expanded the ability to load bankruptcy case files from all jurisdictions as well as automated file loads from the public access to court electronic records system, commonly referred to as PACER. Improved case management system to make claims and review work more efficient.

**WisTax** – Implemented a second-year pilot that modernizes the Wisconsin e-File form to make it easier for certain Wisconsin residents to file individual income taxes and homestead credit forms electronically. This free version reduces the complexity of filing and allows filling from mobile devices.

**Grant Bill Back** – Implemented a system to bill back ARPA and CARES grants disbursed to ineligible recipients.

**Enhanced Payment Portals** – Implemented a new credit card processor making payments by credit cards easier for customers. Added the ability for customers with non-traditional banking to use Apple Pay and PayPal.

# ISE Accomplishments and Goals



## Goals

**WisTax** – Provide more free income tax filing options: Further expand WisTax to include joint filers and most income tax schedules. Join the Free File Alliance.

**Advanced Technology Project** – Work to improve collection prioritization to significantly reduce the work effort to implement and maintain a modern analytics-based collections program.

**Implement Milwaukee City and County Sales/Use tax changes** – Update the system to allow for an increase in Milwaukee County tax and create a new city of Milwaukee sales and use tax.

**Refund Claims System** – Create a system to track and handle refund claims across the Audit Bureau for all tax types. Improve the efficiency in processing refund claims and ensure reviews are completed within the time frame allowed by law.

**Enhanced Payment Portals** – Expand payment options for customers by allowing for cash payments at authorized retailers throughout the state.

**Lockbox Conversion** – Implement a new lockbox with vendor and improve efficiency in exception item processing.

**Excise Permit Application Modernization** – Create electronic permit applications and streamline the permit work to increase efficiency.

**Rate Jurisdiction Database** – Implement a comprehensive rate jurisdiction database that provides the sales and use tax rate to businesses and consumers specific to each address in Wisconsin. The database will be available to businesses and software companies, and will benefit local governments and sellers by establishing clear boundaries for local taxes.

# ISE Accomplishments and Goals

## My Tax Account

Upgrade DOR's My Tax Account (MTA) online business tax system to better meet customer needs.



### Accomplishments

- Introduced a virtual assistant named **DORi** (DOR Information). **DORi** assists customers using our online portal with basic navigation, password reset instructions and frequently asked questions, resulting in fewer calls to our Customer Service Bureau
- An upgrade to MTA was installed in September 2021, which improved the user experience by adding a responsive design, enhanced security, and simplified navigation
- Added the unclaimed property voluntary disclosure application to MTA



### Goals

- Increase the number of MTA users using the electronic mail feature
- Increase number of individuals using MTA

# ISE Accomplishments and Goals

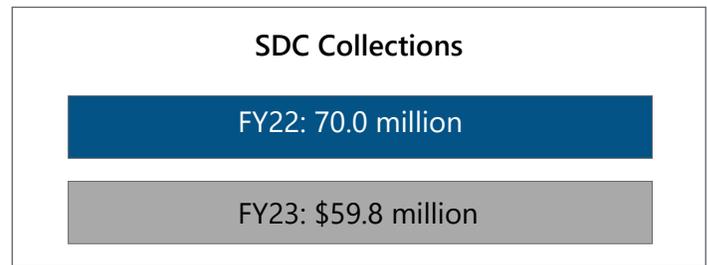
## Compliance – State Debt Collection (SDC) Initiative

State agencies and local governments refer their debts aged past 90 days to DOR’s State Debt Collection (SDC) initiative. DOR is authorized by law to collect the referred debts in a similar manner to individual income tax. Primary collection methods include payment plans, wage attachment orders, financial institution levies, tax refund offsets, and vendor payment setoffs.



### Accomplishments

- Increased participation to 677 partners (up 24 partners from fiscal year 2021)
- SDC collections
  - » FY22: - \$70.0 million
  - » FFY23: - \$59.8 million
- SDC receivables \$424.3 million



### Goals

- Ensure adequate staffing to respond to debtors and agencies
- Work effectively with agency partners to properly submit and manage their debts
- Improve prioritization of high-risk accounts

# ISE Accomplishments and Goals

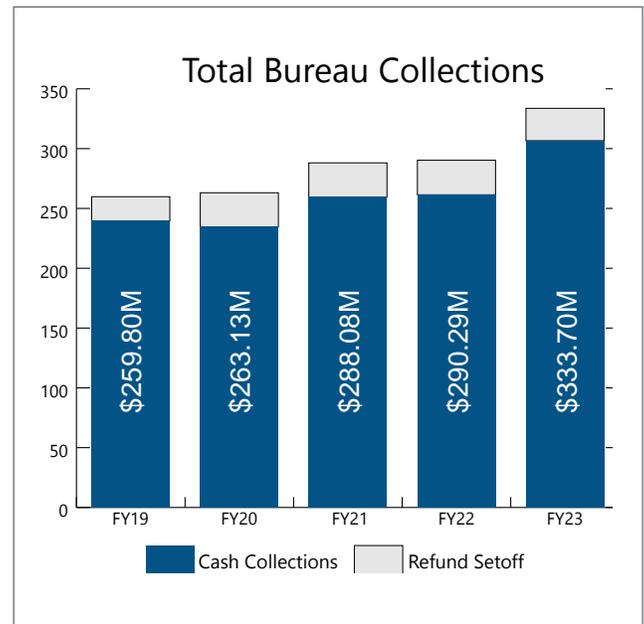
## Compliance – Tax Collections

DOR continues to look for ways to efficiently and effectively collect delinquent tax debt.



### Accomplishments

- Delinquent tax collections
  - » FY23: \$333.7 million
  - » FY20: \$236.1 million
- Expanded payment functionality by adding PayPal and Apple Pay
- Developed a training program to target employees at all seniority levels, starting with new agent training, experienced agent development, and supervisor leadership development
- Won a Federation of Tax Administrators national award for Excellence in Tax Administration
- Added two new financial institutions to the electronic file exchanges for levy order processing



### Goals

- Use data analytics to improve collection prioritization
- Expand secure electronic file exchange for wage attachments and bank levies with third parties

# ISE Accomplishments and Goals

## Tax Operations and Office of Criminal Investigation

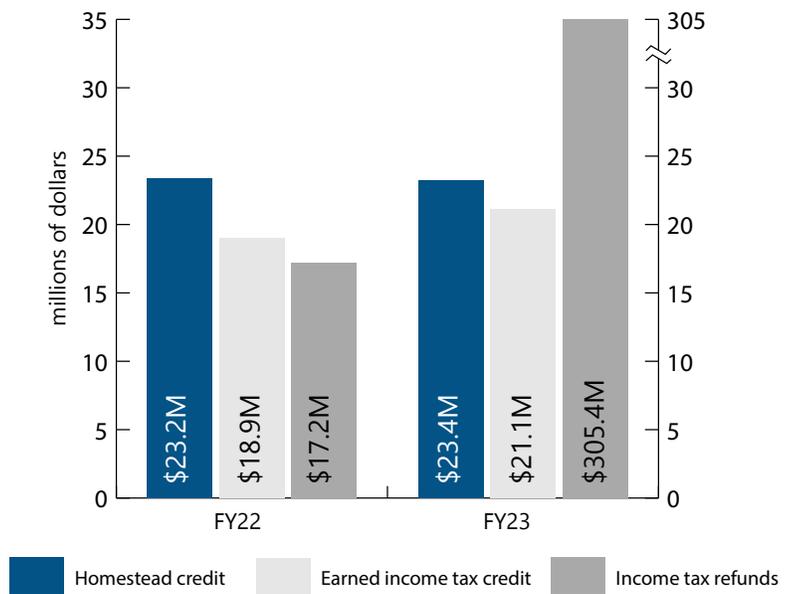
Work together to improve fraud detection for individual income tax refunds, refundable credits, unclaimed property, and other processes. DOR added business rules to its tax processing systems to recognize fraudulent returns and identity theft. Data is available from previously filed returns, federal tax returns, wage statements from employers, and other sources. DOR uses a third party vendor to perform various checks and comparisons, and the agency obtains information about suspicious filings from the IRS, other states and private sector partners.



### Accomplishments

- Stopped or adjusted homestead credits of \$23.2 million and earned income credits of \$23.4 million in FY22, \$18.9 million and \$21.1 million in FY23
- Stopped fraudulent income tax refunds of \$17.2 million in FY22, \$305.3 million in FY23
- Continuously improved the technology tools to identify fraudulent returns and identity theft. Stopped \$5.7 million in FY22 and \$12.0 million in FY23
- Developed a modernized Form 1 in My Tax Account for certain individual income tax filers
- Updated qualified businesses with updated certificate of exempt status numbers

Stopped or Adjusted Fraud



### Goals

- Continuously improve technology tools to identify tax refund fraud and identity theft
- Expand the electronic Form 1 with a goal to replace the outdated Wisconsin e-File tax forms
- Implement the ability to share notices and information through electronic file transfer with authorized third parties

# ISE Accomplishments and Goals

## Tax Operations – Unclaimed Property

In the 2013-15 biennial budget, the legislature transferred the Unclaimed Property program from the Wisconsin Office of State Treasurer to DOR. Since acquiring the program, DOR's goals were to:

- Ensure all claims are acted on within the statutory 90 days
- Enhance the systems to process claims and holder reports
- Provide for electronic filing of claims
- Conduct a holder education campaign



### Accomplishments

- Implemented 2021 Wisconsin Act 97 conforming Chapter 177 to many of the provisions in the Revised Uniform Unclaimed Property Act of 2016, adopted by the National Conference of Commissioners of Uniform State Law
- Implemented 2021 Wisconsin Act 87 to create a voluntary disclosure program for holders of unclaimed property
- Stayed well within the statutory timeline of 90 days for processing claims. Average processing rate for FY 2022 was 43.0 days and for FY 2023 was 35.8 days
- Returned \$38.8 million in unclaimed property in FY23, with \$10.4 million returned through the auto claim process. Returned \$35.2 in FY22, with \$6.6 million returned through auto claims



### Goals

- Continuously improve the automatic matching program and claims processing system
- Implement a holder non-filer process to identify businesses not remitting property
- Strengthen identity verification practices to prevent unclaimed property claim fraud

# ISE Accomplishments and Goals

## Audit – Technology Initiatives

DOR continues to develop creative and effective solutions to improve communication and transparency in the auditing process, allowing for decrease in overall cycle time and better customer service delivery.



### Accomplishments

- Created and implemented a working paper for partnership entities, eliminating the stand-alone system and creating a more comprehensive display of audit information for customers in My Case Manager (MCM)
- Developed business requirements for a new corporation single-entity working paper
- Developed business requirements for a new online permitting process for excise tax permits, which will allow for faster application turnaround for customers
- Created specialized training course for auditors on how to use My Tax Account and MCM to help promote its use and function among customers and practitioners



### Goals

- Complete and implement the corporation single entity working paper
- Continue to refine data-driven selection projects to ensure a high return on investment
- Continue to develop new billing projects for individual income, sales and use tax, and occasional consumer use tax
- Use data analysis and dashboards to measure and improve workflow for the billing process and quality reviews
- Optimally balance resources among billing activities for individual income tax and occasional consumer use tax

# ISE Accomplishments and Goals

## Audit – Revenue Agent Billing Projects

The billing agent project continued to develop from the original allocation in the 2013-2015 biennial budget, encompassing a comprehensive inventory of projects for individual income tax. Agent positions were allocated to Compliance and Audit bureaus, including within the occasional consumer use tax area.



### Accomplishments

- Contacted customers to resolve state tax implications related to federal audit bills and promptly resolved billing issues for customers related to IRS audits
- Researched and improved data matching models to generate and refine a comprehensive inventory of leads for billing projects
- Collected \$25 million in FY23 and \$26.5 million in FY22



### Goals

- Continue to evaluate operations and identify areas for ongoing improvement
- Explore opportunities to automate aspects of analysis and communication for improved accuracy and efficiency
- Sustain the productivity of consumer use tax efforts by implementing data-driven workflows

# ISE Accomplishments and Goals

## Customer Service

The Customer Service Bureau provides timely, high-quality, and efficient assistance to taxpayers by telephone, email, and in-person. DOR's goal is to identify new educational and outreach opportunities to better assist taxpayers, and to expand technology and non-traditional communication offerings to taxpayers and partners.



### Accomplishments

- Implemented a new virtual assistant to improve customer self-service
- Expanded small business outreach events to improve sales and use, and withholding tax compliance. Events were presented in English, Spanish and Chinese
- Implemented call center dispositions to better track call topics and trends
- Developed a report to track calls by hour to improve scheduling and availability
- Assisted in the development of expanding our WisTax for individual income tax and homestead credit filing



### Goals

- Expand online chat into other business areas
- Expand outreach to small and minority run businesses
- Expand self-help tools and applications available to taxpayers
- Increase social media outreach to businesses and taxpayers

# ISE Accomplishments and Goals

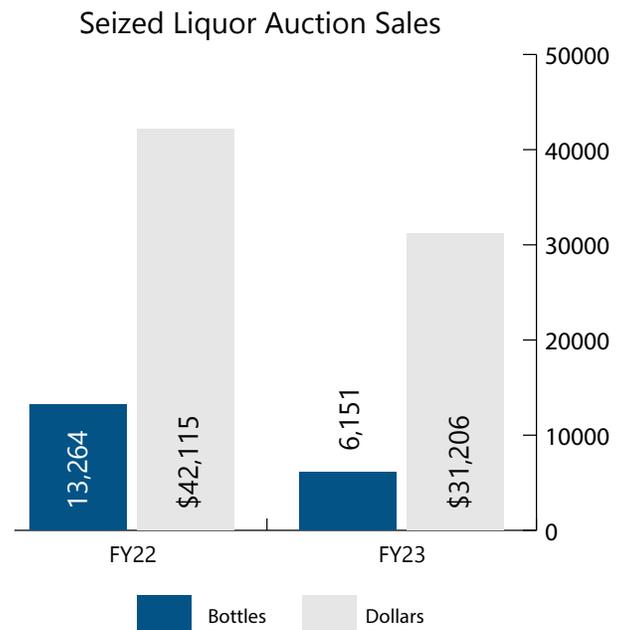
## Alcohol & Tobacco Enforcement Unit

The Alcohol & Tobacco Enforcement Unit provides uniform statewide enforcement and education of Wisconsin's alcohol beverage, cigarette, tobacco products, vapor products, and video gambling laws.



### Accomplishments

- Closed 707 cases in FY22 (367 permit background cases, 340 investigation cases) and 952 in FY23 (357 permit background cases, 595 investigation cases)
- Held auctions of seized liquor, eight in FY22 (13,264 bottles for \$42,115) and four in FY23 (6,151 bottles for \$31,206)
- Gave 15 presentations to stakeholders in FY22 and 17 in FY23
- Published eight quarterly DOR On Tap newsletters in FY22 and FY23, giving guidance, updates, and news on the latest topics and trends involving alcohol beverages in Wisconsin
- Implemented an online complaint form in FY23, allowing citizen to report alcohol beverage, cigarette, tobacco, vapor products, and video gaming violations
- Implemented a vapor product disposition process for vapor products containing nicotine considered hazardous waste
- Destroyed 26 95-gallon containers of seized tobacco products and transferred over 50 cartons of cigarettes to law enforcement
- Updated internal unit policies to reflect best practices in law enforcement



### Goals

- Detect and prevent evasion of state taxes on alcohol beverages, cigarettes, tobacco products, vapor products, and video gambling on Class "B" and "Class B" premises
- Investigate violations of statewide significance of the following state laws:
  - » Chapter [125](#) » Sec. [134.65](#), Wis. Stats. » Sec [945.04\(2m\)](#), Wis. Stats.
  - » Chapter [139](#) » Sec [945.03\(2m\)](#), Wis. Stats.
- Educate the public, governmental units, and the regulated community about the laws we administer

# Division of Lottery

The Wisconsin Lottery strives to provide the greatest possible property tax relief for Wisconsin homeowners by delivering entertaining games, providing outstanding customer service, and operating with integrity and social responsibility.

## BUSINESS OPERATIONS



- Prize claims and validations
- Drawings
- Managing retailer licenses and contract compliance Services
- Retailer accounting functions and support
- Player relations, which includes answering the player hot line and online correspondence



## OFFICE OF SECURITY



- Physical security
- Information technology security
- Retailer inspections and investigations
- Player investigations
- Drawings and continuity of operations planning

## SALES



- Develops and implements the Lottery's sales programs
- Provide retailer recruitment and sales support through field marketing representatives
- Provide key accounts management to corporate accounts



## PRODUCT DEVELOPMENT/MARKETING



- Research and development of instant and terminal-generated games
- Product management
- Market research and analysis
- Marketing communications (advertising, social media, public relations, winner awareness)
- Player relations at special events throughout Wisconsin

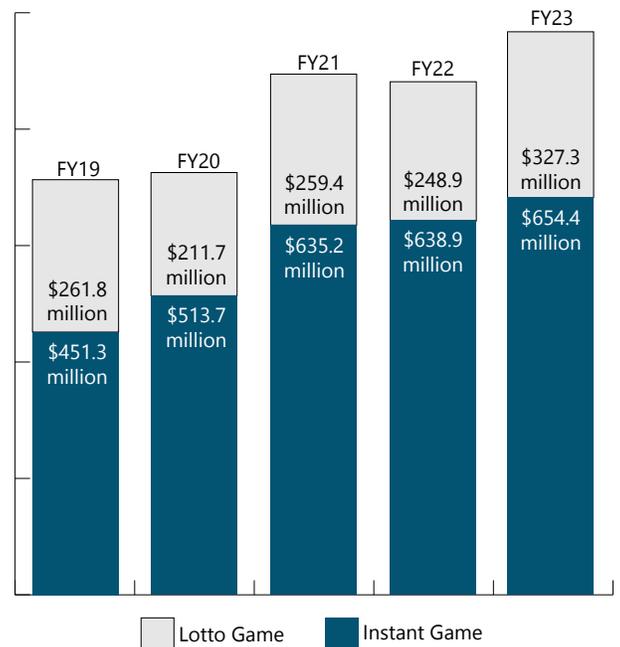
# Lottery Accomplishments and Goals



## Accomplishments

- The Lottery had its highest sales ever in FY23, with over \$981.6 million in total sales
- Scratch games achieved a twelfth consecutive record year in FY23
- Lotto games had a record year, with the highest sales ever in FY23, driven in part by especially large jackpot runs
- The highest Powerball jackpot ever, \$2.04 billion, was drawn Nov. 7, 2022 and won in California
- Pull-tab ticket sales in FY22, though notably much smaller than the other two product lines, were the highest since FY16. FY23 sales were the highest since FY13, at \$1.4 million
- While lower price scratch tickets remain popular by number of tickets sold, sales of upper price points—\$10 and higher—are driving the record scratch sales. The Lottery launched its first \$50 ticket in September of 2022, and produced \$41.7 million in sales for FY23
- In April of 2023, Lottery launched a new series of Lotto games called Fast Play that combine the appeal of instant wins with a progressive jackpot. Sales are exceeding expectations, with over \$7.2 million through the end of June
- Achieved Level 2 certification for Responsible Gaming by the World Lottery Association

Lottery Ticket Sales



## Goals

- Achieve the greatest possible tax relief for Wisconsin home owners
- Maintain public trust and confidence in the Lottery brand
- Operational excellence
- Expanding our player base in a socially responsible manner
- Having successful retailers through Lottery support