



PENNSYLVANIA DEPARTMENT OF REVENUE

Strategic Plan

2016-2020

as of 3/1/2017

This document was developed pursuant to Act 47 of 2001 which calls on the Pennsylvania Department of Revenue to develop and publish a strategic plan on March 1st of odd-numbered years. As an agency under the Governor's jurisdiction, the Pennsylvania Department of Revenue's 2016-2020 Strategic Plan aligns and supports the overarching goals set forth by Governor Wolf: Schools that Teach, Jobs that Pay and Government that Works.

Pennsylvania Department of Revenue

Overview

Established in 1927, the Pennsylvania Department of Revenue is charged with collecting and distributing most of the tax monies due to the Commonwealth. On an annual basis, the Department receives and collects all of the Commonwealth of Pennsylvania General Fund tax revenue, currently in excess of \$29 billion. In addition, the Department processes more than 10 million business and individual tax reports and payments annually. The scope of services and programs provided by the Department affect every business and citizen in the Commonwealth of Pennsylvania.

The Department is responsible for administering the Commonwealth of Pennsylvania's tax programs and services. This includes collecting most tax levies, as well as various fees, fines and other monies due the commonwealth. The Department also supervises the administration and collection of monies for the first and second class county sales tax and various special funds.

The Department is also responsible for administering the Pennsylvania Lottery, which remains the only state lottery designating all its proceeds to programs that benefit older residents. Since its inception in 1971, the Pennsylvania Lottery has contributed more than \$25.8 billion to fund programs such as property tax and rent rebates; free transit and reduced-fare shared rides; the low-cost prescription drug programs PACE and PACENET; long-term living services; and the 52 Area Agencies on Aging, including full- and part-time senior centers throughout the state.

Finally, the Department works with the Governor's Budget Office to prepare the official estimates of the tax yield due the commonwealth and analyzes the effect on revenues of proposed changes in either the laws or the tax structure of the commonwealth.

The Department is headquartered in Harrisburg, Pennsylvania with more than 25 regional offices for audit, delinquent tax collection, and customer service staff. The Department employs approximately 1,600 professional and administrative agents with the responsibility to administer, account for, and enforce more than 40 tax programs and related revenue services. The Department is a strategically focused organization that strives to deliver programs and services aligned to the agency strategic direction and goals, as shown below in *Figure 1, PA Department of Revenue Strategic Focus*.

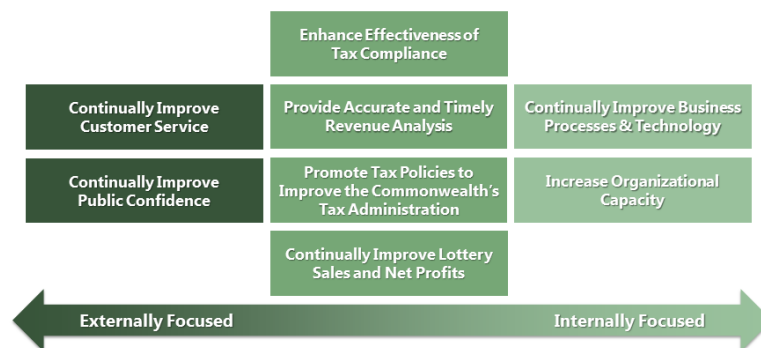


Figure 1 PA Department of Revenue Strategic Focus

Structure

The Department is organized to support the full range of programs and services offered to the commonwealth. In total, the Department is comprised of 16 bureaus and 10 offices, which are organized into five deputates in addition to the Executive Office, as follows:

Executive Office

The Executive Office includes the Secretary of Revenue, the Legislative Liaison Office, the Press Office, support staff, and the Executive Leadership that includes:

- Executive Deputy Secretary
- Deputy Secretary for Administration
- Deputy Secretary for Compliance and Collections
- Deputy Secretary for Tax Policy
- Deputy Secretary for Taxation
- Chief Information Officer
- Executive Director of the Pennsylvania Lottery
- Policy Director
- Legislative Liaison
- Chief Counsel
- Press Secretary
- Taxpayer Rights Advocate
- Director of Process Reinvention, Innovation and Strategic Management (PRISM)

Secretary of Revenue

The Secretary of Revenue is responsible for appointing the employees required to conduct department operations and directing the collection, accounting, enforcement, and disbursement of all state taxes and other monies paid or owed to the commonwealth. Moreover, the Secretary acts as a liaison for the Department by providing information and legal assistance to the Attorney General and Board of Finance and Revenue for tax appeal cases. The Secretary of Revenue also serves as ex officio member of the Pennsylvania Gaming Control Board.

Executive Deputy Secretary

The Executive Deputy Secretary for Revenue is responsible for overseeing the majority of the core business operations of the Deputy Secretary for Taxation, Deputy Secretary for Compliance and Collections, the Chief Information Officer and PRISM.

Deputy Secretary for Administration

The Deputy Secretary for Administration is responsible for managing personnel and administrative support activities required to carry out the mission of the Department of Revenue. The Deputy Secretary oversees the Bureaus of Administrative Services, Human Resources, Imaging and Document Management, as well as the Gaming Office and the Budget Office. Primary responsibilities include developing and monitoring the department budget, arranging for the storage and retrieval of all tax records, designing and printing department publications, directing hiring and other personnel decisions, and directing the digital document management and remittance processing services offered by the department, both internally and externally. The Deputy Secretary also serves as the Americans with Disabilities Act coordinator, IRS Liaison, the Right to Know Law coordinator, and maintains oversight of the Department's Equal Employment Opportunity activities.

Deputy Secretary for Compliance and Collections

The Deputy Secretary for Compliance and Collections is responsible for directing department operations to enforce and ensure compliance with the commonwealth tax laws. The Deputy Secretary plans, develops, implements, coordinates, and evaluates the compliance and collection functions of the department and is responsible for departmental liaisons, coordination, and cooperation with other law enforcement agencies at the federal, state, and local levels. The Deputy Secretary directs the operations of the Pass Through Business Office and the Bureaus of Criminal Tax Investigations, Collections and Taxpayer Services, Compliance, and Enforcement Planning, Analysis, and Discovery.

Deputy Secretary for Tax Policy

The Deputy Secretary for Tax Policy coordinates the department's tax policy responses to issues as they arise, oversees publication of documents with approved positions, and chairs the department's tax policy committee, which discusses positions the department will take on various issues. The Deputy Secretary is responsible for directing financial research to identify economic trends which would affect revenue collections and advising the Secretary of Revenue on procedures to optimize collections and improve audit functions under all possible economic conditions. The Deputy Secretary also oversees the operation of the Board of Appeals and the Bureaus of Research and Audits and the economic development programs.

Deputy Secretary for Taxation

The Deputy Secretary for Taxation is responsible for managing the Bureaus of Corporation Taxes, Motor and Alternative Fuel Taxes, Individual Taxes, Business Trust Fund Taxes, Taxpayer Service and Information Center, as well as the operations of the Tax Registration Office and the Voluntary Disclosure Program. The Deputy Secretary also directs the review of corporation tax reports, motor fuel reports, personal income tax returns, inheritance tax returns, realty transfer tax documents, Property Tax/Rent Rebate claims, sales tax returns, and employer tax returns.

Chief Information Officer

The Chief Information Officer (CIO) is responsible for planning, directing, controlling, and implementing all information technology services in support of the goals, operational requirements, and the legislative mandates of the department. The CIO's office is also responsible for establishing priorities, controls, and procedures to ensure the efficient utilization of resources and also providing administrative and technical direction in the operation of highly complex, large-scale computer systems. The CIO also oversees the Bureau of Information Systems (BIS).

Executive Director of the Pennsylvania Lottery

The Executive Director of the Pennsylvania Lottery is responsible for the administration and operation of the Lottery including authorizing procedures and guidelines for the marketing and manufacturing of Lottery tickets; conducting all Lottery drawings; validating winning numbers; and compensating winning ticket holders. The Pennsylvania Lottery consists of the Security Office, and three Deputy Executive Directors. The Deputy Executive Director of Administration and Finance is responsible for consumer support, financial accounting and reporting, and the administrative functions of the Pennsylvania Lottery. The Deputy Executive Director for Marketing and Product Development is responsible for the creation, management, and marketing of all Lottery games, the management of advertising and promotional activities, the Pennsylvania Lottery brand, the engagement of players through social and digital media, and the management the Lottery's website and VIP Players Club. The Deputy Executive Director for Retail Operations is responsible for supporting Pennsylvania Lottery sales and promotional activities through contact with Lottery retailers and manages the seven area offices.

Policy Director

The Department's Policy Director is responsible for promoting the economic goals and taxation policies of the Governor and the Secretary of Revenue by providing guidance, developing initiatives, assessing feasibility and desirability, coordinating implementation, monitoring and developing responses to federal actions, and fostering collaboration with other executive agencies. The Policy Director also appears before legislative committees to explain new government policies and describe considerations weighed into the policy development process.

Legislative Liaison

The Department's Legislative Liaison is responsible for maintaining a presence at committee meetings held by the House and Senate and working directly with members and their staff on legislation related to Department of Revenue matters. The Legislative Liaison Office is also responsible for advocating legislation on behalf of the Governor and the Department, as well as tracking proposals introduced by the General Assembly to determine the overall impact.

Chief Counsel

The Department's Chief Counsel is responsible for providing legal counsel to the Department and the Governor's Office. The Office of Chief Counsel provides advice and assistance on legal issues arising from the administration and enforcement of the Pennsylvania tax laws. In addition, the Office of Chief Counsel provides legal representation for the Pennsylvania State Lottery and in personnel, employment and contract matters involving the Department. The Office of Chief Counsel also reviews policy statements, regulations and legislation.

Press Secretary

The Department's Press Secretary is responsible for directing the overall preparation and dissemination of public information regarding Pennsylvania tax laws, the Pennsylvania Lottery and significant departmental activities. The Press Secretary also serves as the communications strategist and media spokesperson on matters that bring the Department, its activities and its personnel into public focus.

Taxpayer Rights Advocate

The Office of Taxpayer Rights Advocate was created by the Taxpayer Bill of Rights that became law on December 20, 1996. The Taxpayer Rights Advocate is responsible for representing and ensuring individual taxpayers are provided equitable treatment with dignity and respect. Furthermore, it is the Office of Taxpayer Rights Advocate's obligation to serve as the department's primary officer for the administration of the Taxpayer Bill of Rights.

Director of Process Reinvention, Innovation and Strategic Management (PRISM)

The Director of PRISM is responsible for developing, planning and managing all aspects of Departmental projects including: project scope, schedules, resources, costs, quality control, communications, risk mitigation and staffing; identifying and prioritizing DOR project proposals; coordinating with the Bureau of Information Systems to develop, manage, control and implement projects; delivering projects on time, within budget and according to the planned scope; developing and maintaining the Department's strategic plan; documenting and maintaining the Department's business processes; establishing and reviewing metrics in support of the Department's strategic goals and initiatives; defining and documenting the user design requirements in support of the modernization of the Department's tax systems; developing, planning and directing the Department's Data Governance strategy; and providing business analysis and process improvement services for tax systems supporting business areas throughout the Department.

The current Department of Revenue organizational chart is shown on the following page in *Figure 2, DOR Organizational Chart*.

Recent Achievements

Elimination of the Capital Stock and Foreign Franchise Taxes

For over 175 years, Pennsylvania businesses have been paying the Capital Stock Tax, Pennsylvania's first tax passed in 1840. In 1935, a Franchise Tax was imposed on foreign corporations. Both of these taxes were scheduled to be completely phased out in 2008; however, this phase out was delayed and postponed several times. Governor Wolf promised that his administration would finally eliminate the Capital Stock and Foreign Franchise Taxes.

As a result, the tax was finally eliminated for tax years beginning on or after January 1, 2016. Approximately 400,000 business taxpayers, such as S Corporations, LLCs taxed as pass through entities, and business trusts filed their final corporation tax returns in 2016. In addition, the 2016 Corporate Net Income Tax return (RCT-101) was shortened with the elimination of these taxes.

Pennsylvania Lottery Achievements

The Pennsylvania Lottery again saw record sales for fiscal year 2015/2016, as sales hit \$4.13 billion, a record growth of more than \$315 million or eight percent, over the previous year's all-time sales record. Sales benefited from a world-record \$1.6 billion jackpot offered by Powerball in January 2016.

A record \$1.12 billion was generated for the Lottery fund, marking the fifth consecutive year the Pennsylvania Lottery generated over \$1 billion to fund vital programs benefiting older Pennsylvanians, such as:

- Long-term living services (Department of Human Services)
- PACE & PACENET low-cost prescription assistance (Department of Aging)
- Local services, senior centers and meals (Department of Aging)
- Property Tax and Rent Rebate program (Department of Revenue)

In 2016, the Pennsylvania Lottery piloted several new initiatives in an effort to gather data to potentially expand its points of distribution and boost sales:

- The *Play at the Pump* initiative launched to test sales of Powerball and Mega Millions tickets at gas pumps. This initiative has seen success and has resulted in an expansion of the pilot to different pump types
- The ability to purchase lottery tickets using *debit and credit cards* through the lottery terminals was introduced. This pilot was limited initially during 2016 due to the EMV chip upgrades for debit and credit cards. This pilot will continue to expand in 2017 to gather data to determine feasibility based on usage levels and the cost to support non-cash payments

Tax Registration Office

In October 2016, the department launched the Tax Registration Office. This newly established office combines business registration functions previously managed separately by the Bureau of Business Trust Fund Taxes and the Bureau of Corporation Tax into one centralized area.

Business taxpayers benefit from this “one-stop shop” approach for their registration needs and now have a centralized point of contact to register and update their account information for the following tax types:

- Corporation Taxes
- Employer Withholding Tax
- Promoter License
- Public Transportation Assistance Tax License
- Sales Tax Exempt Status
- Sales, Use, Hotel Occupancy Tax License
- Small Games Of Chance License/Cert.
- Transient Vendor Certificate
- Use Tax
- Vehicle Rental Tax
- Wholesaler Certificate

By restructuring the way the department handles the registration and maintenance of taxpayer accounts, we are streamlining our internal process and improving customer service for our internal and external customers that rely on the accuracy of information entered into the business tax systems.

Online Statement of Account for Business Taxes

At the request of the business community, the department launched a new feature in its business tax filing system, e-TIDES, in August 2016. The new feature allows business taxpayers and tax practitioners to receive a detailed electronic statement of account in PDF format within the e-TIDES system the next business day. Previously, taxpayers could only obtain a simple hardcopy summary after making a request either in writing or by phone.

Transitioning this process online is giving businesses faster access to more of their tax information, while reducing costs to the department. Since implementation, 150 tax practitioners registered to request almost 10,000 electronic account statements in less than six months. The project was recognized by the PA Office of Administration for the Pennsylvania Excellence in Technology Award.

In addition, the department collaborated with the Department of General Services, Commonwealth Media Services group to create a launch video explaining the new feature and the benefits it offers to our business taxpayers and tax practitioners.

Agreement for Collecting and Remitting Hotel Occupancy Tax

The department is also on the forefront of state tax administrators responding to the growth of home sharing in the lodging industry. On July 1, 2016, an agreement with a major online home-sharing company went into effect to aid thousands of hosts across the state in being compliant with the state tax law. As a result of this agreement, the state's six percent hotel occupancy tax is being collected and remitted on behalf of hosts in Pennsylvania. In addition, the one percent local hotel tax in Philadelphia and Allegheny counties is also being collected and remitted. This relationship provides for hotel occupancy tax compliance for a majority of the online home sharing hosts and partners offering PA rentals.

The state's hotel occupancy tax applies when renting out a property, including a house, room or apartment, to provide lodging for guests for periods of less than thirty days.

Personal Income Tax Fraud Program

The department's Fraud Investigation Unit began operation in March 2016. The mission of this unit is to identify potential fraudulent refund returns, assist taxpayers who have become victims of ID theft, and work with the IRS, other states and the 3rd party tax software and electronic commerce industry in addressing this continuously growing concern. This initiative both protects the taxpayers of Pennsylvania while also reducing cost to the commonwealth.

During 2016, the identity theft quiz moved from a telephone call with an outside vendor to an online knowledge-based assessment quiz on the department's website. This new identity theft quiz allows taxpayers, who the department determined to be a potential victim of identity theft, to validate that a personal income tax return was filed requesting a refund.

Sales Tax Desk Review Program

During 2016, the department implemented a sales tax desk review program, housed in the Pass Through Business Office. This program identifies sales tax non-filers and under-reporters through the use of new data modeling techniques. Since November of 2016, the department assessed \$17.4 million in additional sales tax. While enhancing tax collection, this program also serves to educate taxpayers on state sales tax law.

Electronic Lien Filing Initiative

With the goal of enhancing delinquent tax collections and streamlining processes, the department has been working with county prothonotary office's to electronically file state tax liens. Electronically filing state tax liens reduces the labor costs associated with producing and mailing lien documents to the various county prothonotary offices. State tax liens for individual and inheritance taxes are being filed electronically in Allegheny, Bucks, Cumberland, Montgomery and Philadelphia counties. The department has filed 5,975 liens electronically since December 2015.

Electronic Sales Suppression Program

The department implemented a program to address electronic sales suppression, which occurs when a business illegally hides sales transactions in order to avoid tax obligations. Electronic sales suppression is often achieved by using software known as zappers or phantomware to falsify point of sale records with the intent to evade paying taxes. To combat this unlawful tax evasion, the department is working with other states to explore electronic sales suppression. Anomalies indicative of sales suppression are currently being identified through data analytics by the Bureau of Enforcement Planning, Analysis and Discovery as well as through field work by the Bureau of Collections and Taxpayer Services. The information is then passed to the Bureau of Audits to expose businesses' sales suppression efforts. Taxpayers found to have concealed sales and underreported taxes may face a criminal investigation, in addition to the assessment of related tax, interest, and penalties. Programs such as this serve to help level the playing field for businesses that voluntarily comply with state tax law.

Online Bulk Tax Form Ordering System

In 2016, the department implemented a public-facing online bulk tax forms ordering system for use by legislators, libraries, post offices, CPAs, Volunteer Income Tax Assistance sites and county Registers of Wills/Recorder of Deeds offices. The intent was to streamline the process, expedite order fulfillment and provide order tracking. In 2016, a total of 44,655 bulk orders were received and processed.

Electronic Filing Successes

In early 2016, the Bureau of Motor and Alternative Fuel Taxes was receiving on 43% of its required monthly liquid fuels and fuel tax returns electronically via the department's online business tax filing system, e-TIDES. Over the course of the year, the department initiated a requirement for Class 1 through Class 6 fuels distributors to file their liquid fuels and fuels returns electronically. The total percentage of accounts electronically filed has increased from 43% to 98%.

In 2016, the Bureau of Individual Taxes received over five million personal income tax (PA-40) returns through the Fed/State e-file system, which represented 83% of all electronic filing for personal income tax and a 6% increase from the previous year. This was the largest volume of returns electronically filed to date during a tax season.

Employee Engagement Initiatives

In late 2015, the department began an effort to renew its strategic plan. Approximately forty managers from across the department worked to affirm the department's mission, vision and values and to develop strategic goals and initiatives to move the department into the year 2020. Of the resulting 23 initiatives, fourteen of the initiatives have employee-led workgroups actively focused on specific action items to advance our strategic goals. The remaining nine initiatives encompass key departmental operational goals.

The department continues to see the success of two internal employee development academies, the Supervisory Academy and the Professional Development Academy. These academies were developed by the Bureau of Human Resources to assist the department in retaining staff and providing development opportunities for succession planning purposes. Since inception in 2014, 4 classes of the Supervisory Academy have been held, providing supervisory skills to 52 first level supervisors. For the Professional Development Academy, 2 classes have been held, providing targeted skills to 30 professional level employees.

Act 84 of 2016

The department has seen an increase in its tax administration responsibilities with the passage of Act 84 of 2016. Following the enactment of the 2016-17 budget, the department has worked to prepare our technology infrastructure for the new legislative mandates, such as:

- Cigarette tax increase
- Taxes on other tobacco products
- Taxes on out-of-state wine shipments
- Taxes on Pennsylvania Lottery winnings
- Taxes on digital products
- Changes to the bank shares tax
- Cap on the sales tax vendor discount
- Offset of personal income tax refunds for court-ordered obligations
- Donation of a personal income tax refund to a tuition assistance account
- 17 new or expanded tax credit programs

Values, Mission, and Vision

Values

As part of the strategic planning process, a series of organizational values, both inspirational and core, were identified as integral to our organization. The Department's organizational values are:

- **Ethics** - We uphold the highest professional standards of honesty and truthfulness
- **Customer Service** - We are committed to treating customers with respect and meeting their needs and expectations in a timely manner
- **Accountability** - We hold ourselves responsible for our actions and their consequences
- **Fairness** - We equitably and consistently apply the laws we administer
- **Efficiency** - We continually seek to improve our productivity and be responsible stewards of the resources entrusted to us
- **Voluntary Compliance** - We help and encourage taxpayers to voluntarily comply with the tax laws
- **Employee Engagement** - We strive to increase job satisfaction and opportunities for growth and development of staff

Mission

The Department's purpose is its mission. It is the distinctive contribution we provide to the Commonwealth of Pennsylvania and to the overall public good. The Department has responsibilities that go beyond tax administration to encompass other revenue functions as well. The Department's mission is:

To fairly, efficiently, and accurately administer the tax laws and other revenue programs of the Commonwealth of Pennsylvania.

Vision

Based on the values identified, a vision was established to guide and inspire. The Department's vision is:

To be a leading tax administration and public service agency known for customer service, integrity, innovation, processing and compliance that funds government services for the benefit of all Pennsylvanians, with a caring and professional workforce.

Strategic Goals and Initiatives

Strategic goals are a clearer statement of the Department's vision. Our initiatives help us accomplish our mission and our stated goals by converting these concepts into specific, measurable and achievable actions. The Department's strategic goals and initiatives are:

GOAL #1: CONTINUALLY IMPROVE CUSTOMER SERVICE

Definition: The Department will improve the quality, efficiency, and effectiveness of service delivery by developing a wide range of self-service and customized service initiatives, by simplifying the tax filing and payment experience, and by helping all sectors of the public participate in the tax system.

- *Initiative 1.1:* Develop a comprehensive strategy for taxpayer service, including online self-service options such as account review, correspondence management and transactional capabilities
- *Initiative 1.2:* Expand Departmental communications channels to include social media elements, such as Facebook, Twitter, and YouTube, and ensure consistency in messaging between traditional communications methods and social media
- *Initiative 1.3:* Review and update Department forms and correspondence with a focus on increasing clarity, accuracy and simplification of the language

GOAL #2: ENHANCE EFFECTIVENESS OF TAX COMPLIANCE

Definition: The Department will ensure taxpayers meet their tax obligations so when Pennsylvanians pay their taxes, they can be confident their neighbors and business competitors are sharing the total tax burden equitably.

- *Initiative 2.1:* Develop a coordinated compliance and collections strategy that provides a structured and systematic approach to managing accounts receivable and minimizing the motivation for non-compliance
- *Initiative 2.2:* Develop a coordinated examination and audit strategy that focuses on maximizing the effect of applied resources and optimizes voluntary compliance while improving public confidence

GOAL #3: CONTINUALLY IMPROVE BUSINESS PROCESSES AND TECHNOLOGY

Definition: The Department will modernize its processes, encourage innovation, and replace legacy technology systems to effectively and efficiently address its enforcement and service needs.

- *Initiative 3.1:* Define a reorganization strategy around Department functions to reduce duplication of effort and increase efficiency and accuracy in the affected processes
- *Initiative 3.2:* Document and redesign Department business processes and implement internal controls
- *Initiative 3.3:* Grow the Department's external agency services, such as document imaging and micrographics
- *Initiative 3.4:* Implement technology upgrades related to tax processing system platforms, imaging functions, hardware infrastructure, and end user software programs
- *Initiative 3.5:* Enhance the Department's technologies to improve functionality
- *Initiative 3.6:* Implement a modernized tax processing system for individual tax, inheritance tax, realty transfer tax, property tax/rent rebate and motor fuel taxes

GOAL #4: PROVIDE ACCURATE AND TIMELY REVENUE ANALYSIS

Definition: The Department will develop necessary analyses, models and projections to enable the Governor's Office, the General Assembly, and other interested parties to make informed decisions about legislative changes, enforcement, outreach and education and litigation.

- *Initiative 4.1:* Develop a coordinated and secure approach for data analytics and performance measurement

GOAL #5: CONTINUALLY IMPROVE LOTTERY SALES AND NET PROFITS

Definition: The Department will maximize sales and profits of the Pennsylvania Lottery through sound business practices, innovation, and creativity.

- *Initiative 5.1:* Expand the points of distribution for lottery games
- *Initiative 5.2:* Aggressively manage the Pennsylvania Lottery product portfolios
- *Initiative 5.3:* Optimize the Pennsylvania Lottery presence at retail establishments
- *Initiative 5.4:* Engage the Pennsylvania Lottery community of players

GOAL #6: CONTINUALLY IMPROVE PUBLIC CONFIDENCE

Definition: The Department will utilize an open and transparent approach in dealing with taxpayers while maintaining the privacy and security of taxpayer information, and will fairly, equitably, and consistently apply the law.

- *Initiative 6.1:* Develop an outreach and education strategy to provide pertinent, timely information to increase voluntary compliance and reduce the need for customer contact
- *Initiative 6.2:* Develop partnerships with Commonwealth agencies, local, state and Federal tax agencies, as well as associations and groups to share information and best practices
- *Initiative 6.3:* Implement information security best practices in the handling and protection of confidential taxpayer data, including Federal tax information and personally identifiable information

GOAL #7: INCREASE ORGANIZATIONAL CAPACITY

Definition: The Department will attract, hire and retain qualified staff, providing development opportunities for both current and future professional growth and making available the necessary tools and resources to maximize performance and to attain organizational goals.

- *Initiative 7.1:* Develop a centralized training program to provide consistent and timely training and employee development activities to staff Department-wide
- *Initiative 7.2:* Create an internal online community to share information and provide employees with an avenue to get information and ask questions
- *Initiative 7.3:* Create internal programs (job shadowing and mentoring) to provide staff development opportunities and promote learning within the Department

GOAL #8: PROMOTE TAX POLICIES TO IMPROVE THE COMMONWEALTH'S TAX ADMINISTRATION

Definition: The Department will continue to evaluate and recommend tax policies to improve Pennsylvania's tax structure, emphasizing simplicity, consistency and reducing the cost of compliance.

- *Initiative 8.1:* Review and update tax laws, regulations and policies to provide clear underlying authority for tax compliance as well as education and outreach activities

Actions

To achieve our strategic goals and initiatives, the Department will pursue the following actions:

GOAL #1: CONTINUALLY IMPROVE CUSTOMER SERVICE			
ID#	Initiatives	ID #	Actions
1.1	Develop a comprehensive strategy for taxpayer service, including online self-service options such as account review, correspondence management and transactional capabilities	1.1.1	Define a customer segmentation strategy for the Department
		1.1.2	Recommend new online customer self-help and transactional capabilities
		1.1.3	Develop a strategy for managing internal customer referrals
		1.1.4	Develop an approach for gathering customer feedback after online, in-person and phone contact
1.2	Expand Departmental communications channels to include social media elements, such as Facebook, Twitter, and YouTube, and ensure consistency in messaging between traditional communications methods and social media	1.2.1	Create and design the Digital Communications Office
		1.2.2	Determine social media platforms and layout of the selected platforms
		1.2.3	Use Department's segmentation strategy and leverage for social media marketing
		1.2.4	Generate content and content calendar for each social media platform being implemented
		1.2.5	Determine marketing strategy for each social media platform being implemented
1.3	Review and update Departmental forms and correspondence with a focus on increasing clarity, accuracy and simplification of the language	1.3.1	Review and streamline the Department's internal forms approval process
		1.3.2	Gather data and recommend forms and correspondence changes to increase clarity

GOAL #2: ENHANCE EFFECTIVENESS OF TAX COMPLIANCE

ID#	Initiatives	ID #	Actions
2.1	Develop a coordinated compliance and collections strategy that provides a structured and systematic approach to managing accounts receivable and minimizing the motivation for non-compliance	2.1.1	Create an accepted, Department-wide definition for 'accounts receivable'
		2.1.2	Review and update correspondence that creates accounts receivables with a goal to eliminate confusion
		2.1.3	Develop a coordinated compliance and collections strategy within Bureaus responsible for defined accounts receivables
		2.1.4	Review and recommend organizational changes to streamline collections work performed Department-wide
		2.1.5	Define measurements to determine successful collections efforts
2.2	Develop a coordinated examination and audit strategy that focuses on maximizing the effect of applied resources and optimizes voluntary compliance while improving public confidence	2.2.1	Develop a coordinated scoring system for audit cases, both desk and field
		2.2.2	Identify and implement a case management system for all audit cases, both desk and field
		2.2.3	Establish regular meetings between audit and examination Bureaus to set Department audit strategy
		2.2.4	Review and recommend organizational structure changes to provide for a consolidated area for audit and exam within the Department

GOAL #3: CONTINUALLY IMPROVE BUSINESS PROCESSES AND TECHNOLOGY

ID#	Initiatives	ID #	Actions
3.1	Define a reorganization strategy around Department functions to reduce duplication of effort and increase efficiency in the affected processes	3.1.1	Create a vision for a functionalized Department and facilitate areas to make changes with the goal of operational efficiency
		3.1.2	Examine segregation of duties across the Department, identify high-risk areas, and recommend mitigation strategies
		3.1.3	Conduct a Departmental review of employee job classifications
3.2	Document and redesign Department business processes and implement internal controls	3.2.1	Conduct internal control assessment
3.3	Grow the Department's external agency services, such as document imaging and micrographics	3.3.1	Grow the Department's external agency services
3.4	Implement technology upgrades related to tax processing system platforms, security, imaging functions, hardware infrastructure, and end user software programs	3.4.1	Upcoming technology upgrades to Departmental technologies and infrastructure
3.5	Enhance the Department's technologies to improve functionality	3.5.1	Determine enhancements to the Department's technologies to improve functionality
3.6	Implement a modernized tax processing system for individual tax, inheritance tax, realty transfer tax, property tax/rent rebate and motor fuel taxes	3.6.1	Define scope of modernization project, identify technology suppliers, develop detailed modernization project plan and implement modernization

GOAL #4: PROVIDE ACCURATE AND TIMELY REVENUE ANALYSIS

ID#	Initiatives	ID #	Actions
4.1	Develop a coordinated and secure approach for data analytics and performance measurement	4.1.1	Create a vision for data governance within the Department
		4.1.2	Identify and document existing data for Department-wide visibility
		4.1.3	Create a communication plan for Departmental data owners and data users
		4.1.4	Create definitions to meet external data requests, such as GAAP or the Office of the Budget

GOAL #5: CONTINUALLY IMPROVE LOTTERY SALES AND NET PROFITS

ID#	Initiatives	ID #	Actions
5.1	Expand points of distribution for lottery games	5.1.1	Expand the Play at the Pump pilot program
		5.1.2	Expand the test of card payments (credit & debit)
		5.1.3	Introduce iLottery (internet sales of interactive lottery games)
		5.1.4	Launch the pilot of lottery sales in grocery checkout lanes
5.2	Aggressively manage the Pennsylvania Lottery product portfolios	5.2.1	Use data to identify growth opportunities within the existing product portfolio
		5.2.2	Monitor industry activities to identify new product concepts for testing
		5.2.3	Add play value to products through additional interactive elements
5.3	Optimize the Pennsylvania Lottery presence at retail establishments	5.3.1	Expand Sales Makeover program to increase product facings, Lottery branding, and promotional elements at retail establishments
		5.3.2	Increase retailer training efforts to promote a more proactive approach to selling lottery products
		5.3.3	Test new types of signage to expand the Lottery brand at retail establishments
		5.3.4	Expand the test of geo-location technology to promote Lottery at retail establishments through the Lottery's mobile app
5.4	Engage the Pennsylvania Lottery community of players	5.4.1	Expand interactive marketing efforts to increase engagement of VIP Players Club audience
		5.4.2	Launch online research tool to engage player community
		5.4.3	Launch in-app messaging technology to deliver tailored content

GOAL #6: CONTINUALLY IMPROVE PUBLIC CONFIDENCE

ID#	Initiatives	ID #	Actions
6.1	Develop an outreach and education strategy to provide pertinent, timely information to increase voluntary compliance and reduce the need for customer contact	6.1.1	Identify an organizational structure to drive outreach and education strategic planning
		6.1.2	Use the department's segmentation strategy to determine the outreach and education needs of each segments
		6.1.3	Identify and develop outreach and education triggers, metrics and process flow
		6.1.4	Implement the outreach and education process
		6.1.5	Evaluate the impact of outreach and education activities
6.2	Develop partnerships with Commonwealth agencies, local, state and Federal tax agencies, as well as associations and groups to share information and best practices	6.2.1	Determine approach for developing partnerships and sharing information and best practices
6.3	Implement information security best practices in the handling and protection of confidential taxpayer data, including Federal tax information and personally identifiable information	6.3.1	Complete high-level cyber security risk assessment

GOAL #7: INCREASE ORGANIZATIONAL CAPACITY

ID#	Initiatives	ID #	Actions
7.1	Develop a centralized training program to provide consistent and timely training and employee development activities to staff Department-wide	7.1.1	Survey bureaus to inventory current trainings offerings Department-wide
		7.1.2	Meet with bureaus to validate survey data and determine training needs
		7.1.3	Analyze survey and training needs assessment data
		7.1.4	Develop a model for a centralized training program and pilot the model
7.2	Create an online community to share information and provide employees with an avenue to get information and ask questions	7.2.1	Identify content and functionality to be provided by an internal online community
		7.2.2	Determine platform, layout and content management strategy for an internal online community
		7.2.3	Develop a communications and marketing strategy
		7.2.4	Develop a training plan and implement an internal online community
7.3	Create internal programs (job shadowing and mentoring) to provide staff development opportunities and promote learning within the Department	7.3.1	Establish a mentoring program
		7.3.2	Establish a job shadowing program

GOAL #8: PROMOTE TAX POLICIES TO IMPROVE THE COMMONWEALTH'S TAX ADMINISTRATION

ID#	Initiatives	ID #	Actions
8.1	Review and update tax laws, regulations and policies to provide clear underlying authority for tax compliance as well as education and outreach activities	8.1.1	Develop a process for identifying and prioritizing internal legislative, regulatory or policy change requests
		8.1.2	Enhance data collection on appellate actions to support internal legislative, regulatory or policy change requests
		8.1.3	Identify a centralized, internal repository for legislative, regulatory and policy change supporting documentation for historical reference, accessibility, and transparency