



State of California
Franchise Tax Board



FTB/CPA Liaison Meeting

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Agenda

- EDR Project Background
- Business Problem
- EDR Solution
- Project Timeline
- Costs, Benefits, and Success Factors



EDR is the most significant effort that FTB has ever undertaken to address the Tax Gap.

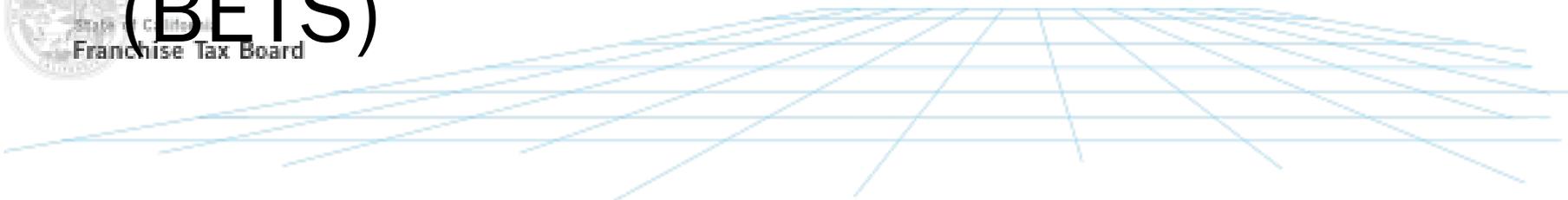


EDR will generate about \$4.7 B in additional revenue over the project reporting period.



Business Problem

1. Data Availability
2. Business Processes
3. Self-Services
4. System Redundancy and Reuse
5. Data Analysis
6. Business Entities Tax System



Four Major Components

**Enterprise
Data
Warehouse**

**PIT & BE
Return
Processing**

**Legacy
Systems**

**Taxpayer
Folder**

Enterprise Data Warehouse

All incoming data maintained in 1 location.

Paper returns imaged & converted to “e” for processing, access, & storage.

Information available across all FTB programs.

Improved record matching.

Return Processing System

One System for PIT & BE Processing.

Expanded return data capture, validation and fraud detection.

Minimal manual resolution.

Faster processing of current year, prior year & amended returns.

Legacy System Changes

Enterprise services such as data matching, data modeling, address location, and noticing.

Enhanced legacy system effectiveness.

Reduced backlogs.

Reduced maintenance costs.

BETS retooled eliminating risk of failure and allowing fast & flexible changes.

Taxpayer Folder

External & internal users share common view of information.

Notices, correspondence, ID numbers, addresses, & comments viewable.

New self-services include: calculate penalties; protest audits; grant powers of attorney.

Project Timeline

Phased Approach

- Early Wins
 - *07/11 - 06/13*
- PIT/BE Return and Payment Processing
 - *04/12 - 12/13*
- PIT/BE Correspondence, PIT/BE Collections, and Taxpayer Folder
 - *05/12 - 06/14*
- PIT/BE Return Validation, Filing Enforcement and Audit
 - *08/13 - 12/15*



Overview of Benefits

- Addresses the Tax Gap**
 - **\$1 billion** additional revenue annually, starting in 2016, and continuing each year thereafter.

- Reduces taxpayer burden**
 - More and **better services** for stakeholders.

- Builds trust in government**
 - Higher level of **transparency**.

- Makes business sense**
 - More **efficient operations** throughout FTB.

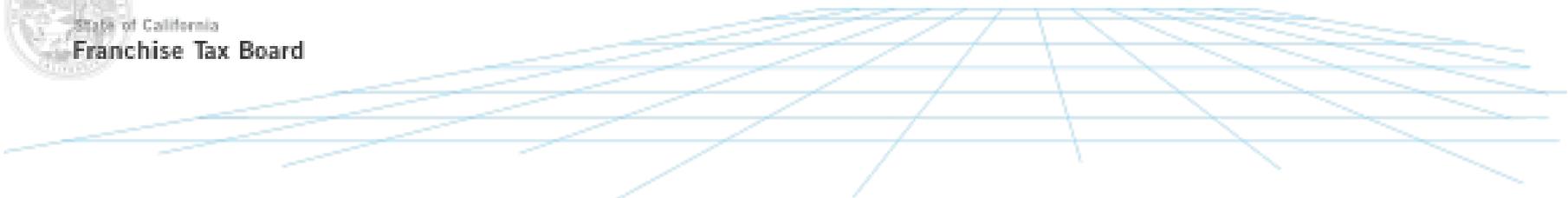
Cost/Benefit Ratio

7:1



Procurement and Payment Method

EDR uses a Benefits Based Payment Model to reduce risk to the State.



FTB's Strong Foundation Ensures Success

- **Multiple successful large IT projects.**
- **Extensive experience with Benefits Payment Model.**
- **Strong relationship with project partner:**
 - **CGI Technology and Solutions, Inc.**



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Enterprise Data to Revenue

EDR

