

INITIATION DATE

April 2020

PROJECT COMPLETION DATE

Phase 1: **04/01/2020 - 11/30/2020**

Phase 2: **12/01/2020 - 04/30/2021**

NASCIO 2021 STATE IT RECOGNITION AWARDS
DIGITAL SERVICES: GOVERNMENT TO CITIZENS

Michigan Department of Treasury
e-Services

*Supporting Michigan Taxpayers
During Every Step*

STATE OF MICHIGAN

CONTACT

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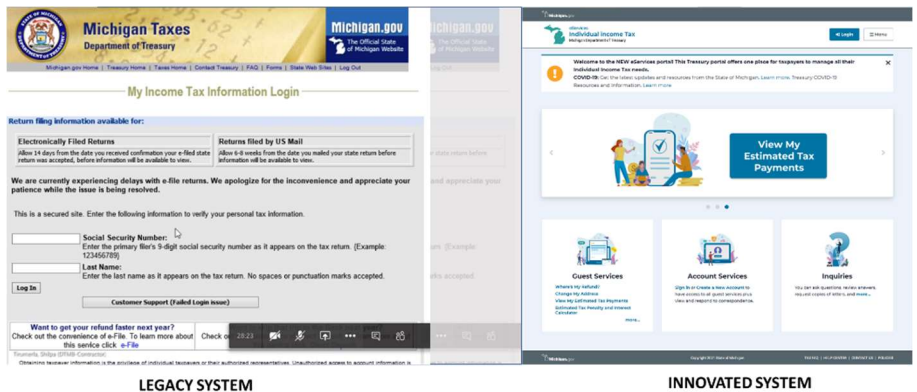
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EXECUTIVE SUMMARY

The Department of Treasury is responsible for maintaining the State of Michigan's overall financial health -- a \$56 billion a year enterprise. In April 2020, the Michigan Department of Treasury embarked on a journey to revolutionize the taxpayer and tax professional

experience, with a goal to design and implement a state-of-the-art taxpayer and tax professional self-service portal based on eCommerce SAP CX platform.



In evaluating end user needs, the Michigan Department of Treasury recognized that the legacy portal did not enable the Department to provide modern or holistic customer service through various channels and features (self services, online help, survey etc.), which resulted in an over-saturation of the call center services. Thus, the goal of the new self-service portal, the eServices solution, was to provide a modern, reliable and secure platform while focusing on an enhanced taxpayer experience that was simple to implement. To execute this vision, the Michigan Department of Treasury and its partners revamped the experience on the SAP CX platform.

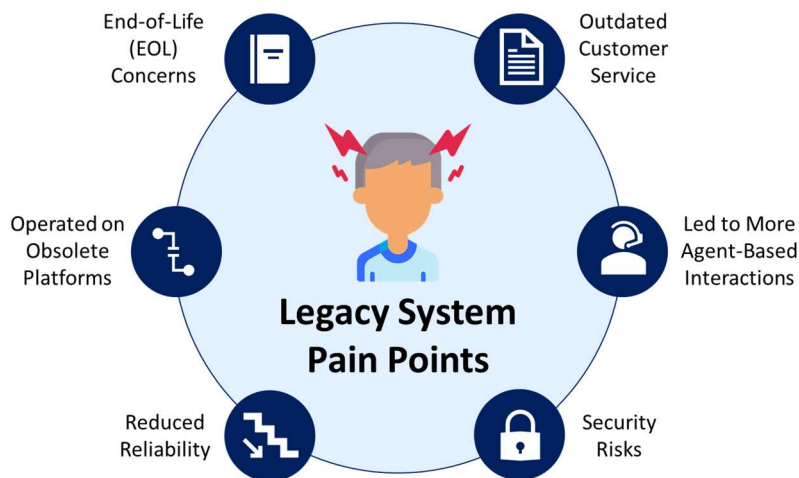
In order to design the new eServices portal, Human Centered Design (HCD) was employed to get at the heart of the problems and obstacles faced by users of the legacy system. Using HCD, the solution was able to provide an enhanced self-service experience with improved security, and a variety of online functions that best fit end user needs. This value to the taxpayer and tax professionals is apparent, and in addition, the Michigan Department of Treasury is reaping the benefits of a reduced need for live contact center support calls.

The new eServices portal design was initially, and continues to be, well received by the Michigan Department of Treasury and their external customers with additional releases of functionality planned for 2021 and beyond.

The Michigan Department of Treasury eServices solution revolutionizes the relationships and interactions between taxpayers, tax professionals and Treasury. To visit the site, visit <https://etreas.michigan.gov/iit/home>

IDEA

The Individual Income Tax Division is charged with reviewing and processing approximately 5.5 million individual income tax returns received annually and is the primary point of contact for most taxpayers with inquiries concerning individual income taxes. A primary objective of the Division is to process the returns as accurately and as efficiently as possible. All returns are systematically reviewed first and depending on those results, a return may require additional, manual review. This review may ultimately result in a refund being issued, a request for additional information, an adjustment, or an assessment as appropriate. Throughout the tax return and preparation lifecycle, taxpayers and tax professionals can access information about their accounts through a variety of channels. Considering this important process with high-touch opportunities for support throughout, it was vital for end users to have a single reliable and user intuitive avenue to find the answers they need. There were six main shortfalls and business drivers defined and addressed that served as the foundation of the solution.



The legacy contact portal system was not easy to use, with many individuals opting not to utilize the self-service options and instead calling the state Department of Treasury for any inquires related to the Individual Taxes. In addition, the system had been using obsolete software and hardware, increasing security concerns. When the project commenced, there was a clear vision created to define success. The key objectives of the new eServices portal are listed below:

- Enhance self-service experience to deflect agent-based interactions
- Expand self-service options
- Improve data integrity and accuracy via self-service so that it may reduce cost of customer service by deflecting agent-based interactions to self-service.
- Enhanced Security
- Ensure flexibility and scalability

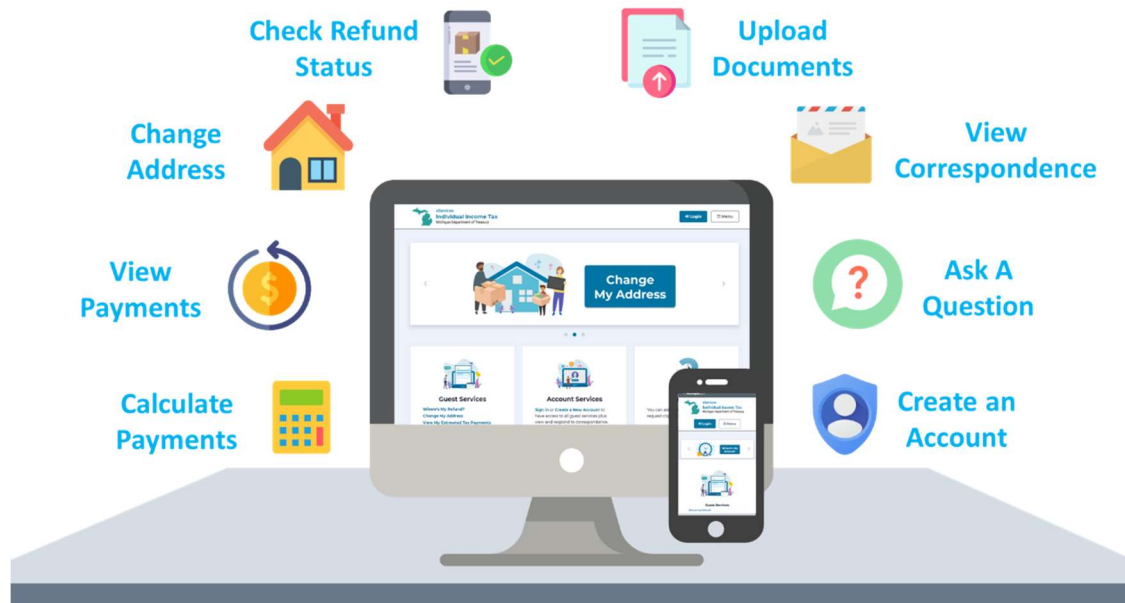
This solution is different from the legacy solution in the fact that it is able to integrate with existing statewide systems to further unify the end user experience and set the system up as a true one stop shop for tax needs. The eServices SAP CX Commerce platform is integrated with the State’s Siebel CRM system, FileNet Document Management System, and Single Sign On /Enterprise Access and Identity Management tool known as MiLogin. The integrated nature of this solution allows for a state-of-the-art experience for end users to best address and support their needs.

To set the solution apart from others, the eServices portal leverages existing statewide systems to best support the end users and provide for a cohesive experience.

As a tax-solution, the eServices self-service portal has natural applicability to all states. With the scalable approach of the solution, this solution can be leveraged by other state taxation departments and agencies.

IMPLEMENTATION

The eServices portal includes functionality for a number of different personas and user types. It provides capabilities for taxpayers to check the status of their refund, change address, view payments, view/respond to official correspondence, ask treasury an account specific or general question, and view Treasury’s response. The solution also includes upload functionality allowing taxpayers to electronically submit documents and requested forms to Treasury without having to mail documents or travel to a Department office.



A subset of Individual Income Tax e-Service taxpayer functions was implemented to allow tax professionals to support their clients in a synthesized way. Additionally, the eServices portal provides tools for the end user, such as the Underpaid Estimate Payment Penalty and Interest Calculator, to allow taxpayers to estimate the penalty and interest they owe to Treasury.

The first release of the solution was launched in November 2020 for two personas: Individual Income Tax Taxpayers and Tax Professionals. A second release rolled out in February 2021 with a module for the Business Taxpayers persona to manage their accounts and clients. Shortly thereafter in April 2021, Taxpayers were provided with an initial set of functions to interact with Treasury on their City of Detroit income taxes.



**Residential
Taxpayer**



**Tax
Professional**



**Business
Taxpayer**



**City
Taxpayer**

The Michigan Departments of Treasury and Technology, Management and Budget partnered with Deloitte Consulting to stand up an integrated team to design, build and deploy the platform - including UX concepts and UI design. The project started during the onset of the pandemic which proved to be a unique challenge. However, despite the remote aspect of the work, the implementation was not delayed. The vendor team worked remotely and established virtual workshops with the Treasury functional and technical teams. To adapt, the vendor design team completed designs of user screens in advance of the meetings. This allowed for the time during the meetings to be more efficiently used to visualize and clarify requirements. This project operated a Hybrid Agile methodology with two development sprints throughout the initial project lifecycle for phase 1.

IMPACT

Michigan Treasury collects over \$24 billion in taxes annually and now, since go-live, the eServices platform is the primary method used by individuals to interact with the State Treasury on Individual Income Tax.

Since go-live in November, there has been increased user satisfaction driven by improved communication between taxpayers and the department. The goal was to have the self-service

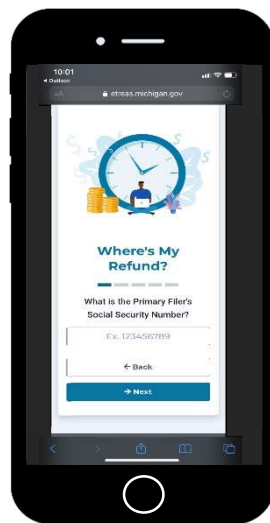
portal, not phone calls, utilized as the primary form of troubleshooting for end users in order to save the state resources and funding. This goal was achieved, as IVR for self-service has reduced by 70% and user calls have reduced by 11%. In addition to the improved user experience, the implementation addressed the security concerns of the legacy system and is one of the first steps in further modernizing Michigan's state systems. Overall, the new portal increased the customer satisfaction, and it streamlined the communications between taxpayers and the Department of Treasury.

User research indicated that users prefer to access the eServices in two different ways

- As a Guest user: These set of users prefer to access the services using the shared secrets specific to tax return without setting up the user account with Michigan
- As an Account user: These set of users prefer to create an account to access data at any time without repeatedly entering the shared secrets. This is a net new feature compared to the legacy solution and tens of thousands of users have signed up to utilize the account services with the new eService's solution.

Therefore, the new eServices portal allows the taxpayers to access the services in both ways to access various functionalities.

Also, a primary lesson learned from user research and analysis as this project kicked off was that end users are using their mobile phones more than ever to access sites like these. Therefore, a mobile focused, responsive design was implemented as part of this project to allows the eServices portal to be used by all end users on a variety of platforms, including their mobile devices.



Looking to the future, the Department of Treasury has identified additional tax functions that may be incorporated into the eServices portal through additional development projects. One additional enhancement discussed is implementing a comprehensive tax preparation wizard similar to tax software such as TurboTax or H&R Block to best support the taxpayers of Michigan. Similarly, features such as text and email notifications and chatbots are being explored to further enhance the system. The recent implementations of the eServices solution and future planned work lays the foundation for future innovation in the replacement of legacy statewide systems.

ESERVICES: REDEFINING THE TAXPAYER EXPERIENCE

Through the Department of Treasury eServices portal, Michigan has taken many steps to improve the end user experience for taxpayers and tax professionals. It provides a framework that is flexible and scalable to allow for an even wider range of self-service applications for Treasury into the future. The solution platform allows the introduction of innovations such as Chatbots, Machine Learning and Artificial Intelligence. With the innovative eServices solution, Michiganders have a one stop shop for their tax needs, using a user friendly and intuitive approach.

This solution sets the standard for other states and localities as they look to redefine and enhance the relationship between government entities and citizens.