

INTER-AMERICAN CENTER OF TAX ADMINISTRATIONS

48th. CIAT GENERAL ASSEMBLY



**THE USE OF INFORMATION AND COMMUNICATION TECHNOLOGIES
IN THE TAX ADMINISTRATION**

Topic 2

**INFORMATION AND COMMUNICATION TECHNOLOGIES FOR PROVIDING
TAXPAYER SERVICES**

**“Information and Communication Technologies at the service
of the taxpayer”**

**State Agency of Tax Administration
Spain**

**Rio de Janeiro, Brazil
May 5 – 8, 2014**

1 - Introduction

Since its inception, The Spanish Tax Agency has always used the latest information and communication technologies (ICT) as a strategic tool for both taxpayer assistance and for detecting and fighting tax fraud.

The present paper describes the historical evolution of the assistance services provided by the Tax Agency, mentioning some of the key decisions that have been taken over the years to reach the present situation, where internet is the priority channel (already exclusive in many cases, as we shall see) for the communication with the taxpayers, especially focused on assisting taxpayers to comply with all the obligations that tax administrations require from them, with the least administrative burden.

In Tax Administrations, few improvements result from of a concrete and specific action. They are, in general, the product of an ongoing process of improvement, a strategy which endures over the years, exercised with leadership and internalized throughout the whole organization, at a service to society.

This historical analysis from is not to satisfy nostalgic feelings but because many of the strategic decisions taken at the time are still valid today, showing an example how solid and simple solutions endure over time. Of course, all these decisions are implemented in their temporal context, including the idiosyncrasies of the country, its citizens' capabilities, the administration's resources, technical and communication infrastructure available, internet penetration and cost, etc.

2 - Short history of ICTs at AEAT

Since its beginnings, the Spanish tax management system was heavily computerized. This is because the tax administration created after the return of democracy was small with respect to the surrounding countries (it still is today) and based its operation on contrasting information provided by third party sources to achieve the generalization of the tax return, especially the individual income tax (PIT), which was submitted by only a minority of the population before. For the same reason, from its origins it has invested consistent resources of all types (human, organizational, technological) to develop support tools and assist taxpayers to meet their obligations and reduce administrative burdens. What was called "New Tax Management Process" (NPGT) was developed at this time, where all basic processes and information flows between taxpayers and economic, financial institutions, Bank of Spain and Tax Administration were defined, with updates but only slight changes on the main processes, is still in force today.



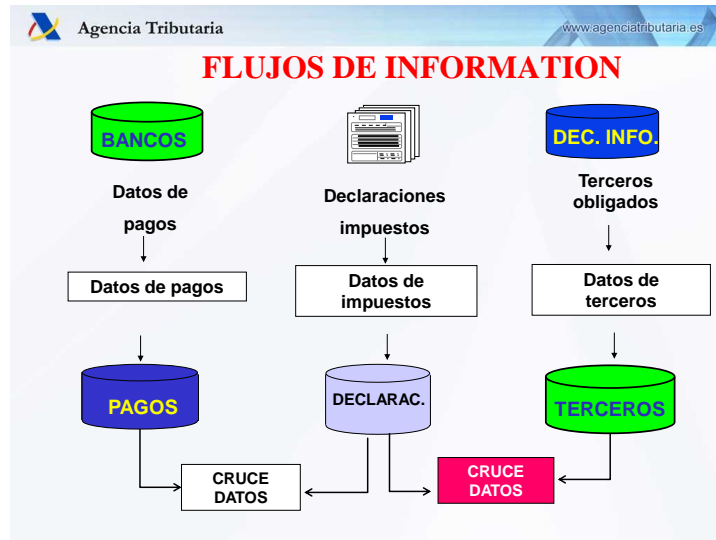
This ICT-based operation model of the AEAT is recognized in both the strategy and in the organizational structure. A Tax Computer Department (DIT) has always been part of the Executive Council, bringing added value and proposing solutions to problems, situations and improvements, which are constantly arising in a tax administration.

In addition we have also been taking strategic decisions to progress in delivering personalized services: integration of most advanced technologies, using industry market standards, centralized databases, cooperative relationship with other governments and institutions, etc. The Agency has been committed to a comprehensive and connected view of information systems and databases. Faced with technological islands, isolated systems or non-coordinated data, the AEAT information system has adopted a comprehensive vision: To manages all taxes and all stages of the proceedings and integrate all data from a taxpayer whatever their origin (submitted, assigned, and generated by the organization itself ...) in a comprehensive consultation. If we were to select, among the thousands of system options, reflecting the integration over this goal, this choice of consulting the taxpayer would be our trademark: more than 150 different possible concepts associated to a taxpayer that can be displayed in real time on the last 10 calendar years. These strategic decisions, and others that will be in this study, are at the core of the Agency and of all public employees who are part of it

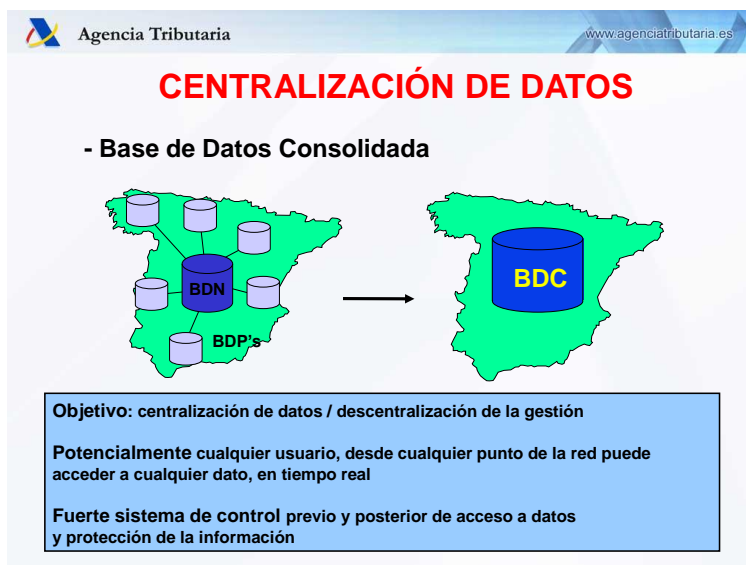
3 - Quality of Information

The information is the ground on which the AEAT information system is based. The quality of the information integrated to the system is the foundation that allows assistance and control; their management and continuous improvement are one of the most critical system processes. An error in one of the millions of records that are processed can lead to a management problem, especially when the operation is

essentially automated. Even before internet, the information was already automatically processed, especially millions of records from third parties, through collaboration with external stakeholders (financial institutions, managers and social partners, other government agencies, etc. . .).



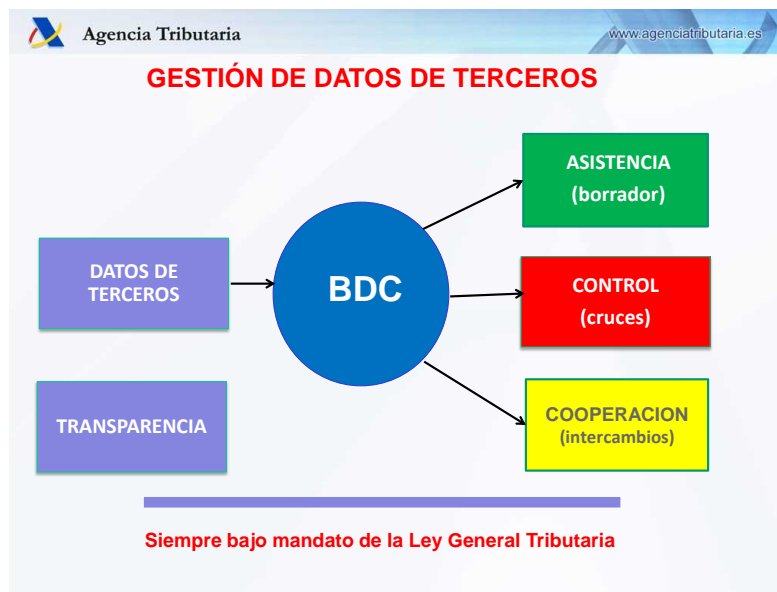
In 1995, after a period of deep analysis on its implications, the AEAT began to develop an enormous strategic project: the centralization of databases and information systems, previously distributed in 56 provincial data bases (BDP) used for the areas of management and collection, which were used mostly for control. This process, which was developed over nearly a decade, involved reprogramming over 40 million lines of code and thousands of software programs to avoid the fragmentation of information, and this led to the current Consolidated Database (CDB) that has allowed a qualitative leap in the possibilities of assisting the taxpayers, especially with the coming of internet.



To facilitate the completion of the taxpayers and improve the quality of input to the information system , since 1991 assistance programs (PADREs in Spanish) were developed based on personal computers which were always widely accepted by taxpayers as shown by periodic independent surveys (CIS , IEF , AEVAL). Aid programs, in addition to facilitating compliance, are also an essential component to administration: they allow controlling and improving the quality of the input information to the system. And it is well known that the cost of correcting an error in the data is multiplied by 10 when not detected in these phases in and goes into the core of the corporate information system.

Over thirty different information returns containing altogether about 1,000 million records from third party information are currently managed, allowing quantitatively understand the importance of this process in the system. Third party information is used in multiple areas of the organization, whether for assistance to the taxpayers (e.g. draft income) to control functions (checking tax returns or selecting taxpayers for inspection) or cooperation with other administrations (sharing information to prevent fraud made possible by the fragmentation of information, or to avoid requesting from taxpayers documents which are already held by other administration).

This, needless to say, is performed in accordance with the General Tax Code, since the taxpayers' information receive special protection in our legal system.

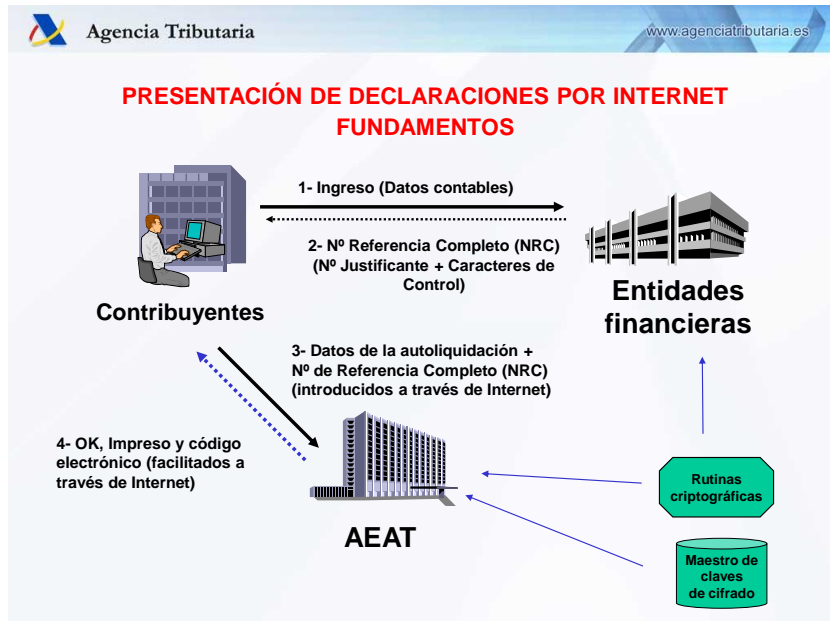


4 - Electronic filing. Their origin.

In 1996, when internet was appearing, AEAT developed a virtual page where all available information was published and could be downloaded and, since 1997. All help programs which until then had to be distributed in a costly, time consuming and risky process of recording and distribution have been updated and from the start the possibilities to reach taxpayers directly and in real time were exploited. The possibilities

of internet allowed minimizing one of the biggest risks that management had faced with all the prerecorded media: the inability to correct any errors detected later distribution.

During the second half of 1998, the Tax Agency developed a pioneering technology project. Big Businesses, those invoicing over 6 million per year (1,000 million pesetas before the single currency) could make their monthly VAT declarations and withholding their workers voluntarily, using internet. It was the first significant experience in the field of telematics submission to AEAT, possibly worldwide, when neither law nor advanced electronic signature infrastructure existed in Spain.



At this time, in the absence of internet electronic certificates and electronic signature to ensure the authentication of companies, a code called NRC (Complete Reference Number) was used, provided by financial institutions after the payment of each tax. This code was made by applying a certain data entry operation of a DES algorithm (Data Encryption Standard) of the MAC (Message Authentication Code) function with a key assigned by the AEAT to each financial institution.

It is one of the examples of special collaborative relationship of mutual trust that the tax agency has with many institutions, especially financial institutions as partners in tax management. It is also an example of innovative spirit, but with the prudence that characterizes tax administrations in each step they are taking.

In January 1999, the pilot experience became final. Since then more than 22,000 large companies have submitted 600,000 monthly statements year-round, exclusively using internet. Like all the progresses being made, this obligation was not exempt from controversy in its beginnings, but it was a calculated decision: In addition to providing a modernizing incentive to companies, there were also evident benefits for the Administration.

These firms represented 1% of the total, but accounted collectively for 70 % of the estimated tax revenues. The importance of this group in the direction of the country is undeniable, both statistically and from a macroeconomic and budgetary control perspective justifying this special treatment. One day the deadline for making these statements, valuable and comprehensive economic information on the evolution of businesses and the economy in the previous month was made available, when previously almost two months were needed to record and process information (and of much lower quality). Today, every country in the world considers these obligations for their large corporations.

Primera presentación de IRPF

First PIT submission

In May of the same year 1999, the personal income tax for individuals was allowed via internet, on a voluntary basis, and using FNMT digital certificates for user and electronic signature (the National Coin and Stamp Factory was the first institution that provided certification services and electronic signatures in Spain through the CERES project). From 21,000 taxpayers who reported their income tax that year, the number has risen to more than 12 million last year (a figure largely overcome in the current season); this has taken a giant leap in improving the administration- taxpayer relationship management , which is be discussed in this article.

At that time, a general payment gateway was also developed in collaboration with financial institutions, which allowed performing any type of electronic tax payment via any financial institution which could join this process.

Although it seems prehistory, we are talking about a little over a decade, and as has been said in the introduction, we have tried to deal this topic with a certain extent, because many of the mentioned steps still constitute today the basis on which most of the electronic filing systems operate.



5 - Generalization of e-filing to all taxes.

The monthly submissions by large companies and annual income tax submissions were followed by annual submission of assets for societies and quarterly returns for SMEs, as well as the informative reports (as already mentioned, those submitted by businesses with third party data, currently about 1,000 million records in total) in a process that in the following years led the Spanish tax authorities to develop an information system able to manage online all types of tax returns.

Progressively over 200 different tax models have been integrated (available in online statistics), while the virtual office was developed, which currently includes exactly 2,976 options , 1,771 procedures and 656 procedures and / or services that may be used by taxpayers . This figure, as you can imagine, will have already changed since the moment it was registered here.

The virtual office has continued in a permanent evolution, as they were incorporating more services, it was necessary to increase their management and organization. Managing tens of options is different from managing a few thousand so it has been necessary to evolve from short descriptions to the organization of homogeneous groups, structured according to the user profiles and the types of taxpayers, and the emergence of the electronic office in late 2009, since the Law 11/2007 on electronic access of citizens to public services in Spain established that the electronic relationship was not a mere possibility of administrations to increase efficiency , but a basic right of citizens and businesses.

The work done by these early years has been a quantum leap in the services provided through the Tax Agency Website. The Tax Agency first developed the basic services, which allow reducing administrative burdens for the taxpayer, then added the partners associated in the integrated management of taxes, those who have more influence on the ordinary citizen and the company, and later associated the collection (especially the debt management and collection) and finally those determined by the inspection itself (such as tax complaint or electronic invoicing).



Thus, it has evolved from a mere presentation to developing the concept of integrated management of taxes. As an example, there are currently thirty online services related to the telematic income tax management tax and various campaigns are organized in specialized portals so the taxpayer will group all options he may need, both for information and for the processing. Everything that can be done face to face must be possible electronically.

All these electronic processes are supported by a very powerful an information system whose fundamental characteristics have remained the same in the past ten years (of course, capacity, speed and use has been in exponential increases in some cases, such as storage), since at the end, e-Government is the evolution of what has always been an efficient management of technologies that have existed in all times. And it is fair to mention that it was mostly directed and developed by the internal staff of the Computer Department of the Agency, a Department that integrates both technical staff and ICT Tax Experts, so that, in a natural way, a transfer of knowledge takes place between the two groups that are part of the same teams. The full involvement of a legal service that has been able to innovate in the regulations is also to note, providing essential legal support to what was reasonable and technically feasible.

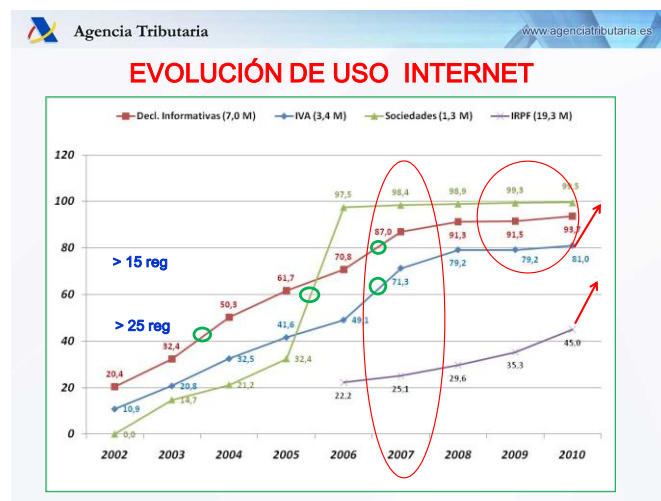
It is not the purpose of this paper to present an exhaustive list of the implemented options; it suffices to say that everything which was handled in person can be made from the electronic office. The basic services provided from the Tax Office website include, among others:

- Filing returns
- Payment Taxes
- Telematic Notifications
- Telematic Registration
- Checking process status / refunds processes
- Obtaining Certificates
- submitting appeals
- Requesting postponement
- Census of taxpayers and obligations
- Change of legal address
- Request for an appointment
- Request for tax data
- Communication in case of disagreement with imputed data
- Consultation outstanding debts
- Regular consultation obligations.
- Supplies information to other government agencies
- Taxpayers' participatory mechanisms
- Consultation legislation
- Reports (tax queries)
- Assistance Programs
- Registration of powers of attorneys
- Mobile Portal

- Tax Agency Apps
- Specific Customs Portal
- Etc.

All these services are supported by citizens and businesses (also refer to on-line statistics from the central offices) and we need to involve them in their definition and improvement, both through formal groups (large corporations and tax professionals forums) and telematics options from electronics headquarters where you can comment on the quality of the existing service and suggest improvement (or register complaints). Some of the new options have been developed or improved precisely from these opinions from citizen and business representatives.

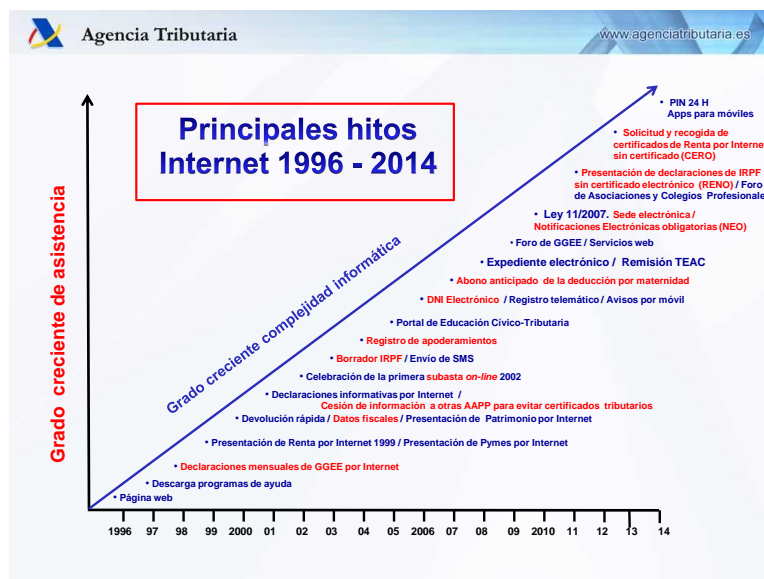
In this regard, a notice to users: the citizen is increasingly more demanding the public administration to the point that a greater quantity and better quality of services does not represent a substantial improvement in their subjective evaluation by taxpayers. The expectations are always growing, in all walks of life, but especially in e-government, where stopping is the same as going backwards.



To implement the electronic identification of individuals and legal entities, to make possible the electronic filing of any tax return, to allow electronic payment by debit or credit card use, with the implementation of telematics notification through the E-Mail Enabled (DEH) and telematic registers that allow sending of any document from the citizen to the Administration through the network, all these elements close the cycle of basic facilities needed to consider the e-tax administration as almost complete. Basically you can submit, pay, check the processing status, claim, submit additional information and make any communication or notification of all taxes and fees. From the internal point of view, the procedure entry is an electronic document and no paper has pushed the massive development of the electronic file and scanning the entry of all the documentation that comes in the face administrative records, so it has greatly reduced the management role in the Spanish tax administration. Neither paper nor money is handled: information is at the core of the management.

6 - Innovation in the definition of electronic procedures

Innovation is not moving to internet the procedures that existed in face-to-face meetings; the technology allows doing things differently, in a better, simpler and more flexible way. This requires applying the concept of "Rethinking e-Government services" from the classic OECD study to simplify (process reengineering) and apply the technological possibilities to the mutual benefit of the administration and the taxpayer. Clear examples of how the internet can do things differently, innovate in the delivery of public services lie in the mechanism that allow the draft return management, electronic reporting and daily management applications for deferral in times of crisis, online auctions or exchange of information between public administrations to prevent the citizen from having to move. Or the integration of mobile phones and web services. Some of them will be developed with a little more detail in the following article. The following figure shows the major milestones in the development of Internet especially in the last decade:



7 The management of income tax. The income tax draft.

The income tax return is the procedure that affects the highest number of citizens in the country. Each year, about 20 million returns are completed, and an even greater number of citizens are affected since individual statements coexist with joint family statements.

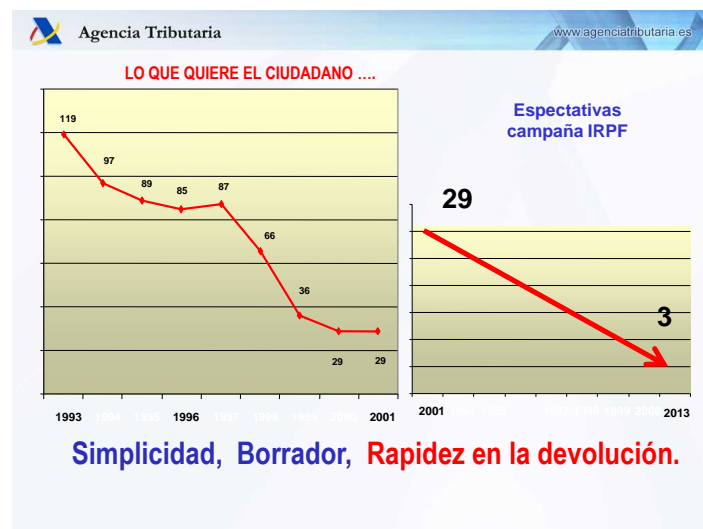
To control the correct income tax return in the PIT, tax data obtained from third parties have always been used. Constantly improving their information quality has allowed an evolution of their use, from a central control perspective to one of assistance, such as:

- System query for signs of non-compliance
- Automatic controls of the income tax return

- Sending tax data directly to tax payers
- Automatic inclusion of tax data in aid programs
- Sending draft income tax from the tax data to be confirmed or modified by taxpayers.

This evolution in the use of third party information has been significant from the perspective of internal and external cultural change (from data as a "threat " to data as an aid in an important process of information transparency), and the draft income tax and data services have become appreciated by the general population, which can now manage income tax with a simple confirmation in many cases, through a variety of channels (in person, by phone , internet, automatic telephone system, SMS , etc.)

The comprehensive internet management of the income tax draft has also allowed a substantial reduction in the refund process time (which can be of three days), including controls and prior controls, earlier campaigns for tax deadlines (they starts almost a month before), a decrease of resources used by tax administrations and a lower level of discrepancies in ex post controls of returns.



It has also allowed a significant reduction in campaign costs. As the penetration of Internet usage in society increases, the need to distribute assistance information decreases since it is easier to find it online; the citizens are consulting and downloading the information themselves and this way they avoid the mailing of tax data. To get an idea of the change occurred , in 2010 more than 18 million drafts and tax data have been printed and sent to the taxpayers' addresses, but this year we expect to send only 5 million. In 2013 more than 12 million tax returns were submitted online (63% of the total, which gives an idea of the dimensions of the campaign). This change has reduced by 50 % the cost of the campaign, while its parameters of efficiency have improved.

Implementing correctly the ICT possibilities means a better service to taxpayers and considerable savings for the administration.

ENCUESTAS DEL BARÓMETRO FISCAL

TABLA 3.4
VALORACIÓN DE DIFERENTES SERVICIOS OFRECIDOS POR LA AGENCIA TRIBUTARIA

	(%) Muy malo + Malo	(%) Muy bueno + Bueno	(%) No conoce / No usa	(%) Ns/Nc
Borrador del IRPF	10.9	70.4	12.3	6.4
Comunicación de datos fiscales	7.7	75.3	11.1	5.9
Núm. de teléfono atención al contribuyente	14.7	50.7	26.4	8.2
Atención presencial en oficinas AEAT	12	62	19.6	6.4
Página web de la AEAT	4.2	39.2	46.4	10.2
Firma electrónica	3.8	30.1	54.8	11.4

Comunicación de datos fiscales y envío del borrador

8 - From the qualitative to the quantitative. Policies for increasing use.

The effort spent by the Tax Office to fulfill the Law 11 /2007 (everything must be on the internet, not only the most important) and the arrival of the economic crisis (which brings the necessity of austerity in Public Administrations, lower budget and reduce the effective replacement rate) made necessary to accelerate the process of digitization of the society and the shift from face to face interview to online or telephone procedures

If, before the crisis, the qualitative aspect prevailed (Law 11/2007 " of rights " is an example), now the quantitative priority is the rule ("doing more with less"). The savings are not obtained by the mere availability of electronic services, but their efficient and massive use by citizens and businesses. Spain had historically been among the most advanced countries in the EU in the development of e-government, but below average in the use of services.

In 2010 certain stagnation was observed again in the use of internet in recent years; at least it was not growing at the rate expected and needed to maintain the quality of public services in the new conditions of austerity. For this reason the Agency keeps developing a strategy already previously started: Giving priority to the internet channel.

This strategy integrates a number of different options with the same common goal:

- Reviewing and simplifying of authentication systems using internet options, applying the principle of proportionality from Law 11 /2007: not all services require a maximum level of security with advanced electronic signature and other systems with simple signature that does not involve barriers for taxpayers may be used.
- Promotion of social partnership, professionals groups who can file tax returns for taxpayers in a special presumptive regime, based on mutual trust (more than 60 % of total returns are submitted by authorized third parties)

- Promotion of specific options of citizens and businesses powers of attorneys and delegations, allowing, for example, parents to authorize their children so that they can sign their returns.
- Promotion of assistance and telephone service instead of face -to-face relationship
- Inclusion in the annual plan of organizational goals that are measured monthly, and the results of which is a condition for economic incentives.
- Collaboration with other public bodies for electronic exchange of information to avoid face to face meetings, reducing administrative burdens on taxpayers (e.g. tax certificates)
- Promotion of policies to compel certain groups to use e-filing, including notification.

One of the problems identified as an obstacle to the use of e-services by citizens is some taxpayers' difficulty in the use of advanced electronic signatures. To overcome this barrier, different systems have already been used, but now it has been decided to unify all of them under a specific government reform action plan: " Unification and simplification of non- advanced identification and authentication systems," by the establishment of a system called "24 hours PIN", which is developed and implemented by the Tax Office, but will be extended to other administrations once its efficiency will be demonstrated.



The Agency implemented this system, along with the mandatory use of internet for the 2013 annual VAT return submitted in January 2014. More than 3.4 million VAT returns were submitted, of which approximately 180,000 were made with the new system, which will be valid for the income tax campaign.

The experience of the annual VAT can help us to make some reflections on the mandatory electronic relationship policies: the administration has to push for legal modifications to compel those groups which have sufficient capacities, even some minor complaints or rejections will always remain, and it is necessary to assume them (it has been so since the 1998 experience with large companies); we should be sensitive

to the groups that have a problem (not falling into the digital gap) offering support and alternative care when necessary (usually only occurs in the first year) .

This type of experience by the Tax Agency is particularly significant, and over the years many of the advances , especially for businesses, have come from the hand of the obligations for certain groups until reaching, over a decade, virtually all obligation for all statements , except in the case of individual income tax. The taxpayer is always grateful for the electronic option, and the final closing of other channels allows to free resources available to develop other tools of support.

This balance between support and obligation has been permanent over the years and has allowed the leap in the level of use, with a major side effect for the country reflected in all international reports: It is a push to modernize enterprises, mostly SMEs, to improve their skills and digital culture, which result increased productivity and competitiveness, placing them in a position which facilitate the necessary internationalization of their activities. This role of the Tax Agency in the modernization and training of the society as a whole is not rhetorical, but real, and is reflected in the extraordinary correlation between the decisions taken and the electronic services statistics and electronic signatures periodically published by Eurostat, where, for the first time, Spain has surpassed the European average in the overall use of e-government.

9 - Certification and information to other government agencies

In Spain it is increasingly common to request a certificate of good tax standing to obtain public help, grants, access to public services or even classification for payment in the provision of public services or for the purchase of drugs.

Although the law (several regulations) allows citizens to avoid having to produce documents already held by other public administrations, the reality is that they are still massively requested. This system not only cause problems and administrative burdens to citizens, but considerably increases the administrations' workload with millions of requests for certificates.

Although the ability to request and obtain online certificates exist since 2002 , it was not used by the overall population , so it was a major workload in the agency's offices, forcing to use personal in an activity that did not bring any added value to the organization .

In 2002 a project was launched to provide direct information to the government agencies needing tax information. Slowly at first, and then more intensely, the other agencies are changing their procedures and forms, and request citizens to authorize the transmission of personal data (protected by the law of personnel data and the General Tax Law).



Currently a complex exchange system uses multiple channels (secure email, single access with form, internet files, web services) avoiding in 95 % of cases the need for citizens to visit the Agency's administrations to request certificates. This result in having 450 agents released nationwide from working on this service (assistance to Taxpayers), so they can be affected to other high added value tasks for the organization (e.g. the control area). The advantages of the system are evident, including some instances of fraud that were detected with paper certificates.

This project has received the first prize of the European Commission as the best electronic cooperation service between government agencies in 2003.

10 - Electronic auctions

The Spanish tax authorities may sell the property of debtors and auction them to collect outstanding debts. This classic process performed in an auction was suffering from a number of drawbacks that affected the collection process. The fact that the auction was at a particular location decreased knowledge and competition between buyers. At the same time this favored a clear distortion of the system with the presence of some auction professionals that often kept agreements between them, on the verge of illegality and, in any event, this affected the revenue objectives of the administration.

The development of a new auction procedure where users can participate simultaneously in person and via the Internet has substantially increased the advertising, competition and transparency of the process and, therefore substantially increased revenue by reducing the distortion generated by the auctioneers.

Of course this process has been made possible by the implementation of telematics options for the deposit of guarantees, participation and bids in the auction, the auction's final price, etc.



11. Flexibility in the management of certain complex procedures: Deferrals.

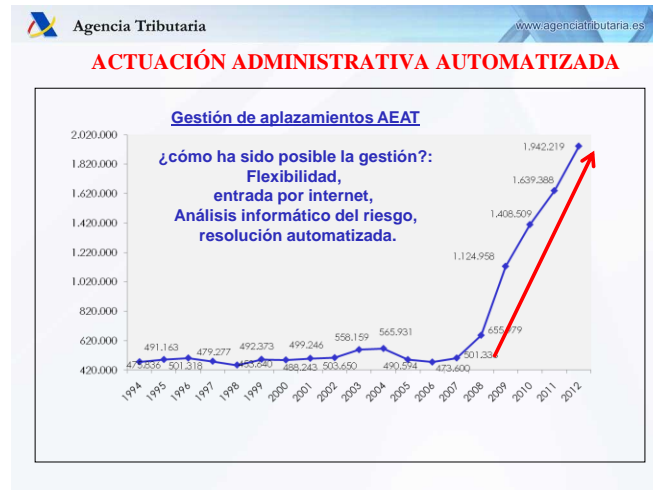
The economic crisis in Spain has had, as it is well known, very negative effects on employment and survival of enterprises, especially SMEs.

The difficulty of meeting payment obligations have been very high and therefore, the requests for deferrals have increased fivefold during the crisis. On many occasions, the government agencies themselves contracted debts with companies that threatened their survival. The Government, in one of the most courageous steps at the start of its term, has created a specific and direct fund to pay suppliers and companies, for all outstanding debts of regional and local governments, developing a direct payment mechanism to companies by bypassing the debtor administrations. The payment mechanism was commissioned by the government directly to the Tax Agency, realizing that its technological development would allow it to successfully manage the project.

Regarding deferrals, in 2007 about 470,000 of them were requested, while in 2013 more than two million have been requested. The resolution of deferrals is a special collection procedure with a specific management, which was not sufficiently efficient to give a quick response due to this increase (especially with no additional or even fewer human resources). The Agency was challenged to drastically reduce the resolution time for the benefit of distressed companies, and once again an important part of the solution came from the technology and innovation management:

- Highest level of electronic filing
- Mechanisms for automated risk assessment of the application
- Automated Administrative actions that allow administrative decisions (final decision making) based on the application of a system of information without the need for direct intervention of any administration official.

The strict compliance with the respective regulation, applying criteria of flexibility and ease of processing have enabled to provide companies with every possible help to solve their temporary cash flow problems.



12. The electronic notification as an innovation in the communication between administration and taxpayer.

The Electronic notification is providing a new impetus to the development of e-government to complete the removal of the paper form between individuals, companies and public administrations. Until then, the relationship was electronic up to the point when in the administration had to be in formal communication with the taxpayer, where we came back to the classical world of paper, certified notification and a person was sent to the legal address for the handwritten signature of the notification.

Its advantages may involve: improving the effectiveness of the notification, reduced processing times, modernization of companies, environmental improvement, increased debt collection, decreased fraud inherent to those taxpayers whose objective was not to be notified, etc. . . . This represents an important direct savings for the AEAT, currently estimated at EUR 25 million.

The Spanish administration has developed a common notification system called Enabled E-mail notification (DEH). This system has the advantage (not a simple email , but a centralized system accessed through a certificate and electronic signature and which records access , rejections and acceptances of notifications with complete legal security) that it can be used by all agencies of the country and thus , the company also can access all of them from a single point .

Suggestions from taxpayers and groups in improving the service have made possible to analyze and approve a legislation that allows taxpayers to keep the 30 days of discounted time. The calculation of terms is the ultimate goal, since the notification is transmitted in real time to the mailbox and can be collected at any time. These are new ways of doing things: with participation, innovation and technology (and a bit of imagination and courage, of course).

13 - An organization in permanent improvement

So far we have presented a series of strategies that have allowed the Tax Office to develop a complete system to assist taxpayers with the use of ICT and the internet.

However, when it might seem that we have reached the finish line, the reality is that technology represents a permanent challenge for organizations because there are always new elements for improving the effectiveness and internal efficiency, adaptation to the needs of taxpayers or improved political communication and participation. Or new form of relationship where communication will be more between machines and information systems than between people, especially when we refer to large organizations, the so-called "internet of things" applied to public services. Among the many projects currently initiated are the followings:

- The use of smartphone as the preferred channel by young people, with the development of options and specific apps, such as the automatic reading of QR codes that automatically connect to the corporate applications they serve. It is important because the management should adapt to society and to the massive use of these devices among young people (future taxpayers).
- Intensive use of web services for communication between institutions. In the future, there must be automatic communication between information systems, and not only between a person and a system, as requested by large companies that perform hundreds, perhaps thousands of tax returns via internet nationwide.
- The development of new tools based on data mining and processing of large volumes of data in the fight against tax fraud, because internet and the e-commerce also increases fraud areas, which the new Tax Control Plan intends to fight.
- The inclusion, increasingly necessary, of elements of open government in all public administration website options that implement greater transparency (At the end of this year, a new law will enter into force on transparency and access to public information and good government), participation (including the integration of the elements that may be of interest in social networks) and cooperation.
- Progresses in the current possibilities of electronic signature, with the inclusion of new techniques such as biometrics in administrations, to complete the removal of paper forms in face-to face relationships.



And of course the alignment to government policies, which next year may bring us legislative changes in tax matters, such as a new income tax, or implementing the reform plan approved by the Commission for the Public Administration Reform (CORA) where the Agency has taken a leading role, providing common services to other authorities in order to increase the overall efficiency of the administration.

14 - Conclusions

The tax digitalization process of the Tax Agency has been the result of continued teamwork throughout the organization, with a clear and firm strategy, with specifics and measurable objectives and supported with a comprehensive and robust information system.

When taxpayers, both businesses and individuals, are asked which assistance services they consider most useful, they choose the tools that allow them a simple and direct interaction, from anywhere, at any time: the internet services. In addition, companies consider administrative burdens not with respect to an isolated administration, but with respect to all public authorities which require information. For these reasons, in a decentralized country as Spain is today, the development of e-government and cooperation between different levels of government on behalf of taxpayers becomes more and more important. This is precisely the priority of the Tax Agency in recent years.

In a recent OECD report, which analyzes the reform process of the Spanish government (" Spain: From administrative reform to continuous improvement ") the leading role of the Tax Agency for its strategy in the development of e-services is highlighted and selected as an example for other public administrations. This is an honor for the organization and all its agents.

In the taxpayer service provided by the electronic administration, having been successful so far is not a guarantee of success in the future, so it is necessary to maintain this permanent, imaginative and innovative effort in the development of all kinds of improvements to make life easier for taxpayers, whether individuals or legal entities, and reduce administrative burdens.