



DOR NewsRelease

Commonwealth of Massachusetts

Department of Revenue

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DOR's Compliance Program Receives National Recognition

The Federation of Tax Administrators (FTA) announced today that the Massachusetts Department of Revenue (DOR) has won a national award for its outstanding compliance program. DOR's Enterprise-wide Data Warehouse Project is co-winner of the Federation's 2007 Award for Outstanding Compliance Program.

DOR, with the assistance from Revenue Solutions, Inc. and their DiscoverTax® software, has generated over \$200 million in collections since the project's inception. "DOR has made significant progress in leveraging technology to increase compliance among taxpayers," Revenue Commissioner Alan LeBovidge said. "The data warehouse is an invaluable tool that continues to help us narrow the tax gap and provide much needed revenue for the Commonwealth."

The data warehouse utilizes the same business intelligence concepts used by large corporations and allows DOR to pinpoint unreported income and subsequently collect from those who have failed to file tax returns or underreported their tax obligations. Statistical and risk-based modeling techniques were developed and implemented in the warehouse to support complex audit and collections programs, improve case assignment and overall coverage. In addition, it has significantly improved DOR's ability to provide more accurate and timely revenue forecasting and analysis to the Administration and Legislature.

Utilizing this warehouse technology, DOR led a multi-state initiative which allows nine Northeast states to combine resources to more efficiently discover non-filers and discrepancies in credits claimed in their respective states.

The independent judges were particularly pleased with the Department's clearinghouse efforts. They were also complimentary of the warehouse's ability to "detect nonfilers when there is no federal return, with its robustness, and with the menu of features worth considering by many states."

The FTA is a nonprofit organization comprised of the tax and revenue departments of the 50 states, the District of Columbia, New York City and Puerto Rico. Its mission is to improve the standards and methods of tax administration. The Federation will present its award for Outstanding Compliance Program during its annual meeting this summer.

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