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BUNDESMINISTERIUM
FÜR FINANZEN

Federal Ministry of Finance, Austria

Digital transformation in the Austrian Financial Administration

London, 2017

Overview of the Financial Administration

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Ministry of Finance Headquarters

Ministry of Finance Tax and Customs Coordination

BMF FINANZAMT

39 Tax offices
with 69 locations

1 Tax office for duties, transfer taxes and games of chance

Number of employees
6,839

BMF ZOLLAMT

9 Customs offices
with 65 locations

Number of employees
approx. 1,556

BMF GROSSBETRIEBS-PRÜFUNG

1 Large company audit unit

Number of employees
490

BMF STEUERFAHNDUNG

1 Tax investigation unit

Number of employees
153

BMF FINANZPOLIZEI

1 Financial police unit

Number of employees
483

Services of the Financial Administration

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- more than 3.32 million FinanzOnline users served
- around 3.73 million employee assessments with an average processing time of 22 calendar days
- around 2.08 million business assessments with an average processing time of 20 calendar days
- 90,217 collections and audits of small, medium and large companies
- 33,610 company inspections by the financial police

Challenges of digital transformation

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- **tax payer needs**
  - transparency
  - reliability
  - honesty
- **legal framework**
  - tax compliance
  - combat tax fraud
- **organizational requirements**
  - service orientation
  - efficiency
- **technical feasibility**
  - technologies
  - know how
  - resources

Web portal FINANZONLINE.AT

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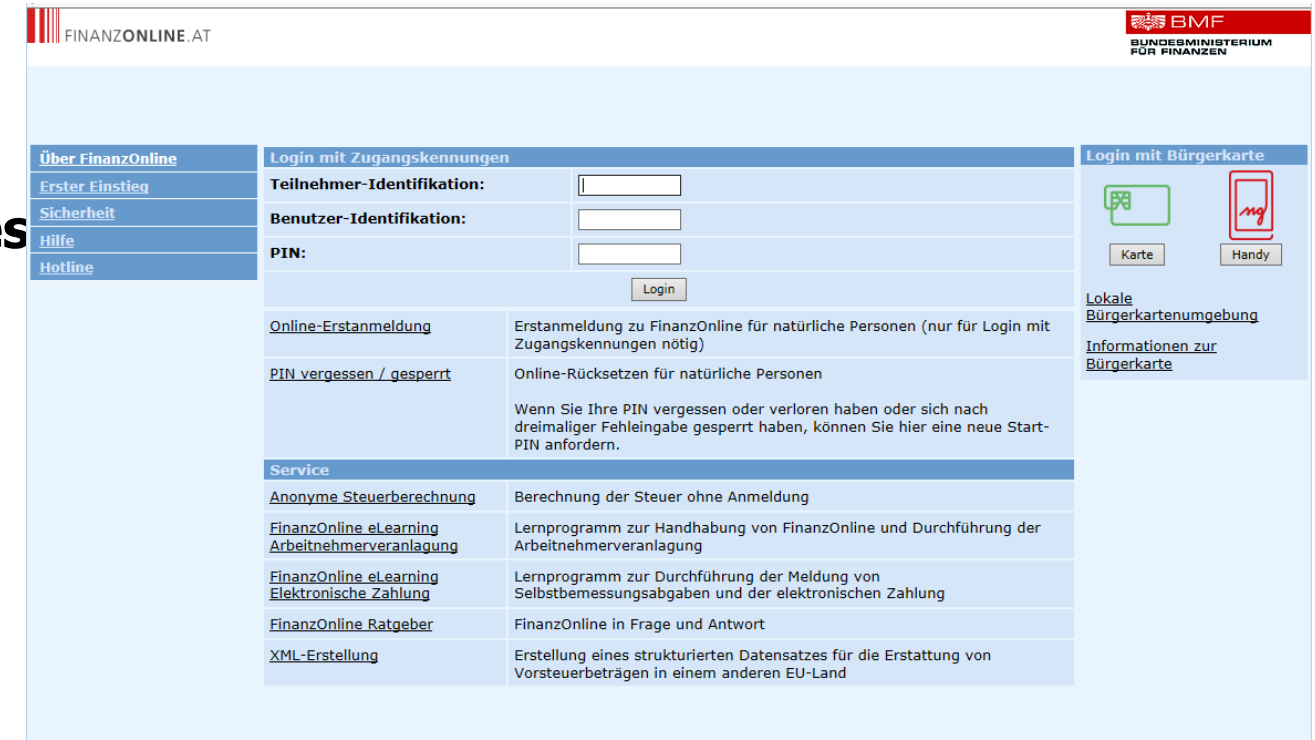
- **Virtual tax office on the internet**
  - **front-end for all kinds of tax payers**
    - **employees**
    - **companies**
    - **tax advisors**
    - **municipalities**



FINANZONLINE.AT
Basic Principles (1)

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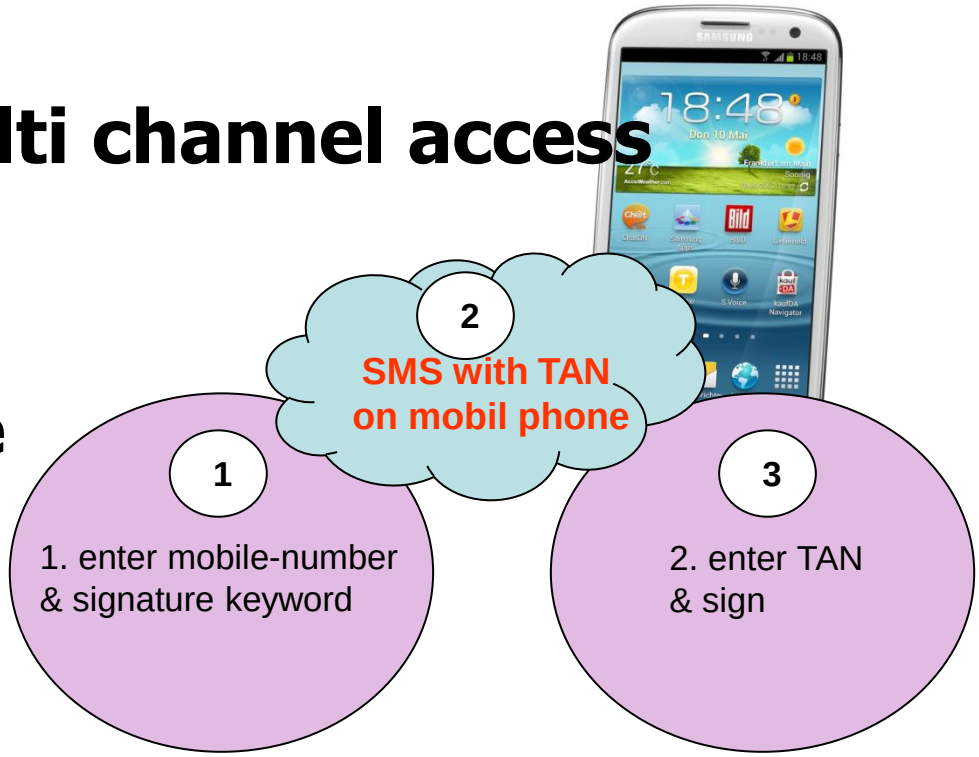
- **complete integration in the backoffice IT-systems of the tax offices**
- **prerequisite: electronic file and electronic workflow**
- **user identification: multi channel access**
  - **UserID + PIN**
  - **digital signature card**
  - **mobile digital signature**



FINANZONLINE.AT
Basic Principles (2)

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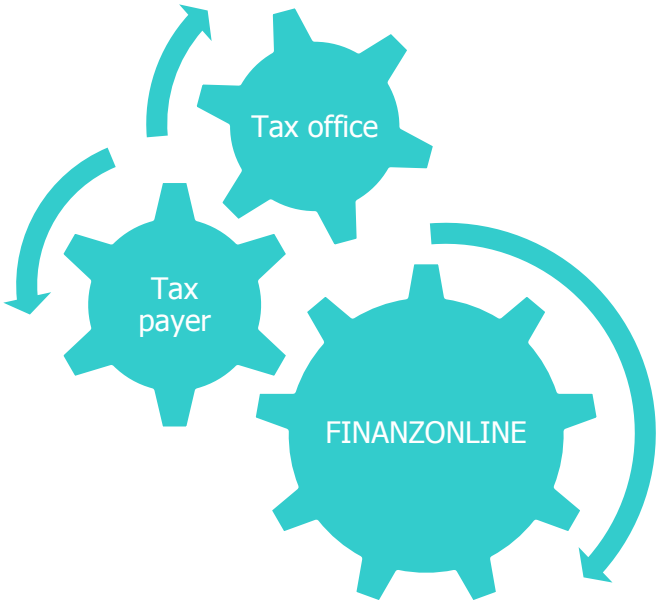
- **No special client-software necessary**
- **Availability 7 x 24**
- **Security certificate**
- **FINANZONLINE.AT Hotline**
- **Seamless electronic process between tax payer and tax office via FINANZONLINE.AT**



3 sample processes

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- **... to make life easier for tax payer (and tax office)!**

Employee assessment (1)

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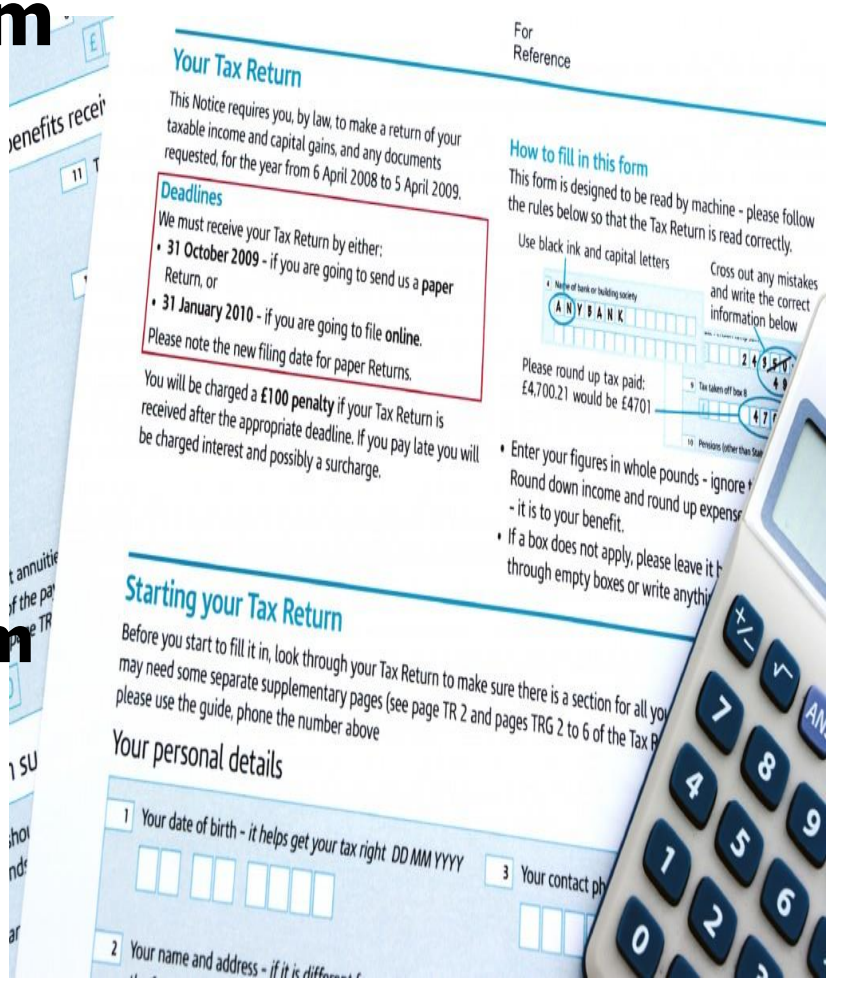
- **withholding wage tax system**
- **individual deduction**
- **money back next year**

- **tax payer**
  - **collect documents**
  - **get, fill in and send paper form**
  - **receive paper assessment**
  - **money back up to 6 months**



Employee assessment (2)

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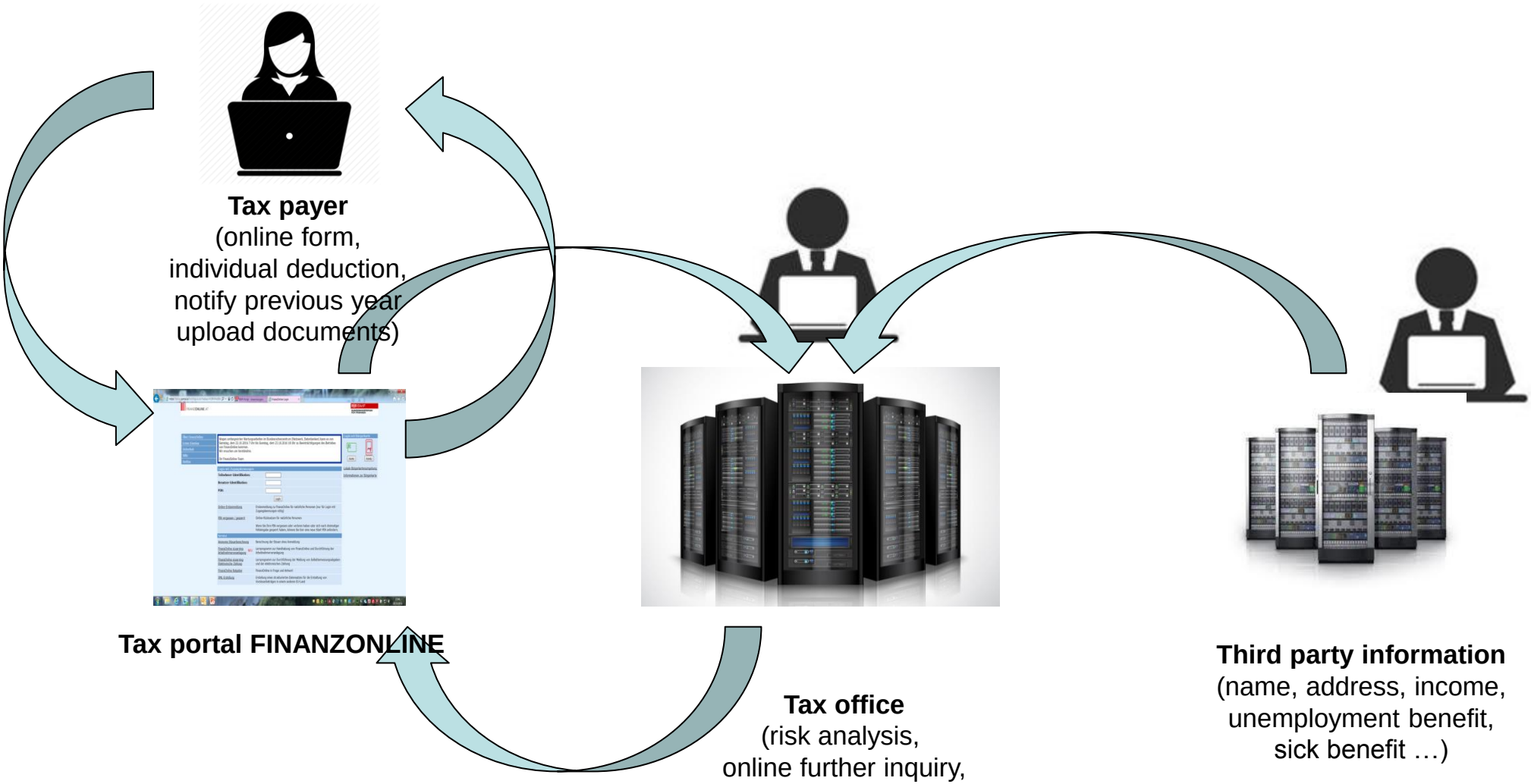

Employee assessment (3)

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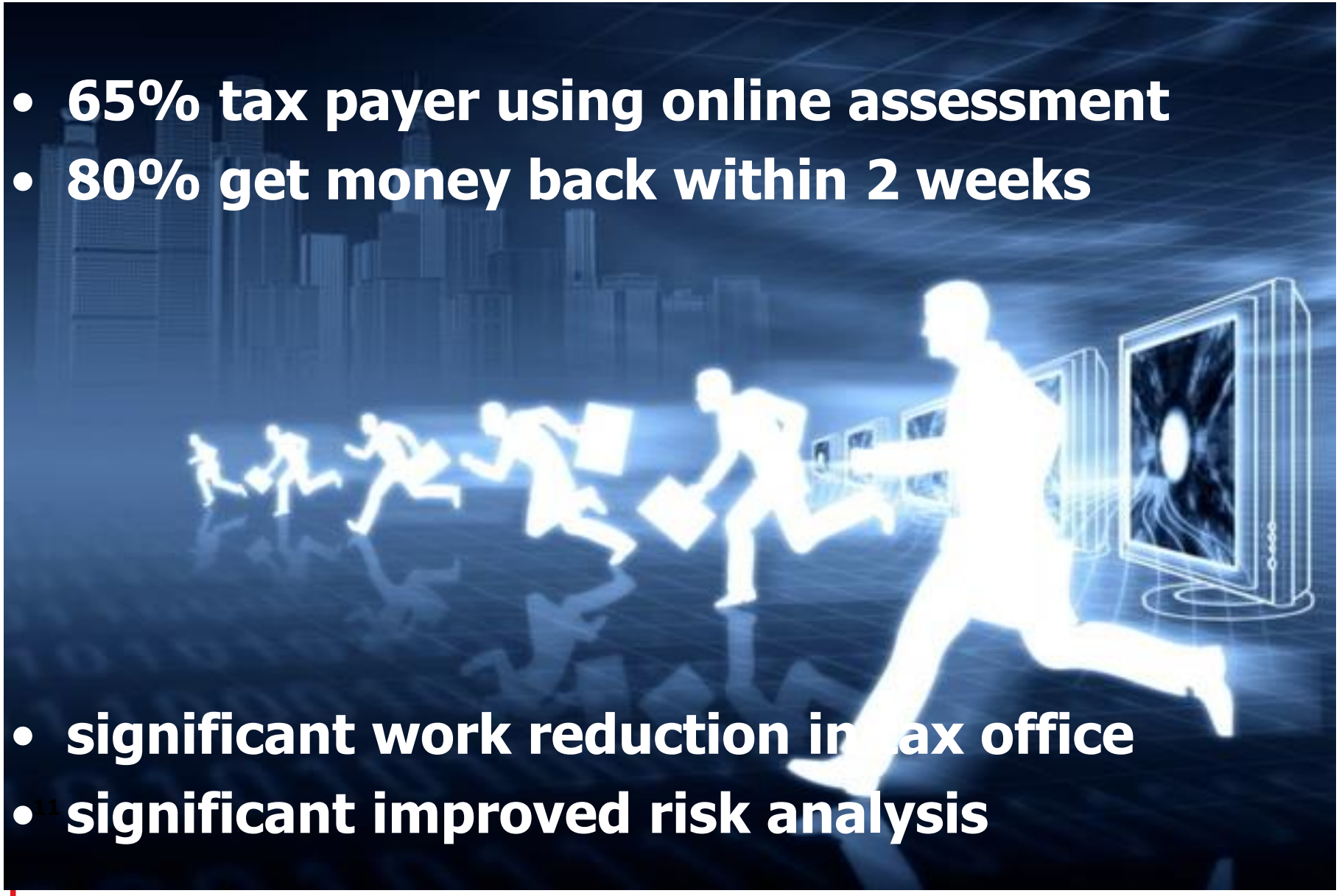

- 65% tax payer using online assessment
- 80% get money back within 2 weeks

- significant work reduction in tax office
- significant improved risk analysis

VAT return (1)

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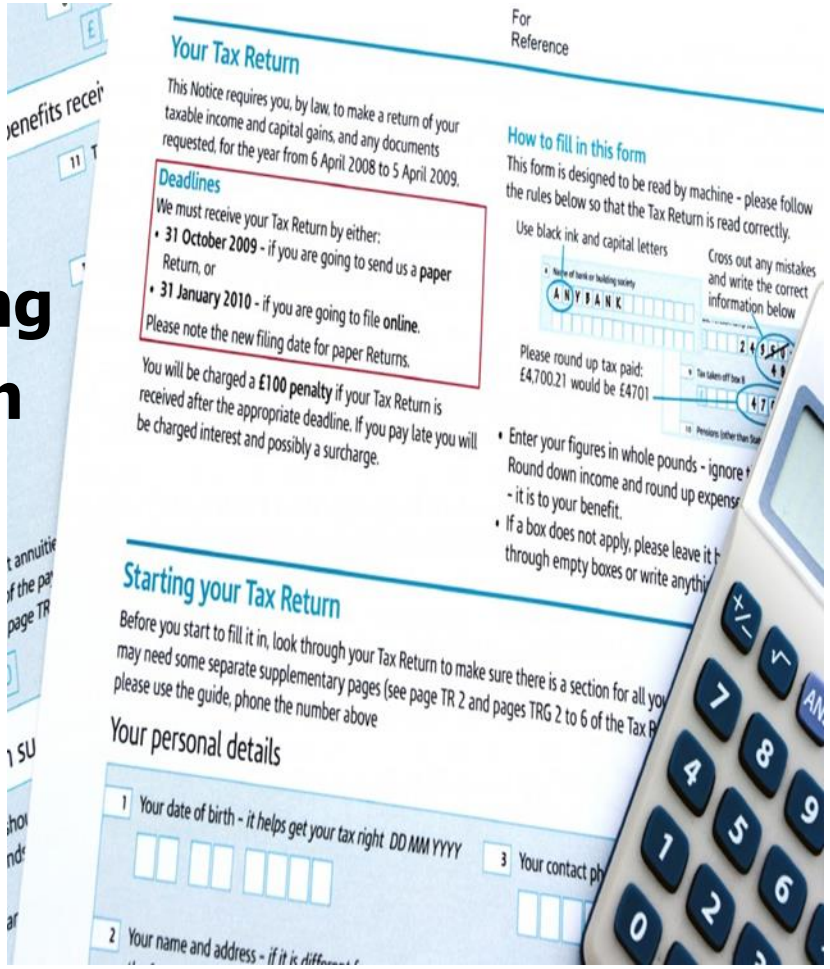
- **monthly VAT return**
- **company or tax advisor**
  - **select data from the accounting**
  - **get, fill in and send paper form**
- **tax office**
  - **capture data from paper form**



VAT return (2)

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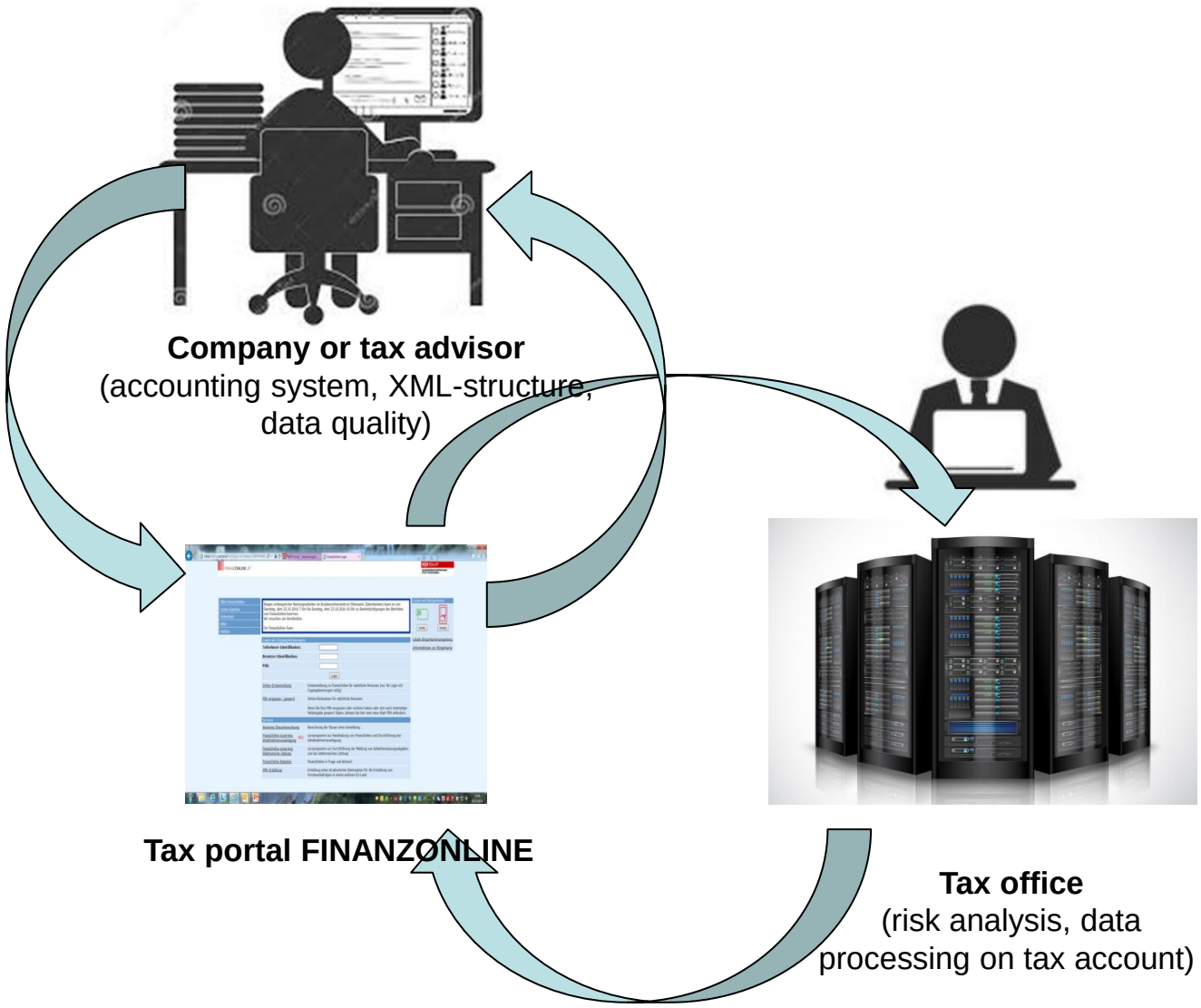

VAT return (3)

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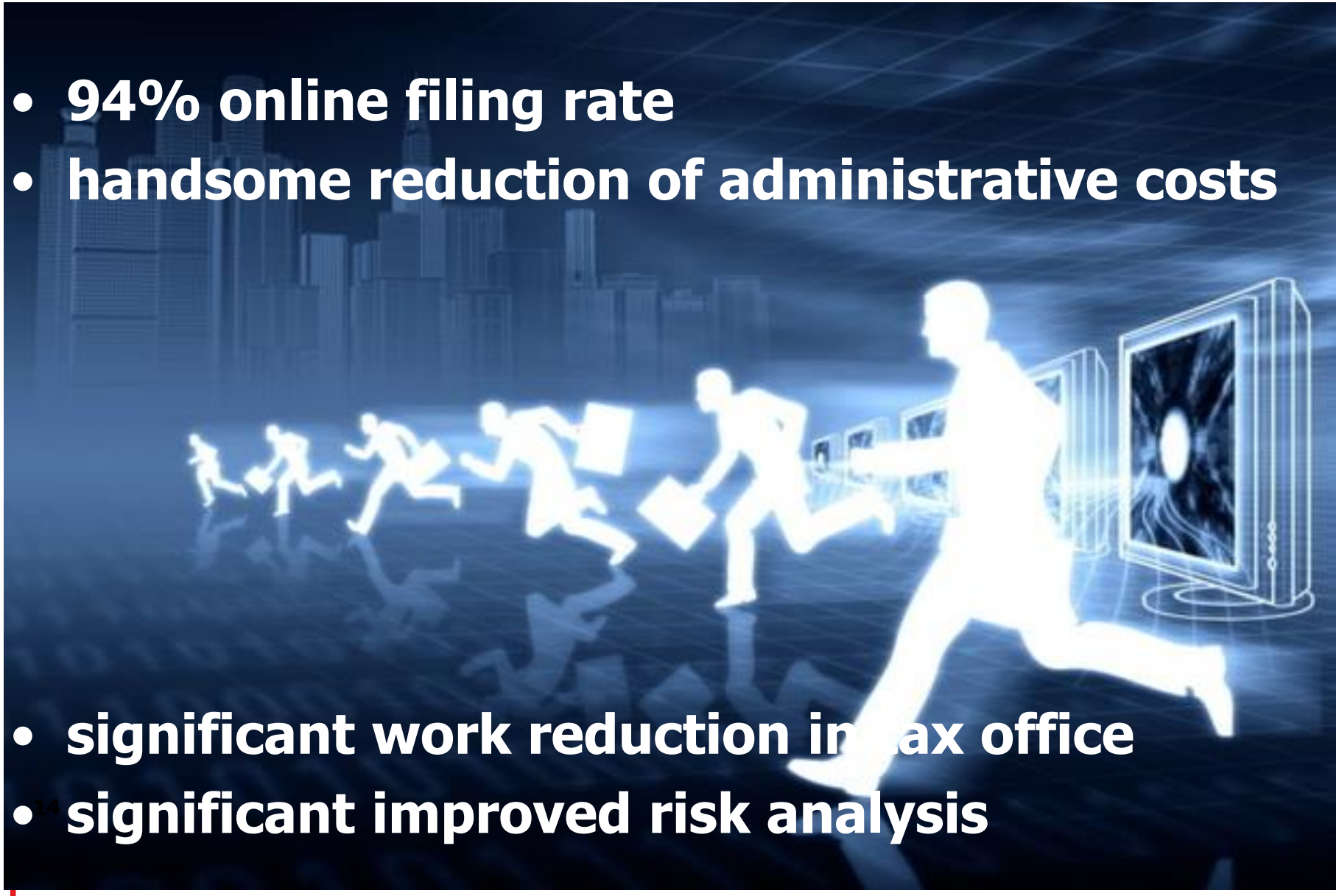

- 94% online filing rate
- handsome reduction of administrative costs
- significant work reduction in tax office
- significant improved risk analysis

Family allowance (1)

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- family allowance at tax office
- application based

- tax payer
  - collect documents
  - get, fill in and send paper form
  - receive paper assessment
  - first disbursement up to 3 months

Family allowance (2)

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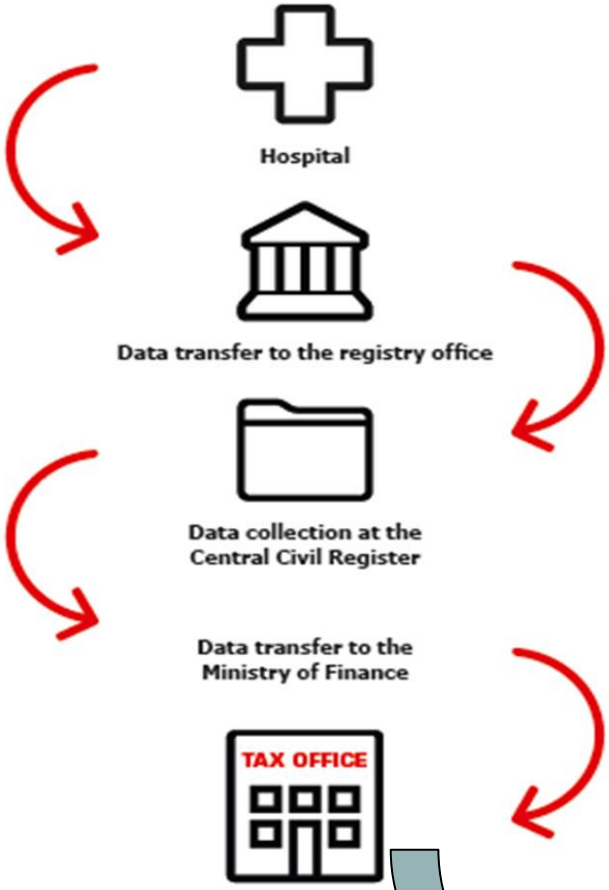
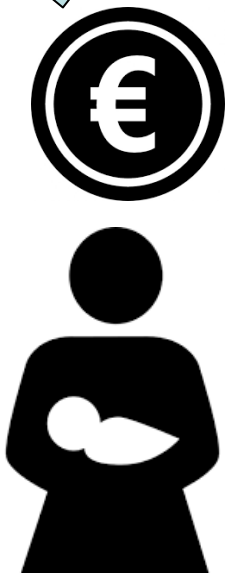
Third party information
(date of birth, name, address)



Tax office
(data processing,
monthly disbursement)



Tax payer
(no-stop-shop,
applyless administration)

Family allowance (3)

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- 60% no touch disbursement
- service orientated administration

- significant work reduction in tax office
- national and international awards

EIPA EPSA 2015

Next steps (1)

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- „applyless“ assessment

- enlarge third party information
  - church tax
  - charitable donation

Next steps (2)

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- **cognitive computing**
  - **digital tax assistant for tax payer**
  - **digital tax assistant for tax officer**

- **mobile tax return**
  - **tax app**

Next steps (3)

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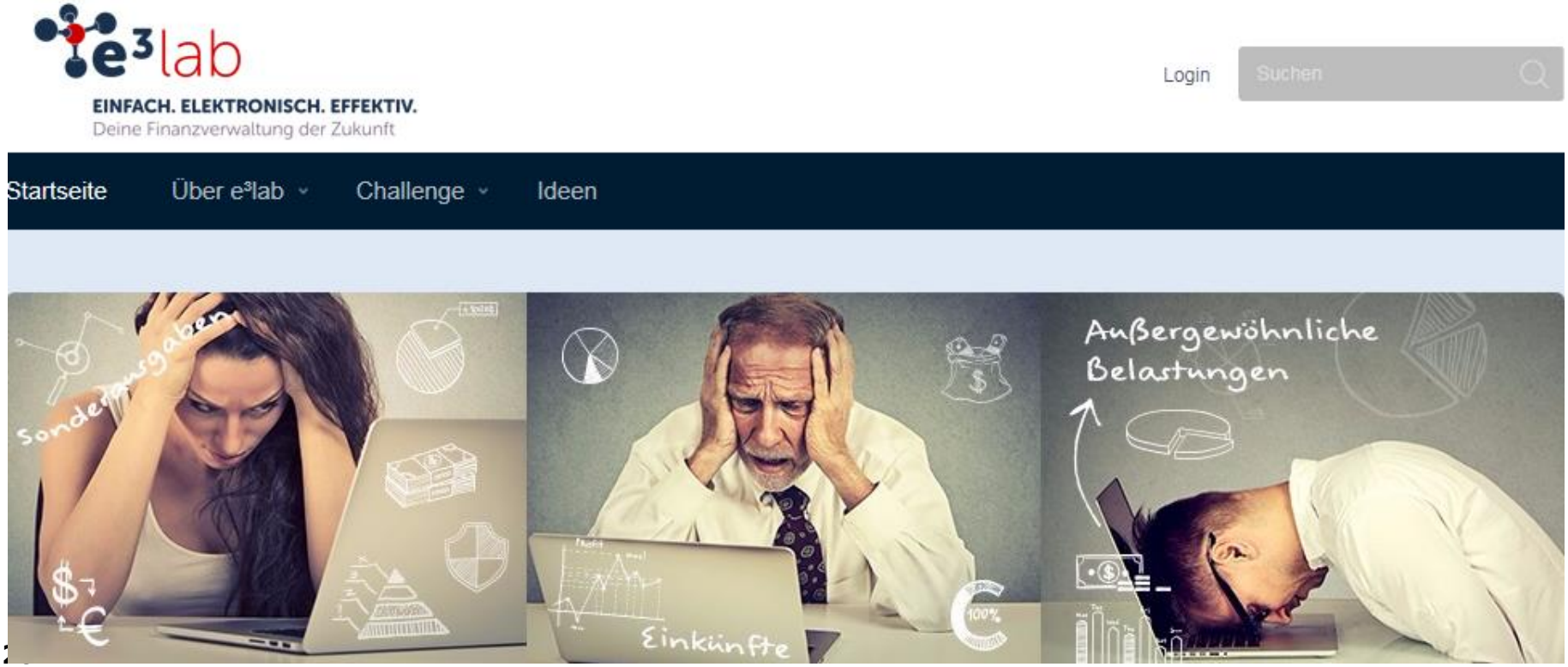
- **tax payer community**
- **easy, electronic, effective**



Summary

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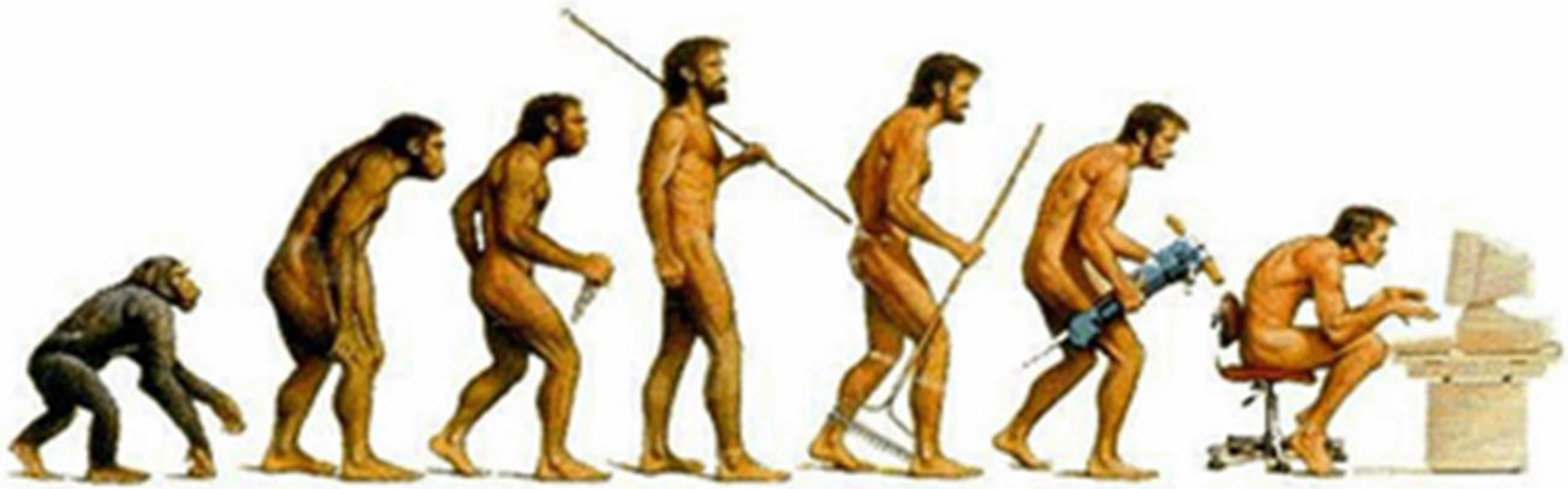
- **digital transformation makes life easier**
  for tax payer, tax office
  and
  anyway changes the world ...