



Detailed Lean Improvement Project Report

For the June 1, 2014, through December 31, 2014, reporting period

Agency name:

Department of Licensing and Department of Revenue

Improvement project title:

Use Tax Valuation (process to determine the value of the car)

Date improvement project initiated:

01/06/14

Summary:

The Department of Licensing (DOL) and the Department of Revenue (DOR) improved the use tax valuation process resulting in reduced customer wait time by 216 minutes (from 250 minutes to 34 minutes). An estimated 32,000 customers save a total of 1,813 hours annually.

Details:*Description of the problem:*

RCW 82.12.045 and WAC 458-20-17802 authorize Department of Revenue to designate Department of Licensing and their Agents to collect use tax on vehicle title transfers. Use tax becomes due when retail sales tax was not paid on a vehicle used in Washington. In a private party sale, the individual seller is not registered to collect retail sales tax so the buyer pays use tax at the time of registration.

When a vehicle value can't be found in the Automated Valuing System (AVS), it can be difficult to determine a fair market value and the process could be lengthy. Other times the new owner disputes the value provided for taxing purposes. In the past, when a Licensing Agent was unable to determine the value of the vehicle or the customer adamantly disputed the value, the Agent called the Department of Licensing or Department of Revenue to request a value. Quite often the customer did not have proper documentation needed to determine an accurate value. If a customer was sent away, the process could take days to complete. The Agents had the same information to determine a value as the agencies but needed education and support to feel empowered to make the decision.

Of the 1.6 million transactions of this type, about 2% resulted in customer wait times of an estimated 250 minutes. Duplicate steps, redundancy across agencies and business partners, lack of training and lack of standardization in the process hindered the ability to efficiently and effectively serve DOL customers.

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Description of the improvement:

- Streamlined the process.
- Video and written training material were created by DOR and delivered by representatives from DOL and DOR to business partners.
- Vehicle and Vessel support staff were trained in the new process.
- Agents and Sub-agents were trained in the process.

Specific results achieved:



Phone calls to DOL and DOR have also decreased.

How we involved customers or stakeholders in this effort:

Business partners participated in the workshop. Key stakeholders were provided a briefing following the workshop.

Contact persons:

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