

# Strategic Lean Project Report

## Warehouse Tax Incentive

**Agency:** Department of Revenue

**Partners and Customers:** The team used customer survey data and followed up with customers after implementing improvements to determine satisfaction with the process.

### Project Impact

The Department of Revenue improved the process for businesses to apply for and receive a warehouse tax incentive. After several months of implementing the improved process, the initial results are promising, with 38% of customers being approved or denied within 90 days.

Customers receive fewer follow up questions and requests for information, and receive their warehouse tax incentive determination letter at least 179 days faster.

This project supports Revenue’s strategic goal to simplify, educate and enforce tax administration. Additionally, one of Revenues strategic initiatives is to use the “voice of the customer” to inform everyday agency business decisions. The team used customer input to improve the process. Revenue also strives to complete 80% of taxpayer initiated refund requests within 90 calendar days of receipt.

### Project Summary

To help spur economic development, Revenue administers the Warehouse Incentive. Some wholesalers or third party warehouseers and retailers who own and operate distribution centers are eligible. In 2019 the department received 62 applications.

Prior to the process improvement it took an average of nine months to approve or deny a refund request compared to our target of three months (90 days), which we want to reach by July 2020.

The team improved the process by:

- Minimizing reviews for refunds under \$50,000.
- Updating letters to enhance standard language.
- Updating information, to include standard templates, to assist customers.
- Providing direct contact information on the website so customers can reach someone quickly.
- Establishing focused time to process applications (Warehouse Wednesday).
- Adhering to one application per quarter laws.

### Project Results



Increased the accuracy of applications received **from 10% to 77%**.



*Customers received their acceptance letter on average 179 days sooner.*



Decreased the amount of time to process applications **from 29 hours and 54 minutes to 9 hours and 39 minutes** when the refund request is under the \$50,000 threshold (49% of the time), and 15 hours and 6 minutes when the refund request is over the threshold (51% of the time).



*70 applications were processed after improvements were made. This included 13 new applications and 57 backlogged applications.*

*The actual savings to process applications was 1,222 hours and 30 minutes.*

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## Customer Feedback:

In May 2019, 71% of customers agreed they were satisfied with the Revenue’s response time and 85.7% agreed the process was simple and easy. The team is looking forward to resurveying customers to get additional feedback in May 2020.

After improvements were implemented, informal feedback from customers indicates that they appreciate the clarity of the templates and spreadsheets provided.

## Employee Feedback:

Employees shared that refining the tools allows for a quicker review, which in turn results in customers receiving their credit faster. Employees feel less stress because the backlog of requests is more current.

## Project Details

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**Accuracy of Applications**

