



MICHIGAN MiMATS

Project Highlight

"To be able to bring all our information into one system that is a true, integrated system has been an amazing experience, not only for us on the business side, but for our taxpayers as well."

– Omer Guzman, Assistant Administrator – Motor Fuel

It's the middle of lake season in Michigan. The sunlight glints off the clear blue water of Michigan's nearly 65,000 inland lakes and ponds and the four great freshwater lakes that frame the state. Vacationers flock to their cottages and boats to enjoy the warm weather while they can. In just a few short months, fall will come, with the cold of winter following.

In Lansing, staff within the Special Taxes Division of the Michigan Department of Treasury are preparing for the loss of their return filing system, one of several used by the division to administer motor fuel and tobacco taxes.

While the division had known they would eventually need to replace their motor fuel and tobacco tax systems, they had expected to have plenty of time to prepare. However, when circumstances required them to quickly find a replacement, the division jumped into action. They teamed up with Fast Enterprises beginning in August 2017 to implement a replacement system. The new system, MiMATS (Michigan Motor Fuel and Tobacco System), was rolled out successfully on July 30, 2018 and replaced all of the division's legacy systems.



Bottom to Top: left column: Lee Charles, Jino Baby, Vidya Pinnamaneni, Amy Hanney, Pam Steele, Brittany Chamberlain, Mindy Miller, Kathy Hengesbach, Thom Soule; middle column: Tim Johnson, Leah Babcock, Tess Brown, Lisa Sivaraman, Angela Littlejohn, Jaclyn Ripley, Ivy Thomas; right column: Altaf Hussain, Carla Ward, Evan Moore, Scott Horton, Lauren Jones, Omer Guzman, Jane Bauer

Time Better Spent

Before the project, staff in the Motor Fuel and Tobacco Tax Divisions mapped out the process paths used in the legacy systems. According to Pam Steele, Subject Matter Expert (SME), the result was “this massive thing with strings and sticky notes.” The legacy systems oftentimes required complicated

workarounds, which meant that processes were complex and time-consuming. “I saw my staff having to spend time, a lot of time, processing these workarounds,” said Omer Guzman, Assistant Administrator – Motor Fuel.

Additionally, the systems allowed taxpayers to submit what Leah Babcock, Tester, called “sloppy returns.” These returns had misplaced punctuation and other minor errors that had to be reviewed manually by staff. “Maybe 10 percent of my job was actually finding real errors,”

“When you have as much automation as [the system] provides, you step away from manually processing all of the aspects of the return, and focus on the quality of the return.”

– Neil Granning, Tester

said Babcock. Neil Granning, Tester, agreed, “There was a lot of manual work being done.”

After assembling the string-and-note diagrams, staff mapped out what they hoped would be the new processes. Amy Hanney, SME, said their goals were to,

“Get rid of all the extra steps, but still safeguard the state’s interests; make sure there are separation of duties; and make sure things are transparent and taxpayer-friendly.” With this plan in mind, the division embarked on the new project.

MiMATS incorporates

streamlined versions of the division’s processes, enabling staff to make better use of their time. Scott Horton, SME, said, “The system is helping us to concentrate more on what’s important.”

Small Team, Big Responsibility

The Tobacco and Motor Fuel Divisions make up a very small portion of the Michigan Department of Treasury. Omer Guzman, Assistant Administrator – Motor Fuel, explained, “We have a very small taxpayer base. The taxpayers know us by name.” Vacancies on the teams that support these taxpayers meant that staff were already spread thin before taking on the effort of a system replacement. Pam Steele, SME, said that they were reluctant to hire for these positions, because it seemed pointless to train new employees on all the legacy systems when a new system was on its way. Scott Horton, SME, agreed, “We didn’t want to bring on new people and have them learn the old system and then learn a new system.”

Despite the fact that they were already short on resources, management knew that providing experienced staff to the project was essential. So, when it was time to dedicate Subject Matter Experts (SMEs) to the project, the divisions selected their most experienced personnel to fill the roles. Angela Littlejohn, Administrator of the Special Taxes Division, said, “We had great internal resources. Our SMEs were well chosen, and they were committed.”

Beyond choosing the right staff to work downstairs in the project office, management also provided the SMEs the freedom they needed to make the right decisions. “Our managers trusted us to make decisions, and I think that helped a lot,” said Lauren Jones, SME.



Left to right: Pam Steele, Scott Horton, Jaclyn Ripley, Lauren Jones, Amy Hanney, Ivy Thomas, and Brittany Chamberlain

Staff not dedicated to the project as SMEs also stepped up to the task of supporting the taxpayers, despite their small numbers. “We couldn’t have done it without the people who were still upstairs,” said Horton. They also supported the project in other ways. “The staff members working upstairs were the ones who came down and tested the

system,” said Steele. This enabled them to actively contribute to the project. “They were able to not only give their input, they were able to be a part of the project,” said Jaclyn Ripley, SME. This meant more time that staff had to be away from their desks, but division management understood this was a necessary part of the process. “We could have very easily had them testing at their desk, but we wanted them to be able to work with the SMEs and the developers,” said Guzman.

Project Highlights

PROCESSING REVENUE

Since rollout, MiMATS has processed
\$3.8 BILLION
in total payments and nearly
13 MILLION
return schedule detail rows.

INTEGRATED SYSTEM

MiMATS replaced
11 SEPARATE
legacy systems with
1 SYSTEM
enabling more efficient
data analysis.

TAXPAYER INDEPENDENCE

Phone calls about the statutory refund claims process have
DECREASED BY
35%
as taxpayers find their
answers on e-Services.

STREAMLINING FORMS

The number of form types in the statutory refund claim process was reduced from
100 TO 20
making it easier for taxpayers to find the right form.

Benefits

The collections department gets fewer calls now that taxpayers can see liabilities online. Taxpayers are also more compliant. “We used to have to drop certain charges, now people can see their \$10 payment and just pay it,” said Leah Babcock, Tester.

Penalty and interest calculations were difficult to perform across the legacy systems, meaning it was challenging to tell the taxpayers how much they owed. “We now forecast interest automatically, so the agency can collect all that is owed to them,” said Evan Moore, FAST team member.

The Special Taxes Division greatly reduced the amount of paper they use. “We had hundreds, hundreds of hanging files. Now, we don’t have paper copies anymore,” said Ivy Thomas, SME. This also benefits the planet. “Environmentally, we’re not leaving as big of a footprint,” said Thom Soule, Tester.

Staff in the Special Taxes Division have access to more data, enabling them to better advise taxpayers. “Treasury staff are able to research easier and get information that they didn’t have access to before,” said Lisa Sivaraman, part of the Division of Technology Management and Budget.

The new system allows members of the Tobacco Enforcement Division to track taxpayer contact information and directly access it from their laptops in the field. “It helps us all work together from an enforcement perspective,” said Jaclyn Ripley, SME.

The Tobacco Division went from using several spreadsheets and a Microsoft Access database to having all their data in one place. “The new system made finding information much easier,” said Ivy Thomas, SME.

Online Services

In a win-win for both the division and taxpayers, Treasury staff converted their paper-based statutory refund claim process to an online process. “Taxpayers would literally send Treasury shoe boxes full of receipts,” said Lee Charles, FAST Project Manager. Special taxes staff then reviewed each receipt manually. Now taxpayers can upload receipts online, the system verifies the data was entered correctly, and taxpayers receive confirmation when the claim is accepted or denied. “It’s been a huge transformation, especially for our claimants,” said SME Pam Steele. Scott Horton, SME and supervisor for Motor Fuel, agreed, “The people who are filing electronically love it.”

“I’m most proud of the reaction that our taxpayers have had to the new system.”
– Mindy Miller, Analyst

The division also expanded their other online options, enabling taxpayers to submit payments, renew tobacco licenses, update their contact information, and file their returns by uploading either an Excel or XML file. “Everything on e-Services is an improvement. The taxpayers can do so much more now,” said Justin Girard, FAST team member. Thom Soule, Tester, agreed, “The taxpayers are empowered by the new system.”

As a result, the Special Taxes Division receives fewer calls. “Taxpayers are able to self-diagnose before they call us,” said Analyst Mindy Miller. The new system informs taxpayers of errors before they submit their information. “We can prevent

“The system gave the state more credibility with the taxpayer.”
– Neil Granning, Tester

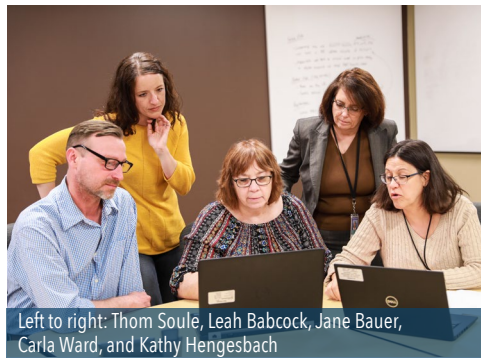
taxpayers from making mistakes in the first place,” said Neil Granning, Tester. When taxpayers do make mistakes or have questions, they can request that a staff member provide click-by-click support. “This functionality gives us a chance to be empathetic with the taxpayers,” said Granning. Leah Babcock, Tester, said the taxpayers appreciated this, “Every one of our taxpayers was floored by how easy it was for us to help them.”



Confronting Challenge

Determination

The pressure of having short notice to replace the motor fuel and tobacco tax returns filing system did not discourage Treasury staff. Kelly Raymor, part of the Division of Technology Management and Budget, said, “Treasury was really on it. They were totally focused and did a tremendous job.”



Left to right: Thom Soule, Leah Babcock, Jane Bauer, Carla Ward, and Kathy Hengesbach

Support

Special Taxes Division supervisors helped ensure the project’s success. “We had management’s support to do whatever it took to get the project going,” said Mindy Miller, Analyst. Management pushed to get the hardware needed for the project in time. “Management said they don’t care what it takes, we need to get servers up and running,” said Miller.

Communication

The Special Taxes Division didn’t skimp on outreach. They sent emails, newsletters, letters, and postcards to taxpayers and internal stakeholders on a regular basis throughout the project. Miller said, “We had to keep our taxpayers and inside stakeholders informed.”



Left to right: Angela Littlejohn, Lee Charles, Lisa Sivaraman, Mindy Miller, and Omer Guzman

Project Name

*MiMATS
(Michigan Motor Fuel and
Tobacco System)*

Project Type

*Integrated Tax System
for Motor Fuel and
Tobacco Taxes*

Project Dates

*August 14, 2017 to
July 30, 2018*

Agency Name

*Michigan Department
of Treasury -
Special Taxes Division*

State Name

*Derived from the Ojibwe
word mishigamaa,
meaning "large water"
or "large lake"*

State Fun Fact

*No matter where you
are in Michigan, you are
always within 85 miles
of a Great Lake*

State Records

*Michigan has about 140
lighthouses—which is the
most in any single US state*



Favorite Memories

"Spending more time interacting with my staff. I don't always get that opportunity."

– Scott Horton



"The environment in the project room."

– Jaclyn Ripley



"Finding an old calculation error and rooting out the cause of that."

– Neil Granning

"Sitting down with the team and working through issues."

– Kelly Raymor



"Go live day. Everybody brought in their dogs and they were SO cute."

– Lisa Sivaraman

"Omer and Angela printed out certificates for the project. It was nice to be acknowledged. It made me feel like they were happy that we were here."

– Justin Girard



"The last week before rollout, it was frenzied, it was chaotic, and the team atmosphere continued to build."

– Amy Hanney



"Showing my co-workers how to use the program. I was excited about what we'd developed."

– Ivy Thomas

What's Next?

Since the July 30, 2018 rollout of MiMATS, the project team has implemented several new pieces of functionality. One of these enables the system to seek out discrepancies between the returns filed by taxpayers who sell tobacco or motor fuel products and those who buy these products. This functionality alerts the division of any inconsistencies between the filings and allows them to follow up with taxpayers to ensure compliance. Angela Littlejohn, Administrator of the Special Taxes Division, said that adding reports has also been a major focus for the agency. "A lot of reports had to go on the back burner, by nature of our deadline," she said. Treasury has since been able to implement many of these baseline reports, but is eager to explore more reporting opportunities. Omer Guzman, Assistant Administrator – Motor Fuel, said, "I feel like I'm still scratching the surface of what I can do with the system, as far as reports and data. I think using the data to run our business is really going to benefit us in the future."

"For us, it's not even comparing two systems, it's comparing technology to a hammer and chisel."

– Amy Hanney, SME