49th Annual Taxation Conference
APPRAISAL for AD VALOREM TAXATION
of Communications, Energy and Transportation Properties
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Using Technology in Tax

Jason Szelest
PowerPlan, Inc.
Jason.Szelest@powerplan.com
404-808-5699

Joe Bolian
6353 North Rosebury Ave
St. Louis, MO 63105
jbolian@taxography.com
314 863-9292
Agenda

Project Lifecycle

• Business Case
• Implementation Strategy
• Integrations
• Support

GIS Data
Have you been part of a software implementation in the last 12 months?

Yes  A
No   B
Software

SAP

Oracle ERP

POWERPLAN™

PTMS

a CSC solution

Microsoft Excel

Microsoft Access
Seriously, have you been part of a software implementation in the last 12 months?

Yes

No
Project Lifecycle

- Identify Problem
- RFP
- Demos
- Business Case
- Integrations
- Selection
- Contracting
- Implementation Strategy
- Project
- Support
Identifying a problem
RFP Process

Assemble an RFP team

Communicate requirements

Draft the RFP

Submit the RFP and invite vendors to bid

Review and compare vendors and their proposals
Host Demos

Assess solutions

Further refine scope

Custom vs Base
Business Case

1. Analyze the Interests of the Decision Makers
2. Develop Your Vision
3. Develop Your Plan
4. Identify the Overall Benefits
5. Highlight the Unique Benefits of the Proposed Solution
6. Make the Connection
Define Integrations

- Want vs Need
- Cost vs Benefit
- Ongoing Support
Solution Selection

- Cost
- Timeline
- Requirements
- Internal vs External
- Cloud vs On Premise
- SaaS vs Perpetual
Contracting

SOW

• Scope
• Timeline
• Support
Implementation Strategy

- What is done
- Preparing
- Temp resources
- PTO schedules
- As-is processes
- Internal PM?
Project

- Kickoff
- Status meetings
- Requirements management
- Change management
- Release management
- Phase exit criteria
- Go live
Support
GIS Data
Agenda

- Overview of GIS to relate assets to jurisdictions
- Importance of making accurate jurisdiction assignments
- The 4 key processes that must be in place to make accurate jurisdiction assignments
- Common pitfalls to avoid
- Growth and democratization of jurisdiction data.
What’s a Geographic Information System?

GIS helps you visualize, analyze data to understand geographic relationships.
GIS: Taxing Jurisdictions

Spatial Data

Jurisdiction Information

Tax Area Boundaries

Tax Entities
GIS: Assets & Jurisdictions

Accurately relate assets to jurisdictions
Importance of accurately relating assets to jurisdictions

- Required for tax compliance
- Needed when apportioning value
- Acquiring another company’s assets
- Estimating for a proposed project

Accuracy wins credibility
Inaccurate assignments cost time and money

Wasted time

• Correcting returns, re-filing due to wrong jurisdiction, taking calls from assessors ...

Wasted money

• More expensive to fix later
• Increased labor costs
• Unplanned audits, penalties and interest
• Cost of filing amended return, getting refund
• Likely overpayments to higher taxing jurisdiction

Loss of Credibility
Data Quality

Quality and accuracy of asset and jurisdiction locations impacts a system’s success.
An automated system derives answers from its inputs.

Accuracy, Credibility & Confidence
Meeting these challenges

Accurately relating assets to jurisdictions and keeping up with jurisdiction changes requires:

1. Skilled people
2. Time
3. Defined and tested processes
4. Specialized tools and systems

Challenging! Let’s see how we do it
4 key processes

1. Data Collection  
2. Geographic Information Systems  
3. Assignment  
4. Analysis and Reporting
Data collection process

- Maintain database of jurisdictions
- Discover & acquire supporting data
- Validate for correctness
- Catalog and organize data
Pitfall #1: City boundaries change... Cheyenne, WY
Sometimes in surprising ways...
Celina, TX
Geographic Information Systems process

• Map and validate jurisdiction boundaries
• Assure complete: No unwanted gaps
• Assure boundaries align with map features
Pitfall #2: Gaps and overlaps must be resolved
Pitfall #3: Topological errors must be corrected
Pitfall #4: Jurisdiction boundaries must be aligned to features where intended.
Assignment process

- Assets and jurisdiction boundaries must be in same land base.
- Standardize/geocode situs asset addresses
- For linear assets:
  - Measure lengths of each cut segment
  - Make adjustments for stationing
  - Reconcile lengths
- Assign jurisdictions to assets
**Pitfall #5**: Poor quality addresses must be corrected

Standardization necessary for accurate jurisdiction assignments

Identify unresolved addresses before correct asset placement can occur.

*Poor quality addresses cause inaccuracies*
Pitfall #6: A consistent land base must be used
Analysis and Reporting process

• Validate output assignments
• Report in the form the Tax Department requires
• Provide reports and maps of the assigned assets in their jurisdictions
Pitfall #7: Required output needs to be defined first.
4 key processes to Success!

1. Data Collection
2. Geographic Information Systems
3. Assignment
4. Analysis and Reporting
Today...

Approximately 1/3 of counties provide some GIS tax jurisdictions.
- Some cleanup and updating are usually required.

GIS maps accessible via download or through SaaS based services and can be integrated into systems.

Democratization of Jurisdiction data is advancing quickly, but more needs to be done.
Conclusion

• Accurate jurisdiction assignments saves everyone time and money
• Jurisdiction data is becoming more readily available
• Specialized GIS and automation tools can enhance productivity
• YOU can build processes to achieve accurate jurisdiction assignments!