



# STATE OF HAWAII DEPARTMENT OF TAXATION SPEEDS UP FORM PROCESSING WITH ULTRAFORMS®



**CASE STUDY**

## ULTRAFORMS® INCREASES SPEED AND ACCURACY OF FORM PROCESSING

Approximately 400 people work at the State of Hawaii Department of Taxation and while that may sound like a lot, compared to other states, it's a modest number. "We're smaller than some other state district offices or satellite offices," says Denise Inouye, Supervising Income Tax Specialist.

The team at Taxation is a close-knit group, many of whom have been there for years. Inouye herself boasts 30 years with the department, while her colleague, Sharlene Tagami, Income Tax Specialist, has 13.

"It's a great group of people," says Inouye. "The work is challenging, of course. Taxes are different every day. We work with the legislature and constantly deal with questions and changes."

## MANAGING A PLETHORA OF TAX FORMS

Besides answering practitioners' and taxpayers' questions about tax law, Inouye and her team administer 14 tax laws and are tasked with revising all of the 200-plus instructions and forms that the State of Hawaii uses for tax filing.

Many of those forms are available online and the highest-volume versions use Ultraforms® technology by Foxit to generate 2D barcodes. The barcode on a tax return captures all the data that end users key in and is automatically generated on the printed form. When the form is received, the barcode is scanned to instantly capture all the inputted data with 100% accuracy. This eliminates human error from manual key entry.

## PUSHING THE 80TH PERCENTILE READ RATE FURTHER

But the process wasn't always this streamlined—or this accurate. "Before Foxit, my staff created the PDF," says Inouye. "We're accountants, which means we had to learn to create PDFs on the fly back in the 1990s. Back then, people would fill out the PDF and mail it to us. And then someone in the department would manually type the information into the system. Then around 2005 we added scanning and were using optical character recognition to interpret the scans. Though we had about a 80% read rate, we wanted more accuracy and more speed."

### A faster, more accurate way to process forms

Ask most people what comes to mind when they think of Hawaii and it's likely to be palm trees, sandy beaches and sun. But Hawaii is also a highly entrepreneurial state populated with many small businesses and a lot of rental properties. So it's no wonder that the State of Hawaii Department of Taxation processes over a million tax forms each year. Which is why the staff were interested in anything they could do to speed up processing time and cut down on errors caused by manual data entry or scanning. They turned to Ultraforms® technology by Foxit to add the automatic data-capturing and accuracy of 2D barcodes to their highest volume tax forms.

A few years later, after a recommendation from CGI-AMS, their software consultant, the department contracted with Foxit to create 2D barcoded forms.

## **BETTER READ RATES AND LESS ERRORS FOR MORE ACCURACY AND SPEED**

Inouye and Tagami say that the top benefits of using Ultraforms® are the accuracy and speed for processing.

“Before Foxit, manual data entry meant you're going to have some keying errors,” explains Inouye. “And with OCR, you also get read errors that have to go to data correction people to fix. The 2D barcode eliminates that problem. It also made it a lot faster because no one had to do data entry and the scanner only has to read the barcode, not the entire form. So the returns were just flying through.”

“We got up to the 80th percentile for accuracy,” adds Inouye. “With Foxit, it got higher to over the 90th percentile for two of our forms—the G-45 and the N-11.”

Considering that, as of 2015, the department processed about 1.2 million forms, with approximately 300,000 2D barcoded forms mailed in, that's a substantial time-savings and boost to accuracy.

## **STRAIGHTFORWARD IMPLEMENTATION**

And, as for implementation of the Ultraforms® software, there were no complaints. “It was very straight forward,” says Inouye. “We already manage a lot of computer programming to ensure that the forms and information we present online match tax code and work for the law. We didn't want to learn how to program for barcoding or keep up on the technology and neither did our IT staff. We just wanted to have professionals do it for us. And that's exactly what Foxit did.”

