



Transforming how public administrations manage taxes and engage with citizens: an achievable challenge with SAP Tax & Revenue Management



**Ajuntament
de Barcelona**

Barcelona's Municipal Institute of Finance (IMH) is a local entity attached to the Budget and Finance Department of the Barcelona City Council. It is responsible for the management, collection and inspection of taxes, public charges, fines and other income for the City Council, its autonomous bodies and other public entities, when entrusted to do so. The entity has more than 15,000 public sector employees and serves a population of more than 1,600,000 citizens, including companies, businesses, the self-employed and other management professionals. In 2021, it had a budget of more than 3.2 billion euros.

Barcelona's Municipal Institute of Informatics (IMI) was formed in 1990 and is responsible for supplying information and communications technology (ICT) services to the City Council, as well as to the public organisations and companies which depend on it.

The challenge: modernising systems to better serve taxpayers and manage revenue more effectively

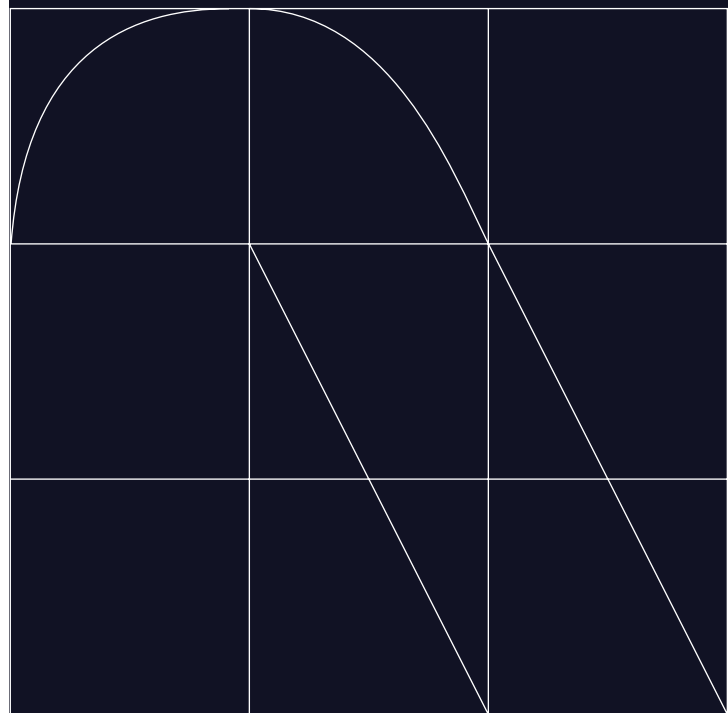
Tax management offices in public administrations are increasingly aware of the need to focus on information systems and digital transformation if they want to continue providing the best possible service to taxpayers.

With this in mind, Barcelona's Municipal Institute of Finance (IMH) has three main objectives: to achieve a closer relationship with the public, to optimise management processes and to improve internal efficiency. This is why they launched the Revenue Systems Plan in collaboration with the Municipal Institute of Informatics (IMI). The plan consists of a series of projects to renew and update the information systems of the IMH in the next ten years; respond to the new requirements of the IMI; and improve the management of the City Council's income.

To execute this plan, the City Council has developed a complete transformation roadmap for its information systems. IMI decided to seek the support of NTT DATA, which has collaborated in the implementation of SAP Tax & Revenue Management as a tool to manage tax processes and tax collection and sanctions, both voluntary and enforced.

The project raised the following challenges and opportunities:

- Standardise and renew the tax platform with flexible, scalable solutions based on the latest technologies.
- Develop a comprehensive understanding of the taxpayer, in order to improve the service provided, as well as the tax management and collection processes.
- Increase internal efficiency with smart tools to automate the tasks and processes that were being neglected and that have less added value.
- Obtain quality data, supported by interoperability with other administrations.



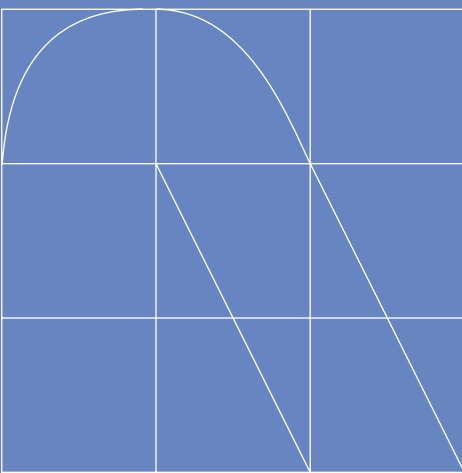


The solution: a flexible and scalable tax platform

To reach the set targets, the SAP Tax & Revenue Management solution was implemented in the IMH systems for tax and collection management. This platform is integrated with the rest of the IMI applications with SAP PI, which allows information to be exchanged between SAP and non-SAP systems. The solution has very high levels of security and numerous control and monitoring options.

Thanks to this integrated, flexible and scalable system, Barcelona City Council now has a tax platform which has improved tax processes and the services it offers to the public.

By simplifying and unifying processes and reducing manual tasks, it was possible to better tailor services to taxpayers' needs and improve the quality of care.



Thanks to the implementation of SAP Tax & Revenue Management, Barcelona's Municipal Institute of Finance has made the following improvements based on its objectives:



Standardise the online platform to allow scalability and facilitate both maintenance and continuous evolution.



Match the services it offers to the needs of the public, making it easier for individuals to comply with their tax obligations.



Obtain a comprehensive view of master data, tax data and censuses through a single integrated database of taxpayers, tax objects and a history of taxpayer debt generated. This integration of data has made it possible to offer new services to the public.



Simplify the processes of tax management, invoicing, and the collection of taxes and sanctions—both voluntary and enforced—thanks to the agility offered by working with a single platform that is integrated with the economic-financial system.



Verification and inspection procedures, providing file management with greater accessibility.



Reduce manual tasks and neglected processes through automation. This allows IMH managers to dedicate their time to more productive and useful tasks, which in turn means an improvement in taxpayer service and, ultimately, a reduction in the tax gap.

This profound change has made it possible to change the tax administration from a reactive institution into a proactive one.

“The transformation project has led to a substantial improvement in the tax management and collection platform, operating in a fully integrated manner and enabling better taxpayer service”

Antoni Fernández Pérez, manager of the Municipal Finance Institute (IMH).

Why NTT DATA

NTT DATA has extensive experience in digital transformation within the tax field, as well as a team specialised in the SAP Tax & Revenue Management solution. In addition, it provides accelerators and best practices, adding value to the implementation of tax management systems. Its association with SAP also allows it to develop joint innovation projects in order to increasingly adapt to the needs of public administrations.

In this particular case, NTT DATA has helped to identify a series of functionalities that have improved both the coverage of tax management needs in accordance with current Spanish law, as well as the management of large volumes of data in massive SAP Tax & Revenue Management processes.

What's next

The next challenge for IMI and IMH is the adoption of the new SAP S4/HANA platform. This platform can be used to achieve future modernisation objectives and provide better services and more options to the public. A clear example of these services is the new flat rate functionality, which has been implemented in 2022 to help pay periodic taxes in instalments throughout the year, with the terms decided by the taxpayer.

The new platform has also provided the IMH with greater capacity to address the current and future challenges of the public administration, since they could adopt new mechanisms in the future to manage advanced analytics and fraud, based on the new generation of SAP S/4HANA solutions.

For more information

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