

## New York State tax agency uses pureXML to simplify filing of more than 2 million returns already.

### Overview

**New York State Department of Taxation and Finance**  
New York, New York  
[www.tax.state.ny.us](http://www.tax.state.ny.us)

### Industry

- Government

### Software

- IBM DB2® 9

The New York (NY) State Department of Taxation and Finance collects and tracks all types of state taxes. Every year, the agency processes 11 million personal income tax returns, 1.3 million corporate tax returns, and 2 million sales and highway use tax filings. The total tax collection exceeds \$80 billion annually.

### Challenge

With traditional paper-driven processes increasing costs and slowing response times, the NY State Department of Taxation and Finance sought to modernize its tax filing system through the use of e-forms. However, because there are thousands of different types of forms to process and many fields in tax forms are often left blank, the organization needed a flexible data model that could provide a consistent way to manage, input and share data while easily accommodating form and regulation changes.

### Solution

The organization adopted XML as its standard data platform for e-forms. XML is a flexible and extensible data model that can easily handle schema diversity, schema evolution and sparse data. To efficiently manage XML data, the agency uses IBM DB2 9 with pureXML™ capabilities within a service oriented architecture (SOA). The agency's innovative use of XML enables staff to store forms as-is without having to perform any complex data transformations. This has helped the organization greatly reduce the complexity of database design as well as the time and labor needed to update tax policies and forms. Additionally, agency employees can now more easily access federal tax records and support online filing for corporate and private tax returns. This innovative use of new technology earned the agency the IBM Information On Demand award for Best DB2 pureXML solution and sets a new standard for tax processing that makes it easier for taxpayers to submit and obtain tax-related information. To date, the organization has processed more than 2 million Web filings and stored hundreds of thousands of electronic returns.



*“Through the use of XML data, we have more flexibility in defining new services and can more easily keep up with changing tax policies.”*

— Jim Lieb, Director of Common Services, New York State Department of Taxation and Finance

## Benefits

- Reduces the time and labor needed to update tax policies and forms with 2 million Web filings processed to date
- Projects 5 million more filings with addition of two more applications
- Decreases data management costs
- Enables agency staff to more easily access federal tax records
- Streamlines online filing for corporate and private tax returns



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U.S.A.

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01-08  
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