

Exhibit 300 (BY2009)

PART ONE	
OVERVIEW	
1. Date of Submission:	2007-09-10
2. Agency:	015
3. Bureau:	45
4. Name of this Capital Asset:	Excise Tax e-File & Compliance (ETEC) (Major)
5. Unique Project Identifier:	015-45-01-14-01-2462-00
6. What kind of investment will this be in FY2009?	
Mixed Life Cycle	
7. What was the first budget year this investment was submitted to OMB?	
FY2008	
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.	
<p>The purpose of this new Exhibit 300 is to account for the funds needed to transition ETEC operations onto the MeF platform and to support operations and maintenance of Excise Tax E-File and Compliance (ETEC) developed applications and databases in the future. The exhibit will serve as a basis for the approval by governance of the merger of ETEC into Modernized e-File (MeF). The Exhibit 300 will also account for the expenditure of Department of Transportation (DOT) Highway Trust Funding to implement provisions of 23 USC 143. The ETEC project was initiated to meet Excise Tax E-File and Compliance mandates outlined in the American Jobs Creation Act of October 2004 (AJCA '04). In August 2005, the President signed the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU '05) that allocated money from DOT to the Internal Revenue Service (IRS) to implement provisions of the US Code, relating to highway use tax evasion projects, in particular the additional development of capabilities needed to support new reporting requirements and databases. These Acts direct the IRS to provide the capability for electronic filing and submission of several forms and to enhance IRS ability to detect and prevent Excise Tax Fraud. To support Excise Tax Compliance and in coordination with DOT, ETEC will have developed an Excise Tax e-filing system capability for Forms 2290 (Heavy Highway Vehicle Use Tax Return and Schedule 1), Forms 720 (Quarterly Federal Excise Tax Return and associated schedule 720X), & Forms 8849 (Claim for Refund of Excise Taxes & associated Schedules). The project will utilize the MeF platform for filing tax and information returns electronically through the Internet via registered Electronic Return Originators (EROs) and to make improvements in filing and processing efficiency through standardization utilizing an Extensible Markup Language (XML) based system. ETEC will leverage the electronic filing of the Form 2290 to develop a data store and an application to support compliance activities by automating the sharing of authorized payment verification information with state vehicle registration offices.</p>	
9. Did the Agency's Executive/Investment Committee approve this request?	
yes	
9.a. If "yes," what was the date of this approval?	
2007-08-16	
10. Did the Project Manager review this Exhibit?	
yes	
11. Project Manager Name:	
Keith, Norman	
Project Manager Phone:	
202-283-5074	
Project Manager Email:	
Norman.Keith@irs.gov	
11.a. What is the current FAC-P/PM certification level of the project/program manager?	
TBD	

12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.
no
12.a. Will this investment include electronic assets (including computers)?
no
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)
no
13. Does this investment directly support one of the PMA initiatives?
yes
If yes, select the initiatives that apply:
Expanded E-Government
13.a. Briefly and specifically describe for each selected how this asset directly supports the identified initiative(s)? (e.g. If E-Gov is selected, is it an approved shared service provider or the managing partner?)
ETEC supports Expanded E-Government as the managing partner for all three strategies: 1) Government-to-Citizen: Electronic Filing of forms makes it easier for citizens to file taxes in a web-enabled environment. 2) Government to Business: Expand electronic tax products for businesses by increasing the availability of electronic tax filing. 3) Government to Government: Provide intra government information sharing by enabling state DMV offices to verify HVUT payments.
14. Does this investment support a program assessed using the Program Assessment Rating Tool (PART)?
no
15. Is this investment for information technology?
yes
16. What is the level of the IT Project (per CIO Council's PM Guidance)?
Level 2
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)
(1) Project manager has been validated as qualified for this investment
18. Is this investment identified as high risk on the Q4 - FY 2007 agency high risk report (per OMB memorandum M-05-23)?
yes
19. Is this a financial management system?
no
19.a.2. If no, what does it address?
ETEC supports Expanded E-Government as the managing partner for all three strategies: 1) Government-to-Citizen: Electronic Filing of forms makes it easier for citizens to file taxes in a web-enabled environment. 2) Government to Business: Expand electronic tax products for businesses by increasing the availability of electronic tax filing. 3) Government to Government: Provide intra government information sharing by enabling state DMV offices to verify HVUT payments.
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?
yes
22. Contact information of individual responsible for privacy related questions.
Name
Carlos Moura
Phone Number
202- 927-0730
Title
Management and Program Analyst
Email

carlos.moura@irs.gov

23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?

yes

24. Does this investment directly support one of the GAO High Risk Areas?

no

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

	PY-1 & Earlier	PY	CY
	-2006	2007	2008
Planning Budgetary Resources	1.352	0.000	0.000
Acquisition Budgetary Resources	3.834	13.706	0.000
Maintenance Budgetary Resources	0.000	0.000	0.000
Government FTE Cost	2.741	3.404	0.000
# of FTEs	27	30	9

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures (indicators) must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative measure.

Agencies must use the following table to report performance goals and measures for the major investment and use the Federal Enterprise Architecture (FEA) Performance Reference Model (PRM). Map all Measurement Indicators to the corresponding Measurement Area and Measurement Grouping identified in the PRM. There should be at least one Measurement Indicator for each of the four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov. The table can be extended to include performance measures for years beyond FY 2009.

	Fiscal Year	Strategic Goal Supported	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2006	Ensure Professionalism, Excellence, Integrity, and	Mission and Business Results	Taxation Management	Support electronic filing of mandated excise tax	0 Forms currently available for electronic	3 forms will be available online	This performance measure was not met in

		Accountability in the Management and Conduct of the Depart. of Treasury			returns	filing		2006. The e-file forms will be ready in FY2007
2	2006	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Accuracy of Service or Product Delivered	Increase stakeholders and customers participation in requirements gathering and analysis and design of system	1 Stakeholder & customer (group) participating in requirements analysis either via meetings or surveys	Increase to 2 Stakeholders and customer participation by 100 %	Actual Results were met in FY2006. In addition to SBVSE Specialty Programs, Centralized Excise Operations (CEO) and state vehicle registration offices participated in requirements gathering
3	2006	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Participation	Increase participation of collaborating agencies (Treasury/DOT) FTE's	5 FTEs	Increase # of FTE to 8 FTEs	This performance measure was met by the end of FY2006
4	2006	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Compliance and Deviations	Improve program technology by designing ETEC to use current hardware and software industry standards. This is measured by determining the number of forms and schedules designed to use detailed Extensible Markup Language (XML) vs. manual paper input.	0 forms and schedules designed to use XML	10 forms and schedules designed to use XML	This performance measure was not met in 2006. The e-file forms and schedules will be ready in FY2007
5	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the	Mission and Business Results	Taxation Management	# of Electronic Return Originators (EROs) participating in ETEC system	1 ERO participating	Increase to 2 EROs participating	Actual Results will be determined at the end of FY2007

		Management and Conduct of the Depart. of Treasury						
6	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Productivity	Increase stakeholders and customers participation in requirements gathering and analysis and design of system	1 Stakeholder & customer (group) participating in requirements analysis either via meetings or surveys	Increase to 3 Stakeholders and customer participation by 100 %	Actual Results will be determined at the end of FY2007
7	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	IT Contribution to Process, Customer, or Mission	Enable electronic verification of payment status by state DMV's using a web interface	0 entities	Increase # of entities to 3	Actual Results will be determined at the end of FY2007
8	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Customer Satisfaction	% customers satisfied w/e-filing in 1st year on legacy e-file systems; will apply this percent to % user satisfied during system test to ensure full integration of ETEC functions in MeF platform serving as interface & processing for e-filing of Forms	User satisfaction rating is 63% during integration testing	Increase to 68% of user satisfaction rating during integration testing to ensure full integration of ETEC capabilities into MeF platform that is serving as the interface and processing for the e-filing of Forms	Actual Results will be determined at the end of FY2007
9	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Mission and Business Results	Taxation Management	# of Electronic Return Originators (EROs) participating in ETEC system	1 ERO participating	Increase to 4 EROs participating	
10	2008	Manage the U.S. Government's Finances Effectively	Processes and Activities	Savings and Cost Avoidance	Realize cost savings from reducing the pipeline and non-pipeline processing for electronic returns 720 & 2290	\$1100 per 1000 forms of paper processing costs	Reduce by 2% of total paper processing costs necessary	

11	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Response Time	Reducing processing time to receive, manage, and manually input the paper return data and resolve data entry errors for those returns filed electronically	70 hours per 1000 forms of processing time to receive, manage, and manually input the paper return data for paper returns	Reduce manual processing time by 4%	
12	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Compliance and Deviations	Make improvements in filing and processing efficiency through integrated and standardization utilizing an Extensible Markup Language (XML) (Electronic Production Standard)	70 hours per 1000 forms processed to manually file process paper returns	Increase system processing efficiency by 5%	
13	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Customer Satisfaction	Data Sharing with States or Department of Transportation	21 days to send data to other agencies or to the states	Decrease to 14 days response time to send data and/or reports to other agencies or the states	
14	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Customer Impact or Burden	Savings to excise taxpayers for postage	\$100K postage costs to be avoided	2% of postage costs to be avoided.	
15	2009	Manage the U.S. Government's Finances Effectively	Processes and Activities	Savings and Cost Avoidance	Realize cost savings from reducing the pipeline and non-pipeline processing for electronic returns 720 & 2290	\$1100 per 1000 forms of paper processing costs	Reduce by 2% of total paper processing costs necessary	
16	2009	Ensure Professionalism, Excellence, Integrity, and Accountability	Processes and Activities	Efficiency	Reducing the pipeline and non-pipeline processing costs for	1.2 hrs per form is the current unpostables resolution	Reduce unpostables resolution time by 1%	

		in the Management and Conduct of the Depart. of Treasury			electronic returns 720 & 2290	time		
17	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Data Standardization or Tagging	Increased compliance on backend through reduction in number of days in processing cycle	21 days to process forms	14 days to process forms	
18	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Mission and Business Results	Taxation Management	# of Electronic Return Originators (EROs) participating in ETEC system	Increase to 4 EROs participating	Maintain 4 participating ERO's	

EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

ETEC is fully funded by the Highway Trust Funding from DOT specifically authorized in the SAFETEA-LU Congressional mandate. ETEC is part of the solution to the Treasury's Taxation Management architecture segment, residing on the MeF infrastructure. The MeF project team and the EA team are working together to ensure the application will be designed so that it remains consistent with the agency's target architecture.

3. Is this investment identified in a completed (contains a target architecture) and approved segment architecture?

yes

3.a. If yes, provide the name of the segment architecture as provided in the agency's most recent annual EA Assessment.

Enterprise Transition Plan, Volume 1: Enterprise Transition Strategy (IRS)

4. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Customer/Account Management	Taxpayers and other stakeholders can submit tax returns and receive acknowledgement through a web portal	Customer Relationship Management	Customer / Account Management			No Reuse	6
2	Tax Account Management Business Logic	Manages the electronic or paper capture of taxpayer specific data	Data Management	Data Exchange			No Reuse	85
3	Data Exchange	Interfaces with external systems to receive submissions and internal systems to receive data for validations and to send data to other internal systems for processing	Data Management	Data Exchange			No Reuse	9

5. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Data Exchange	Service Access and Delivery	Access Channels	Web Browser	Microsoft Internet Explorer
2	Data Exchange	Service Access and Delivery	Service Transport	Service Transport	HTTPS/SSL over Internet
3	Customer / Account Management	Service Platform and Infrastructure	Delivery Servers	Web Servers	IBM x250/servers

6. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2007-05-23

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule:

Both the life cycle cost estimate and schedule include a risk reserve to cover the possibility of any risk coming to fruition.

COST & SCHEDULE

1. Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

no

2. Is the CV% or SV% greater than $\hat{A} \pm 10\%$?

no

3. Has the investment re-baselined during the past fiscal year?

no