LOCAL GOVERNMENT TAX GUIDE:

6 Benefits Businesses Will Buy Into for Compliance

The Path to Tax Automation

For business owners, whether they are located in a large city or a small town, filing taxes can be one of the most challenging and time-consuming interactions they have with their local government on a regular basis. At the same time, enhancing compliance and collecting tax revenue is absolutely essential for many local governments in order to finance public projects and services that benefit their communities.

To reconcile these two points, many forward-thinking local governments are choosing to automate their current tax filing and collection processes with the hope of reducing critical obstacles to compliance. But how can this be done in an effective way that benefits the local community while also improving the process for government staff?

There are a variety of ways that a modern, streamlined tax filing and collection solution benefits business owners *and* local governments – so let's explore them.

1 Convenience for the Community

One of the clearest advantages of an online tax solution is the convenience it offers to local taxpayers. With an online solution, business owners can easily access online tax filing services from anywhere at any time simply by using their computers or smartphones. This level of access greatly reduces the time and effort required to file.

The end result is a much more streamlined, painless process for citizens to meet their tax obligations promptly and accurately. The greater the ease of the filing process, the more likely businesses are to comply.

How Okaloosa County, FL Maximizes $30 Million in Annual Tourist Tax Revenue

Using the GovOS system, Okaloosa County collected more than $76K in penalties and interest, and reported a $1M year-over-year increase in funds distributed to municipalities. Currently, the County has less than half a percent of delinquent accounts remaining, and 98% of all transactions are paid online.
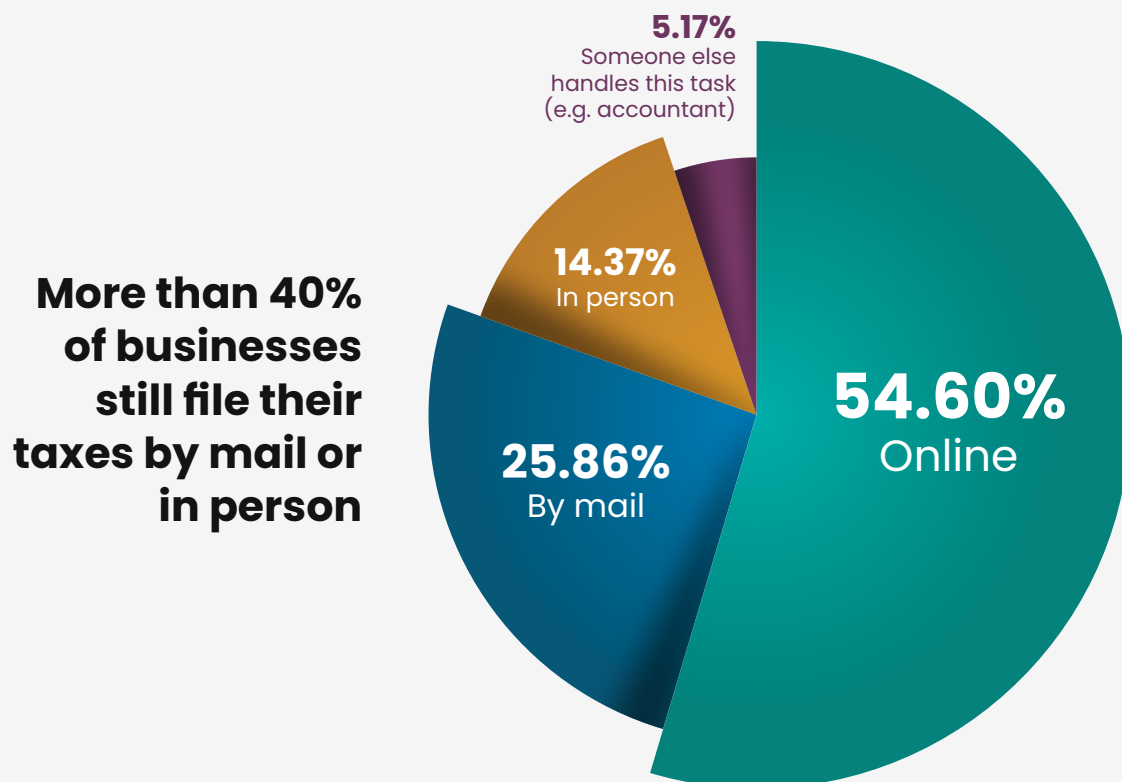
Read the full story here:
govos.com/blog/okaloosa-county-fl-maximizes-tourist-tax-revenue

2 Elimination of Paper Tax Forms

Going paperless benefits both taxpayers and local governments in the latter's effort to improve tax compliance. Bringing paper tax documents online expedites the processing of returns, boosting taxpayer confidence in the system.

For local governments, the paperless remittance of online filing systems can save critical space, upgrade security, and **reduce paper processing by 95%**. It also allows customer service representatives to address errors and resolve issues faster, rather than having to allocate time to the manual input of paper documentation.

More than 40% of businesses still file their taxes by mail or in person

5.17%
Someone else handles this task (e.g. accountant)

14.37%
In person

54.60%
Online

25.86%
By mail

According to a 2023 GovOS survey of local business owners

3 Simplification of Processes & Terminology

In a recent GovOS survey, only about 1 in 4 respondents indicated they understood exactly what was required to be in compliance with local tax and licensing regulations. Many did not know where to go to find the information they needed from their local government. Respondents mentioned simplified processes, straightforward verbiage, and access to online information as ways governments could provide better clarity around compliance.

Local governments can save businesses and themselves significant time and energy by moving instructions online and into the taxpayers' view, readily available at any time without needing help from the jurisdiction. A modern tax and licensing system can provide popup explanations for each line item, right inside the form itself, so the user is no longer required to search other pages or resources which they often don't have the time to do.

More needs to be done to make governments easy to do business with when you look broadly at business licensing and tax payments*.

67%
Business license applications **could not** be completed online

68%
Businesses **manually calculate** the taxes they owe *(including penalties & interest)*

68%
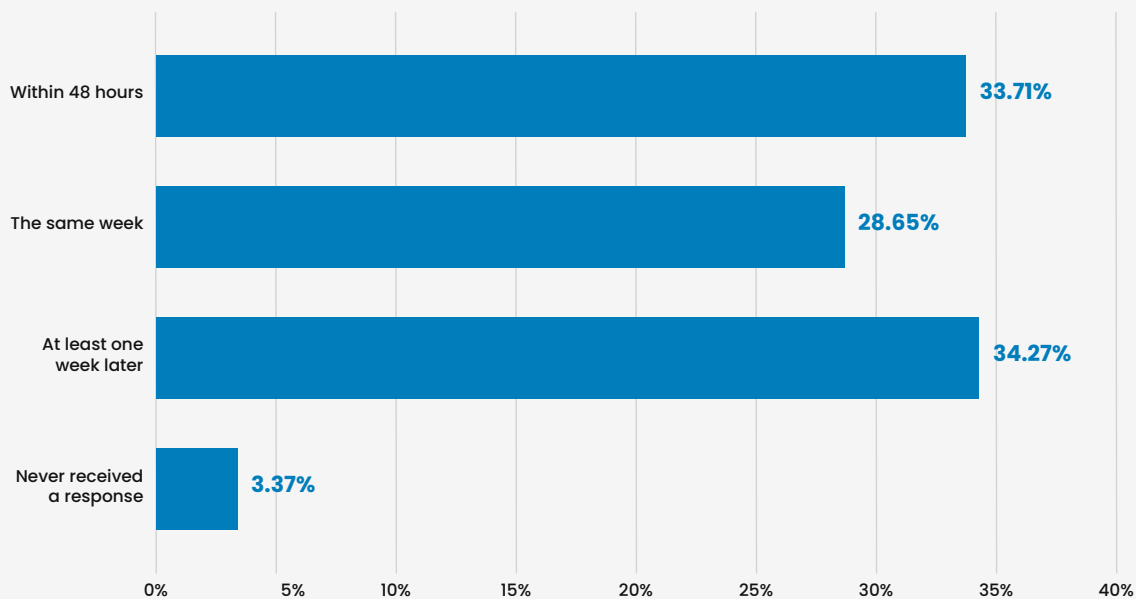Business owners say that **online tax portals need improvement**

*According to a 2023 GovOS survey of local business owners

4 Timely Updates

Receiving timely, informative status updates on filings and returns also contributes to taxpayers' faith in the system and, by extension, their compliance with it. Tax software can enable you to deliver timely notifications to taxpayers and provide access to a portal where they can submit their taxes and look at past filings.

With a streamlined, intuitive system, you can remove the tedious burden of filing on taxpayers. These immediate notifications go a long way to instill peace of mind and improve future compliance.

When do you typically receive a response after contacting your local government?

Response Time	Percentage
Within 48 hours	33.71%
The same week	28.65%
At least one week later	34.27%
Never received a response	3.37%

According to a 2023 GovOS survey of local business owners

5 Security & Transparency

When it comes to private financial information, security is essential. An online tax filing and collection platform can foster trust in the taxation process when it has built-in advanced security measures (encryption, multi-factor authentication, secure payment gateways, etc.) to ensure personal data remains confidential and minimize the risk of data breaches or fraudulent activity.

Additionally, online tax filing and collection platforms can improve trust in the taxation process and increase compliance through transparency. By providing a clear view of an individual's filing history, receipts, and tax liabilities in real time, governments can cultivate a greater level of trust and accountability between themselves and the community. When things are simple, clear, and accessible, compliance improves.

6 Comprehensive Support & Real-Time Reports

In the same GovOS survey, respondents said that having some kind of interactive assistance would be of great help to encourage compliance. This is one reason it is important to ensure the software you choose includes comprehensive support for both government staff and the businesses filing in your community.

Certain solutions, like GovOS Tax Filing, also provide extensive reporting and tracking capabilities that can be accessed in real time and allow users to view all remittance data as soon as it is submitted. All of this is extremely beneficial to those managing the tax collection process and the individual businesses and citizens filing those taxes.

How Bay County, FL Uses GovOS for Reporting & Data Insights

"Whenever you can work with a large data set, be sure of its accuracy, and have ways you can filter it to make it directly usable [...] those are the things you want to consider."
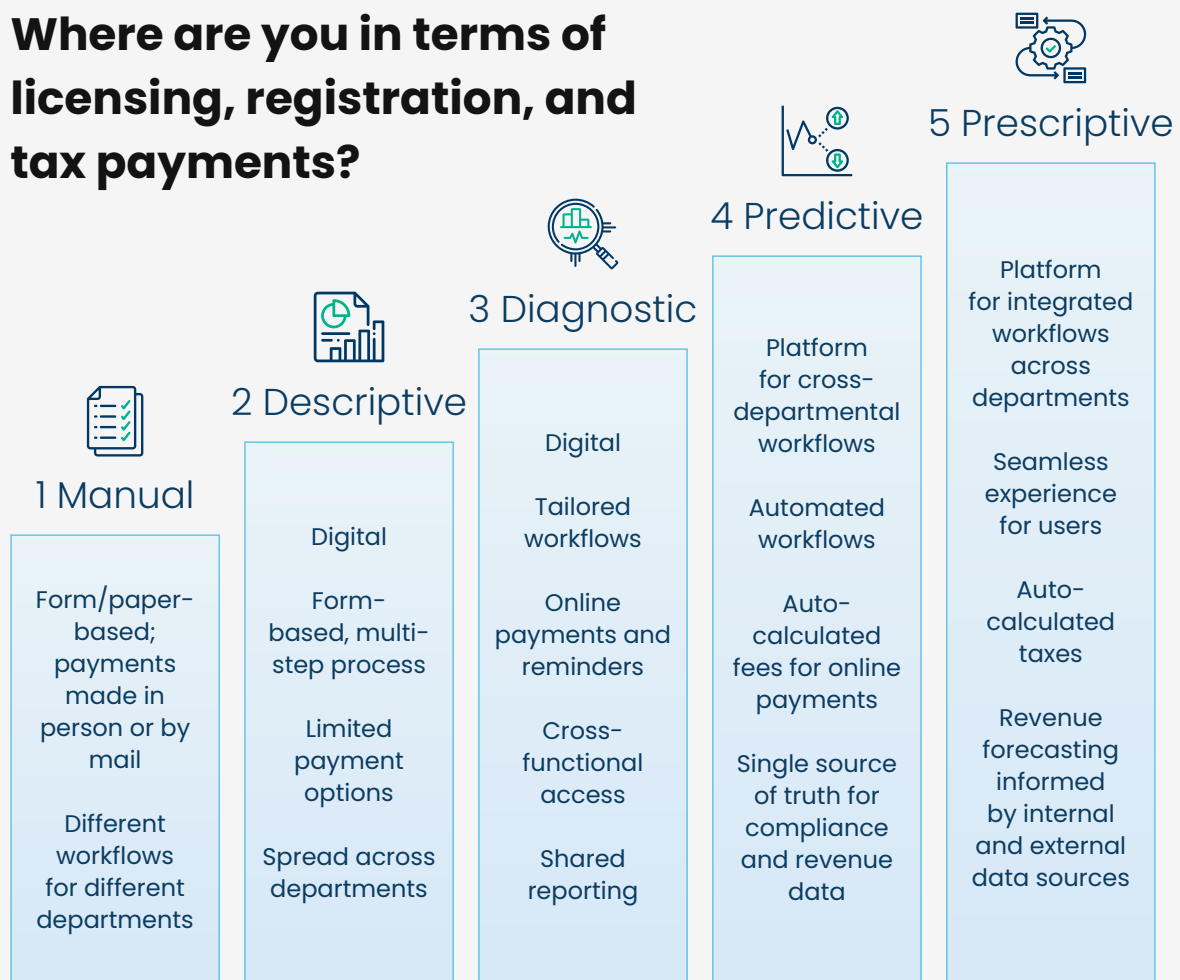
Watch this short video to learn why Bay County wanted software that could deliver high-quality reporting:
govos.com/blog/how-bay-county-florida-uses-govos-for-reporting-data-insights

Conclusion

For business owners, having a fully online tax filing system with intuitive forms and auto-calculations that lets them submit filings directly to their local government is incredibly beneficial. Governments that implement this kind of system can expect to experience not just improved tax compliance, but increased revenue collection, better reporting capabilities, and significant time savings as well.

By simplifying the paperwork and processes involved in filing taxes for businesses, local governments can encourage greater compliance and help taxpayers focus on what really matters – seeing their business and local community flourish.

Where are you in terms of licensing, registration, and tax payments?

1 Manual

Form/paper-based; payments made in person or by mail

Different workflows for different departments

2 Descriptive

Digital

Form-based, multi-step process

Limited payment options

Spread across departments

3 Diagnostic

Digital

Tailored workflows

Online payments and reminders

Cross-functional access

Shared reporting

4 Predictive

Platform for cross-departmental workflows

Automated workflows

Auto-calculated fees for online payments

Single source of truth for compliance and revenue data

5 Prescriptive

Platform for integrated workflows across departments

Seamless experience for users

Auto-calculated taxes

Revenue forecasting informed by internal and external data sources

![GovOS logo]

Who We Are

GovOS is a leading provider of transaction and compliance software for state and local governments to streamline property, licensing, and tax interactions with businesses and citizens. Headquartered in Austin, Texas, GovOS serves more than 800 government agencies across the United States. With the company's secure suite of cloud-based solutions, governments can maximize revenue, increase compliance, reduce costs, and meet constituent demand for modern, self-service transaction and payment services.

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