

# Performing Taxpayer Service above and beyond the Walk-in Office

## Internet Taxpayer Services - Hometax (Korea)

May 15, 2018  
Ottawa



# Contents

- Overview
- e-Filing & Payment, Issuance of Documents
- e-Tax Invoice
- Cash Receipt
- Deduction Data Service for Salary Incomer
- Mobile App
- Future Plan (Big Data & A.I.)

# Overview

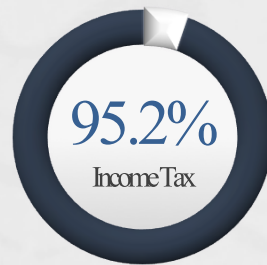
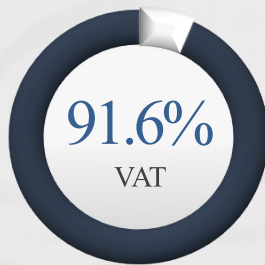
- ▶ Internet Tax Services operating 24hours / 7days
- ▶ Most tax services are available  
(e.g., tax filing, tax payment, Issuance of e-tax invoice)
- ▶ 16M registered (out of population of 50M), 1.5B visits in 2017



## e-Filing & Payment, Issuance of Documents

### **e-Filing for every tax excluding Estate tax**

- ▶ Pre-filled services are provided using 3-rd party data
- ▶ Full-filled services for small businesses (30% of total returns)
- ▶ e-filing ratio (2017)



### **e-Payment for every tax**

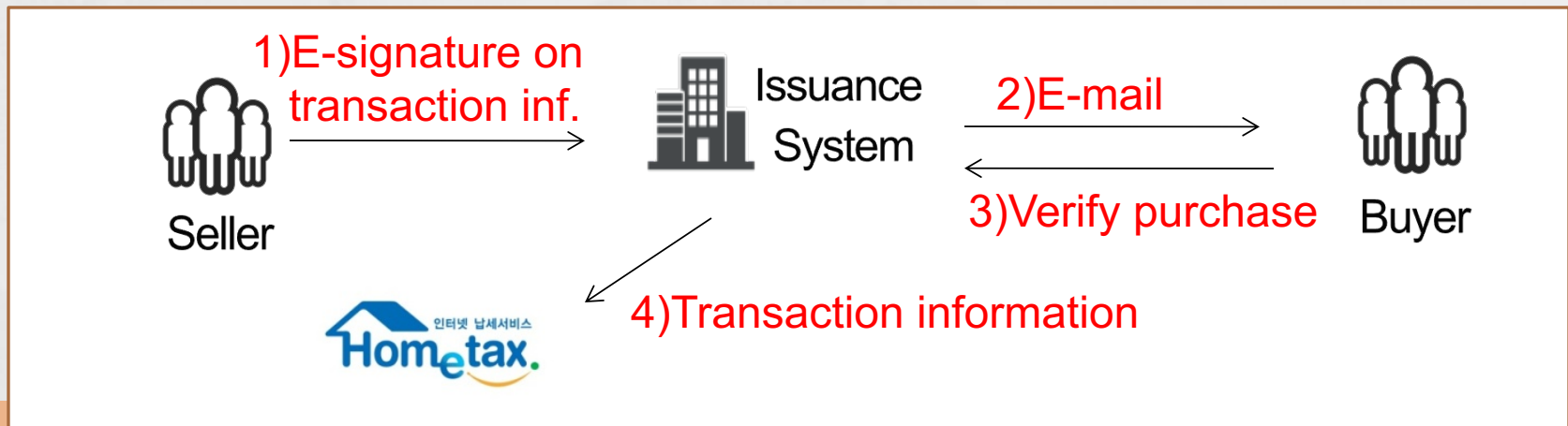
- ▶ account transfer, credit card, online smart pay(e.g.PayPal)

### **Issuance of Documents**

- ▶ Taxpayers print out tax-related documents  
(e.g. certificate for tax payment, certificate for income)

## e-Tax Invoice (since 2011)

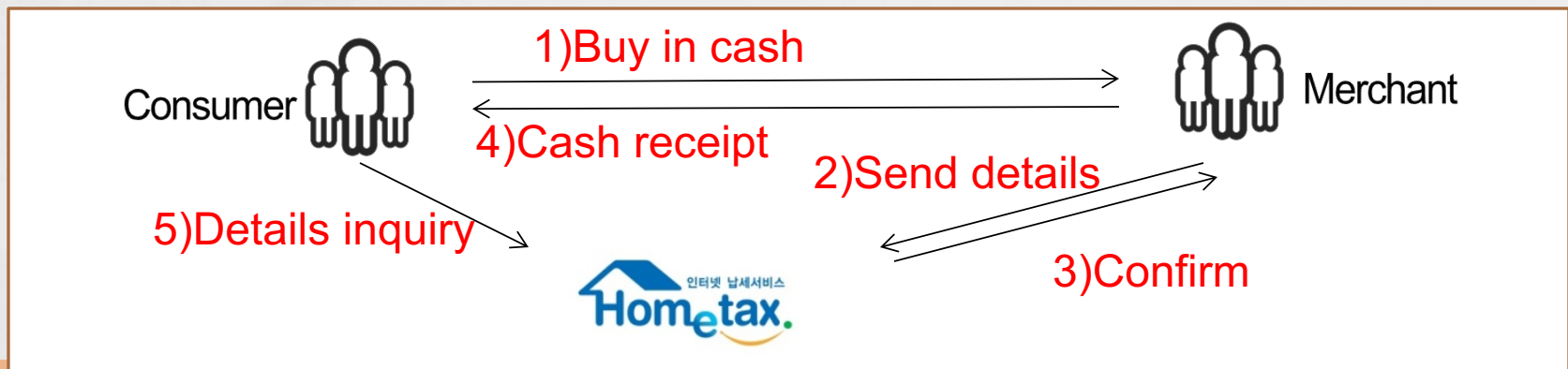
- ▶ Taxpayers **issue, receive & search VAT invoice on Internet**
- ▶ Applied to taxpayers considering compliance burden
  - **Every corporation** is obligated to issue e-tax invoice
  - Mandatory for **individuals if yearly revenue  $\geq$  300,000 US\$**
- ▶ 600M (**99% of total invoices**) are issued on Internet (2017)
- ▶ Reducing the possibility of **fraudulent VAT invoice**
  - Taxpayers need not issue/keep paper invoice
  - Pre-filled VAT returns





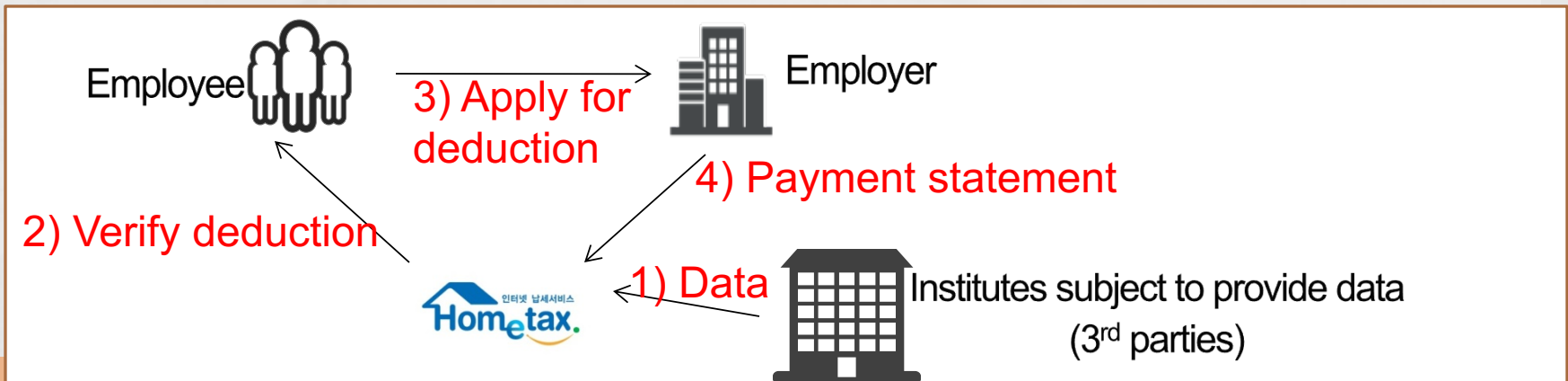
## Cash Receipt (since 2005)

- ▶ Introduced to cope with **tax evasion from cash transaction**
  - B2C cash transactions captured same as credit card transaction
- ▶ Issued via **credit card reader, Internet or ARS**
  - Taxpayers issue&search Cash Receipt on Hometax
- ▶ **Mandatory** when consumers demand cash receipt
  - Consumers get tax deduction for their personal income tax
- ▶ 5B receipts issued by 3M merchants in 2017
  - 100B US\$ (7.6% of annual GDP of Korea)



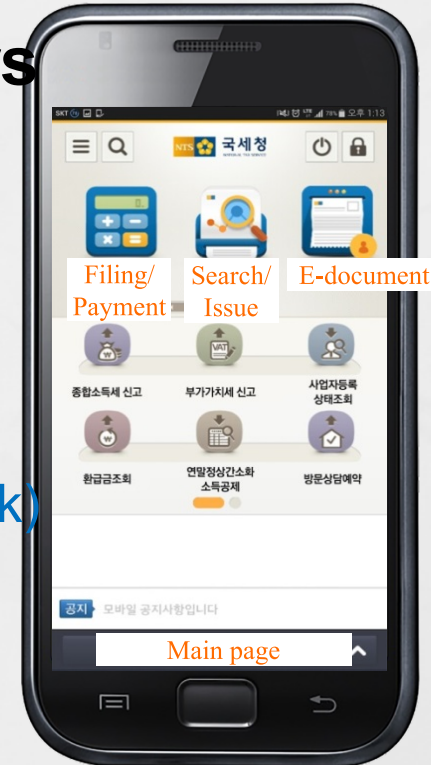
## Deduction Data Service for Salary Earner (since 2006)

- ▶ Individuals verify **tax deduction data on Hometax**
  - medical expenses, educational costs, pension contribution, etc.
- ▶ Hometax collects data from 3<sup>rd</sup> parties
  - banks, hospitals, schools, credit card companies, etc.
  - 162,083 of 3<sup>rd</sup> parties provided 1.8B of data in 2017
- ▶ Taxpayers do not need to collect each data personally
  - 12M used the service in 2017 (Max 2.2M users in a day)
- ▶ Hometax also provides pre-filled income tax returns



## Mobile Hometax(App)

- ▶ Establish mobile app for **smart-phone users**
- ▶ Provides varied services
  - e-Filing, e-Payment, submission of document
  - Taxpayer registration, tax counseling
  - Fax documents (certificates) to requester(e.g. bank)
  - Check tax bill / refund
  - Tax calculator, report tax fraud
  - Issue e-tax-invoice, check cash receipt
  - Verify tax deduction data (especially for salary incomers)
  - Check progress of application (e.g. tax suspension request)
- ▶ 3.5M taxpayers downloaded and used **Hometax App**





## Future Plan (Big Data & A.I.)

### ▶ **What is Big Data?**

- Large volume of data both structured/unstructured including voice, image, SNS, etc.

### ▶ **Big Data Services for Taxpayers** (examples)

- A.I. counselor on chatting apps (Chatbot)
- Tax Statistics Service on demand for researchers & taxpayers
- Customized Hometax webpage by business-type/situation
- A.I. tax assistant for tax returns

### ▶ **Big Data Implementation Road Map**

**2017**

Basic Planning for  
Big Data analytics

**2018**

Task Force preparing  
Big Data System &  
performing leading tasks

**2019**

Big Data Center for  
Advanced data service

*Thank You !*

*Q & A*