

# **Analysis Report on Cost-Benefit Analysis of the “National Tax Information System Sustainable Development Plan” and Explanation of Related Financial Resource Allocation and Fund Utilization for the Fiscal Year 2024 Budget Proposed by the Ministry of Finance**

## **Cost-Benefit Analysis of the Chosen Plan and Alternative Plans**

1. Current State of the National Tax Information System: The existing National Tax Information System, operational since 2012, has been providing tax-related information services for both citizens and regional tax bureaus of the Ministry for 11 years. To address issues such as outdated equipment, challenging maintenance, and the inability to promptly adapt to business expansion needs, there is an urgent need to integrate resources and update the system using information and communication technology. This initiative aims to create a digitally resilient national tax information infrastructure to optimize tax administration and support government initiatives while ensuring fiscal stability.
2. Components and Expected Benefits of the Chosen Plan:
  - (1) Utilization of Virtualization Technology for Flexible Resource Allocation  
Implementation of a flexible tax platform using virtualization technology to automate resource management, ensuring automatic deployment, version control, monitoring, and expansion capabilities. This approach enhances tax administration efficiency and flexibility, supporting both tax services and smart government initiatives.
  - (2) Revamping the National Tax Information System for Enhanced Digital Tax Administration Efficiency  
Collaborative system restructuring and process integration with users to optimize system performance. The revamped system will integrate artificial intelligence and machine learning, simplifying workflows, enhancing digital analysis, and improving tax administration efficiency.
  - (3) Optimizing Citizen Service Experience  
Implementation of citizen-centered smart services, enhancing user experience and innovating public services. This includes adding six convenient services to reduce in-person visits, ensuring citizens experience innovative and user-friendly digital services.
  - (4) Accelerating Tax Data Release and Expanding Value-Added Utilization  
Implementation of information technology to enhance cross-domain value-added tax services. By constructing a tax data supermarket focused on key tax categories (comprehensive income tax, corporate income tax, and business tax), commonly used data from external organizations and research institutions will be inventoried. This data will be made accessible through a user-friendly and flexible visual

analysis interface, stimulating societal innovation and promoting collaboration between public and private sectors.

### 3. Cost Analysis

For the fiscal year 2024, a total of NTD 783,680,000 has been allocated, with detailed breakdowns provided for various business segments, including:

- (1) Information operation and maintenance fees (NTD 114,762,000): Planning, analysis, and testing operations related to system setup and system migration.
- (2) Software usage fees (NTD 59,238,000): Payment of software subscription fees.
- (3) Equipment procurement fees (NTD 542,448,000): System software installation (including AP/DB environment, system setup) and maintenance.
- (4) System development fees (NTD 67,232,000): Development of related functionalities, programming, and operations for system setup, system migration, feature enhancement, and innovative services.

### Financial Resource Allocation

The total budget approved for the “National Tax Information System Sustainable Development Plan” is NTD 1,724,970,000, allocated over four years from fiscal year 2024 to 2027. The funding allocation process involves budget approvals and planning in line with the budgetary procedures.

### Fund Utilization Situation

#### 1. Annual Funding Requirements and Project Fund Utilization

(Unit: NTD in Thousands)

Work items	Fiscal year				Subtotal
	2024	2025	2026	2027	
Migration of national tax platform to hybrid cloud platform	650,686	116,438	116,438	116,438	1,000,000
Promoting the migration of national tax information systems	101,445	191,888	144,832	87,184	525,349
Pilot implementation of data encryption, split backup, and recovery	0	0	6,000	9,000	15,000
Enhance information security management system	0	0	26,621	28,672	55,293
Reengineer key tax operation processes	1,019	2,037	2,037	1,019	6,112
Integrate international data exchange channels	3,260	3,260	3,260	1,426	11,206
Utilize smart automation to simplify operations	3,669	6,113	6,113	3,058	18,953
Strengthening online transaction data search	4,260	3,260	3,260	1,426	12,206

Promoting a sustainable ecosystem for data governance	1,223	1,223	1,223	612	4,281
Establishing touchless service counters	1,223	2,445	2,445	1,223	7,336
Expanding the digitization of proof documents	2,445	6,367	4,667	3,445	16,924
Enhancing mobile tax filing services	6,299	815	204	204	7,522
Implementing a permissioned blockchain verification mechanism	3,260	3,260	3,260	3,260	13,040
Integrating data transmission channels for the national tax platform	2,445	4,278	4,278	2,445	13,446
Establishing an on-demand tax data supermarket	1,223	4,445	1,834	1,834	9,336
Implementing Mydata data empowerment	1,223	3,260	3,260	1,223	8,966
Total	783,680	349,089	329,732	262,469	1,724,970

## 2. Annual Work Items and Implementation Schedule

Work items	Fiscal year			
	2024	2025	2026	2027
Migration of national tax platform to hybrid cloud platform				
Promoting the migration of national tax information systems				
Pilot implementation of data encryption, split backup, and recovery				
Enhance information security management system				
Reengineer key tax operation processes				
Integrate international data exchange channels				
Utilize smart automation to simplify operations				
Strengthening online transaction data search				
Promoting a sustainable ecosystem for data governance				
Establishing touchless service counters				
Expanding the digitization of proof documents				

Work items	Fiscal year			
	2024	2025	2026	2027
Enhancing mobile tax filing services				
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Establishing an on-demand tax data supermarket				
Implementing Mydata data empowerment				