Overview

Goal:
- To keep up with technological changes in a cost-effective, efficient way
- To effectively "red flag" questionable business VAT declarations for closer inspection

Challenges:
Provide a development environment that:
- Allows maximum reuse of existing code
- Results in flexible solutions that are easy to maintain and adapted to meet customers' changing needs
- Increases developer productivity while maintaining their job satisfaction

Key Results:
- Cincom Smalltalk ObjectStudio® deemed "invaluable" in developing the VAT-checking system
- New features and changes "almost too easy" to add
- Costs reduced because of high degree of code reuse made possible by Cincom Smalltalk

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Profile in Success: **Swedish Tax Administration**

Cincom Smalltalk™ Enables The Swedish National Tax Authority to Track and Check VAT Declarations

Regardless of what we think of them, taxes are undeniably a cornerstone of society. The term "business critical" takes on a whole new meaning when it comes to the system authorities use to make sure everyone pays the proper tax.

The Value-Added Tax (VAT) is the Swedish government's largest individual source of income, but it is common knowledge that cheating on VAT declarations is, well, common practice. To develop a system to examine and "red flag" questionable company tax declarations, the Swedish National Tax Authority selected Smalltalk as the development tool – as they had several years earlier when the Authority had developed a similar system for examining income tax returns.

The Authority chose Smalltalk because of their resultant ability to recycle and reuse parts of the earlier system in the new VAT checking system – and thus, reduce costs. In addition, developers' proven productivity in and preferences for the Smalltalk environment also pulled it to the top in the selection process.

The Project: Reuse KONTUR Code to Develop PUMA VAT-Checking System

In 1996, the Swedish National Tax Authority, or Riksskatteverket (RSV), launched an application called KONTUR to identify income tax returns needing a closer look by authorities. KONTUR is used by more than 2,500 RSV employees at approximately 150 tax offices throughout Sweden.

"The development of KONTUR provided us our first real knowledge of ObjectStudio and development using Smalltalk. ObjectStudio gave us a good incentive to continue working with it. The developers liked the environment and working with the tool. As project leader, I appreciated their productivity."

- Lennart Stenberg, Swedish National Tax Authority

When a similar system was requested to examine business tax and social fee declarations (VAT), it was, according to Lennart Stenberg, "natural" that the new application,

called PUMA, should be developed using ObjectStudio and Smalltalk, based on RSV's earlier experience.

"Our business activities are constantly changing. This is how it's always been and probably always will be. In addition to regular changes like reorganizations and new technologies, we are greatly affected by new laws and a latent wish from our clients to solve tasks as cost-effectively as possible. One way to be efficient in my work is to use as few resources as possible when developing new applications."

- Lennart Stenberg, Swedish National Tax Authority

Recycling Enables Fast Development and High Productivity

Using Cincom Smalltalk, the Swedish National Tax Authority developers were able to recycle most parts of KONTUR into the PUMA system. While PUMA was not considered a "large" development project, if the developers had had to start from scratch, significantly more resources and personnel would have been needed. However, even though its development budget was small – thanks to Cincom Smalltalk – PUMA is of enormous value to the Swedish government.

"VAT is the Swedish government's largest individual source of income and a basis for Swedish finances. Unfortunately, it's no secret that a lot of cheating goes on when it comes to VAT declarations. Among other things, this is due to an expectation of mutual trust within the system. I cannot speculate on how much money is lost, but there is no doubt from the client's perspective that an efficient system of control would soon pay for itself. Furthermore, considering the conditions we work under, with constant demands for cost-savings, it is rewarding for us to have a development tool that is both appropriate and productive."

- Lennart Stenberg, Swedish National Tax Authority