

## The Ministry of Finance of Baden-Württemberg implements a *new property tax procedure*

Working in close and reliable collaboration with Capgemini, the Ministry of Finance of Baden-Württemberg has designed and developed the software for the new property tax in Germany based on a land value model

### A new property tax law for Baden-Württemberg

The Ministry of Finance of Baden-Württemberg is responsible for the state's financial policy, budget, taxes, state holdings and real estate. When the state parliament passed the property tax law in 2020, the ministry faced a challenge: starting on 1 January 2025, a new legal basis for property tax was to come into effect in Baden-Württemberg that would guarantee municipalities 12% of their tax revenue, or 1.8 billion euros annually.

The tax offices in Baden-Württemberg are therefore obliged to revalue all local properties according to the land value model as of 1 January 2022. This required the development of a new IT property tax procedure – a project that the Ministry of Finance entrusted to the Regional Finance Office in Karlsruhe as the intermediate authority. Capgemini was selected as the development partner for the 'Grundsteuer-Neu' (New Property Tax) software solution as part of a tendering process based on technical expertise, the ability to ensure a timely delivery within

**Client:** Ministry of Finance of Baden-Württemberg

**Region:** Germany

**Industry:** Public Sector

#### Client Challenge:

In 2020, the state parliament of Baden-Württemberg passed its own property tax law, which required the development of a new, highly automated property tax procedure within 18 months.

#### Solution:

Working with Capgemini, the team developed a modern, user-centered solution for property tax assessment that offers efficient processes for financial management and can be integrated into existing peripheral systems.

#### Benefits:

- Increased efficiency as well as fewer manual steps and errors due to an automated risk management process
- Better data quality through audit routines
- Compliant with BITV (German Digital Accessibility Law) through modern and user-centered dialogue framework

18 months, and delivering user-centricity and quality assurance throughout the project.

### **Iteration and synchronization ensure efficient project management**

In view of the tight schedule, the Ministry of Finance and Capgemini agreed to adopt an iterative project approach with parallel processes. Among other things, this meant that individual project phases (e.g. conception or implementation) would be carried out multiple times and overlap during the project. This made it possible to easily and simply adjust the approach as needed, enabling the project partners to strategically react to unforeseen circumstances.

Other advantages of this approach included the visibility of progress for all project participants and stakeholders, early testing during development, and immediate feedback as part of the integration tests. From the outset of the project, the team recorded the requirements with a focus on the technical aspects and possible process optimizations. The interfaces were designed by the Capgemini User Design Teams together with users from the tax offices, conceived as a user journey and then implemented.

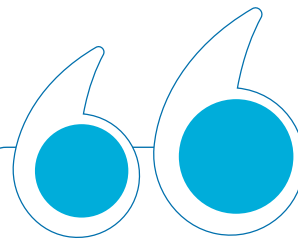
### **An innovative solution with potential for future transformation**

After the complete development and go-live of the basic version 18 months after the project start, the project received extensive positive feedback and transitioned seamlessly into operation in the second half of 2022.

The process, developed in close collaboration with business stakeholders, offers time-saving and valuable functionalities that have been broadly accepted by end users. Since then, Capgemini has been working with the ministry on further developments to continuously deliver additional value-adding functionalities. Regular joint meetings – which take the form of project workshops on technical requirements, management jour fixes, technical architect meetings and service status meetings – ensure the future success of the project. The jointly developed Grundsteuer-Neu solution has achieved all project goals and even exceeded expectations.

Now, up to 1,000 employees in 60 tax offices benefit from the modern dialogue interface, user-friendly settings and accessibility. The Grundsteuer-Neu solution guarantees the revaluation of 4.6 million properties for the tax offices despite limited resources and tight deadlines. Because the application is reliable and stable, the highest standards are ensured as part of a service, and continuously improved with a focus on customer benefit.

Risk management is supported by a configurable “rule and decision engine” for automated case review. The use of tax authority data for validating, correcting, and supplementing tax-relevant data in the process ensures high-quality results. Finally, Grundsteuer-Neu offers a classically designed IT architecture, operated in a local data center, that is ready for future-proof transformation, such as through container technology and microservices.



“Capgemini was a reliable partner throughout the entire project, always providing us with the best possible support in a time-critical project with a high public profile. The team accompanied us through the process with professional expertise and a high level of innovation.”

**Frank Gräßle,**

Head of IT, Ministry of Finance Baden-Württemberg



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