

Multiple Uses for a UPC Matrix Database

By

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What is a UPC?

- ✦ 12 Digit Bar Code**
- ✦ Issued by the Uniform Code Council to Manufacturers**
- ✦ Represents the Standard for Product Identification**
- ✦ Composition of the 12 Digit UPC**

Timeline (2000-2001)

- 04/2000** First Dryden Presentation with follow up discussion
- 10/2000** Selection of Test Audit
- 01/2001** Audit Completed; Results Qualified
- 05/2001** Additional Presentations and Cost Discussions

Timeline (2002-2003)

- 06/2002** Division Conducts a Business Code Analysis to Determine Audit Benefits
- 01/2003** Approval of Issuance of Request for Information(RFI) with 2/28/03 Closing Date
- 03/2003** Lone Response From Dryden/IBM Team
- 06/2003** Review Process by IT
- 11/2003** Contract Signed

Timeline (2004)

- 01/2004 Database Received**
- 02/2004 Initial Audit Candidates Identified**
- 03/2004 Audits Assigned**
- 03/2004 Matrix Updates Received**

Test Audit

- + Supermarket With Approximately 65 K UPC's**
- + 45K UPC's Recognized by Matrix**
- + 20K UPC's Unidentified**
- + 1,160 UPC'S Undercharged Tax**
- + 2,381 UPC'S Overcharged Tax**
- + Net Tax Significance - \$109,000**
- + Manual Review – Tax Significance – \$6,000**

Advantages

- Decrease in Audit Time**
- Educates Taxpayers – Shows Overcharged Items as Well as Undercharges**
- Provides Consistent Tax Treatment to Retailers of All Size**
- Reduces Taxpayer Compliance, Research, and Litigation Costs**
- Matrix Always kept Current Through Quarterly Updates**
- Increased Tax Revenue**

Enabling Regulatory Authority

- N.J.A.C .18:2-7.1 Through 7.4**
- Requires Taxpayer to Submit Records in Electronic Format if Kept That Way**

Status of Audits

- ✚ Audit Candidates Identified**
- ✚ 15 Audits in Progress**
- ✚ 22 Cases in Unassigned Backlog**
- ✚ 100 Additional Cases Being Created**