Datapath Intelligent Form Capture Automation for Real Estate Tax Abatement

mazars

The Client Need:

Real Estate companies developing residential properties with a low-income element on their properties located in New York City have a tangible opportunity to realize a tax advantage. If these projects meet the Real Property Tax Law 421-a Affordable New York Housing Program (the "Program') criteria, the client can earn a real estate tax exemption that reduces the post-construction tax value of these properties to their pre-construction tax value during the phased-out abatement period, effectively saving them millions of dollars. To comply with the program, the client must validate that they are meeting the prevailing wage requirements[1] as set forth by the program.

The Problem:

One way to validate compliance is to enter into a project wide labor agreement, which can increase the development costs. The Program provides developers the option to validate a prevailing wage was paid on their project. The Program requires the developer to appoint an independent monitor who will gather and compile certified payroll reports from the contractors to determine the Project's actual wage paid. The certified payroll reports list each worker employed at the site, their regular and overtime hours worked, wage rates, and other fringe benefits (e.g., vacation benefits, health insurance, apprentice training, payroll taxes) pro-rated for the total number of hours worked on the site. The payroll form is complex, and the client does not control the contractors' systems or processes. However, to report on their compliance with wage requirements, the client needs an efficient way to collect and compile the weekly certified payroll reports. Currently these are scanned by each contractor and submitted in PDF and the data is manually reconstructed. This is a very time-consuming process and prone to user error.

The Solution:

Mazars has developed the Datapath Intelligent Form Capture tool that allows Real Estate companies to completely automate this process of collecting certified payroll reports via PDF and converting the form scans to data. Leveraging multiple Microsoft technologies including Azure Cognitive Services Form Recognizer, Power Automate, and Power BI Mazars developed a Datapath Intelligent Form Capture solution to read the scanned PDFs which are translated into data used for reporting by Mazars to verify the client's proof of compliance.
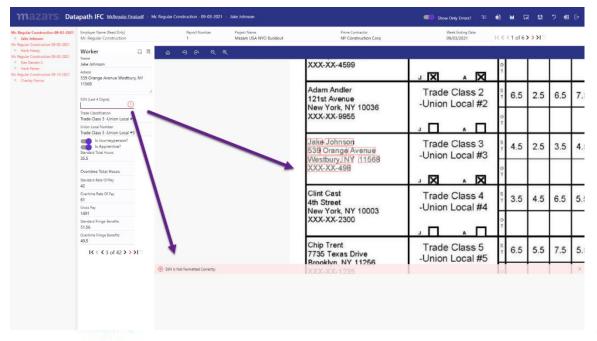
Some key features of this solution include:

- Fast capture process with minimum effort
- AI form capture for critical fields
- Business rules automatically identify possible errors and required validations
- Data capture and correction visualizations
- Inherent scan field accuracy measures for automatic and continuous process improvements
- Workflow to identify document scans requiring validation and verification
- Audit trails on each data correction

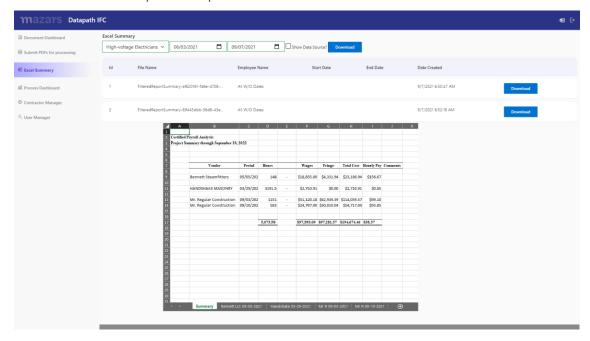Below are some fictious examples of screen shots for your reference:

---

[1] An average hourly wage of $45 for projects in Brooklyn and Queens and $60 for projects in Manhattan with an automatic increase every three years at a rate of 3%.

Clicking data field automatically snaps to/zooms into image area for fast visual identification

Generate Excel output of completed data set for audit control and verification.

mazars

Additionally, by turning their documents into usable data, our clients are better equipped to make data-driven decisions. With advanced reporting and analytics, they have better visibility into the Program reporting requirement and data trends to identify non-conforming contractors, provide continuous feedback and corrective actions, and aid in the selection of contractors to ensure the Project's continued compliance.

By engaging Mazars to implement the Datapath Intelligent Form Capture Automation solution, our clients achieve an inherent ROI as a direct result of the tax exemptions gained for their properties simply by being able to verify their compliance, definitively and efficiently, with the program requirements. Contact Mazars today to learn how the Datapath Intelligent Form Capture solution can be leveraged by your organization.