

Guide

Cost Control Without Compromise: Fuel Excise Tax Strategies



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This analysis is intended for informational purposes only and is not tax advice. For tax advice, consult your tax adviser. See the full disclaimer [here](#).

Introduction

When budgets are tightened, tax teams often receive the same message: “Do more with less.”

According to [Redwood Software](#), cutting costs is the #1 overall business priority for 2025. But in fuel excise tax, cutting corners comes at a cost. Manual processes, staffing gaps, or missed filings don't just slow you down; they create real financial risk through penalties, interest, and audits.

The good news? 36.6% of businesses say automation has reduced costs by at least 25%, and 12.7% say it's reduced costs by more than 50% says the [Enterprise Automation Index 2025 Report](#). You can reduce costs without compromising compliance. By investing in the right digital tools, you unlock efficiency that compounds: lower overhead, fewer errors, less rework, and a team that's focused on strategic tax planning instead of spreadsheet gymnastics and firefighting.

Here's how to drive down costs while keeping your tax operations resilient and audit-ready.



Stop the Financial Drain of Turnover

Replacing fuel excise tax talent is expensive, not just in terms of recruiting costs, but also in terms of lost expertise and continuity. Excise tax isn't taught in school, and most professionals develop their own internal logic and filing habits over time. When someone leaves, that deep knowledge often walks out with them.

The Cost Reality

- Knowledge loss can lead to missed exemptions, filing errors, and costly rework.
 - True Story: When a tax team was shifting responsibilities due to a long-term employee's departure, they believed they had everything under control. All deadlines were well documented in a spreadsheet. Relying on this tool, they processed payments in accordance with the due date. What they didn't realize, however, was that the spreadsheet was backed by tribal knowledge, which wasn't documented. The payment needed to arrive at the treasury by the due date, not just be submitted. The result? A costly \$150,000 penalty for late payment.
- Operational disruption leads to staffing gaps, which can delay filings and increase the risk of penalties.
- Replacement costs can be significant to hire and train a new employee with deep knowledge can cost up to 4x the employee's salary.



Let that sink in. If you are hiring someone for a position that pays \$70,000/year, you could be spending up to \$280,000 to fill that role. This is a considerable expense.

The Cost-Cutting Move:

Don't let your operations hinge on tribal expertise. Document, standardize, and automate your workflows so processes are repeatable, teachable, and auditable. With the right automation, you can:

- Eliminate the need for temporary help during turnover.
- Cut overtime and weekend hours that lead to burnout.
- Reduce rejected or amended returns caused by inconsistent application of rules, freeing up time for analysts to do what they enjoy and are good at, analyzing.

"Railroad companies, in general, have been cutting headcount," reflected Zachary Garretson, Tax Manager at CSX Transportation. "So, it is important for us to think innovatively and utilize technologies or other resources to free up our tax team's capacity." [See how they reclaimed 1,888 hours of tax compliance work.](#)

Automation doesn't replace people, it restores their capacity. When your team isn't buried in spreadsheets, they can focus on value-added work like optimizing refunds or navigating regulatory changes.

Automate Where It Delivers the Biggest Return

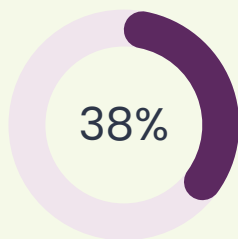
Automation and digital transformation can intimidate tax teams with the prospect of significant change. This doesn't have to be drastic with a giant price tag, though; the key is knowing where to automate first. Start by identifying the processes that consume the most time, require repetitive effort, or are prone to errors. These are your most significant cost centers and your best opportunities for improvement.

How to Spot High-Impact Automation Targets:

To get the most return, focus on the areas that cost your team significant time, introduce the highest risk, or create bottlenecks. Here's how to identify the right targets:

- ✓ Look for high-volume, low-value tasks.

Repetitive, manual processes such as data entry, receipt matching, or rate lookups consume time without contributing strategic value. These are often the first and easiest wins for automation.



38% of tax professionals on smaller teams (with fewer than 25 team members) reported that their teams spend over a quarter of their time on manual tasks.

That number jumps to 44% in larger finance teams with 25 or more members, highlighting just how much time is lost to inefficiencies at scale. - IBM

- ✓ Pinpoint areas with high error potential.

Processes with multiple handoffs or complex rules are prone to mistakes, like tax rate changes, receipt and disbursement reconciliation, reconciling returns to the ledger, and return preparation and filing. Automating them reduces risk and rework, especially during audits.



Real-world example: Topco gained financial savings with automated form generation and data transformation. "IGEN has a smart enough system here that it realized we qualified for a discount if we filed on time, which was not being applied through our old tax software," said LaPorte. "We are still in the works of recouping the last eight years of this, if possible."

✔ Follow the time sink.

Do you know how your team is spending their time? If your team is spending hours wrangling spreadsheets to file on time, you're likely overinvesting in maintenance work. Try time-tracking or process-mapping tools for a quarter to reveal where effort is being spent versus where it should be.

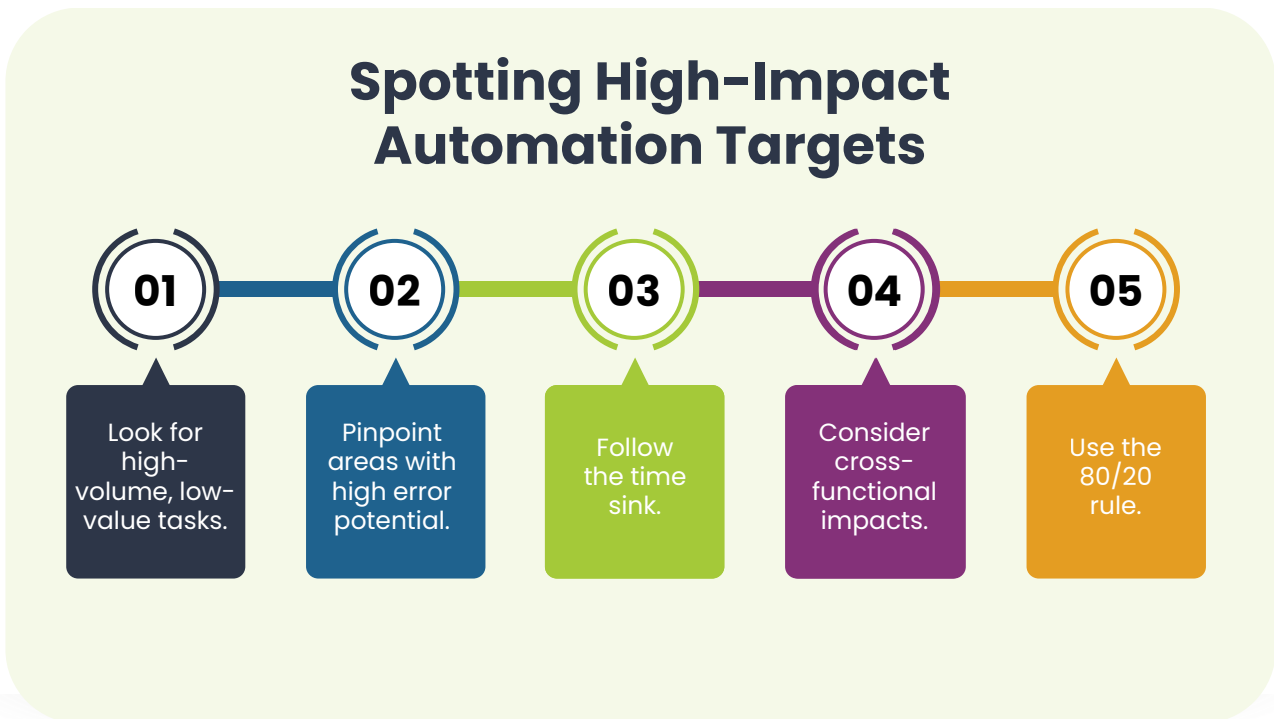
✔ Consider cross-functional impacts.

A bottleneck in tax often slows down accounting, IT, or compliance, too. Prioritize automations that remove friction across departments, not just inside tax. Cross-functional efficiency doesn't just improve workflows; it also strengthens relationships between departments and builds a stronger business case for your tech investments.

✔ Use the 80/20 rule.

Which 20% of your processes cause 80% of your delays or frustrations? That's where automation can be most transformative, freeing your team to focus on what matters most.

By automating where it counts most, you shift your team's energy from repetitive tasks to high-value strategy. The result? A leaner, more focused workforce that gets more done, without burning out.



Leverage Automation to Free Time and Resources

Adding headcount isn't always feasible, especially when the goal is to cut costs. However, chances are that your current team is spending too much time on work that doesn't move the needle. Free them up to focus on what does.

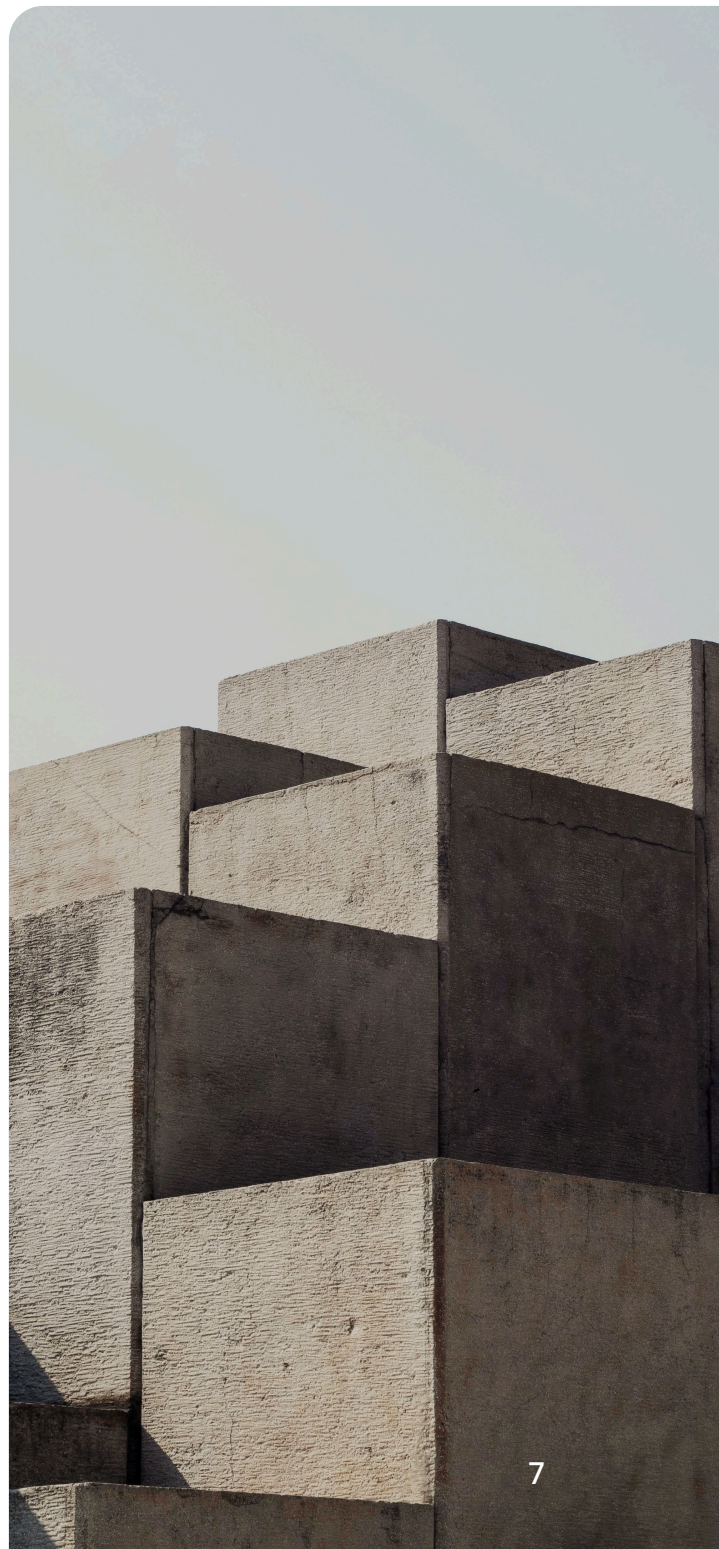
Shift Analysts to High-ROI Work like:

- Monitoring regulatory changes across jurisdictions to minimize amendments and audits
- Analyzing refund and credit opportunities
- Catching overpayments and tax inefficiencies

How to Get There:

- Automate repetitive tasks like manual reconciliation and data formatting
- Set alerts for anomalies (e.g., sudden volume spikes, missed movement data)
- Remove the "Excel middleman" between departments and use a shared system for a single source-of-truth database

When your analysts stop firefighting and start analyzing, they find real savings.



Consider Short-Term Spend for Long-term Savings

Saving money isn't just about spending less; sometimes it's about spending smarter. Investing strategically in the right areas can yield significant returns over time.

When budgets get tight, it's tempting to hit pause on upgrading technology or stick with "if it isn't broken, don't fix it." But in fuel excise tax operations, relying on manual processes, outdated systems, and siloed workflows doesn't just maintain the status quo; it slowly drains resources through mistakes, rework, and compliance exposure.

Top-performing tax teams take a different approach: they invest early in automation and digital infrastructure, not as a cost, but as a catalyst. A small, upfront commitment in the short term can reduce errors, simplify reporting, strengthen controls, and ultimately generate substantial cost savings over time.

The Cost of Inaction

The Overall Risk	Why This Is Happening	Long-Term Impact
Manual Errors	Human mistakes in filings, rate updates, and schedules	Penalties, amended returns, and audits
Labor Drain	Excessive time spent on manual data entry and reconciliation	Team burnout, resource strain, inefficiency
Missed Refunds/Credits	Poor documentation and inconsistent tracking	Lost cash flow due to denied refund claims
Spreadsheet Sprawl	Siloed data and a lack of version control across spreadsheets	Slower filings, inconsistent reporting
Limited Visibility	Absence of centralized dashboards or real-time insights	Reactive decision-making and increased risk

Short-Term Investment, Long-Term ROI

Investment Area	Initial Spend Includes...	Long-Term Return
Automation Tools	Return prep, rate updates, license tracking	Time saved, fewer filing errors
System Integration	Syncing with ERP/logistics tools	Data consistency, reduced rework
Audit Readiness Features	Documentation logs, real-time dashboards	Reduced audit exposure
Exemption/Refund Management	Workflow for tracking exemptions, proper filing support	Higher refund recovery rate
Scalable Infrastructure	Compliance process that grows with business complexity	Avoids future overhaul costs

CFO Friendly Talking Points for Investment:

- **Cost Avoidance:** A single audit or penalty can exceed the cost of a tech upgrade.
- **Labor Efficiency:** By automating data preparation and return generation, you can free up 40 hours a week that can be reallocated to strategic work. Read more about how CSX Transportation did just that, [here](#).
- **Cash Flow Impact:** Improved refund recovery and fewer lost credits.
- **Risk Management:** Lower exposure to compliance issues with automated accuracy checks.
- **Future-Proofing:** Build infrastructure that supports growth, not constant patching.



Slash Onboarding Costs For Tech and Your Team

New Technology is an initial expense for long-term savings, like we discussed above. One area that is especially costly is the onboarding of new technology. Whether you're introducing new technology or new hires, onboarding can quietly drain your budget, and in highly specialized areas like tax, that cost can escalate even higher. But it doesn't have to.

The Right Tax Tech Partner Saves You More Than Time

Choosing the right tax technology provider isn't just an IT decision; it's a strategic move that can drive real cost savings. A strong partner helps you avoid the common traps: over-customized setups, long implementation timelines, and tools that don't fit your tax team's real-world workflows. Instead of spending months adapting to rigid systems, the right provider adapts to you, offering expertise, industry-specific features, and hands-on support. That means fewer workarounds, less manual cleanup, and faster time to value. In a lean environment, that's money back in your budget and hours back in your day.



Wondering what to look for in a software provider? [Download the Tax Technology Buyer's Guide](#)

Accelerated Tech Onboarding

For over a decade, IGEN has empowered businesses to streamline and scale their tax compliance operations with digital acceleration. From kick-off to go-live, onboarding experts work directly with your tax team to handle the heavy lifting, like data mapping, rule configuration, and digital process setup, so your team can hit the ground running. This reduces delays, avoids rework, and gets your returns flowing faster, without overwhelming internal resources.

Client-Powered Onboarding

Another option with IGEN is that once your returns are configured and tested, we train your team to manage them independently. Your staff becomes super users of the tax compliance platform, able to implement, scale, and adapt with minimal support. That means less cost, faster time-to-value, and a more empowered long-term team.

- **Real Life Example:** In just five weeks, IGEN helped R.B. Stewart configure and test 12 returns with client-powered onboarding. "From the beginning, there was a lot of communication and regular meetings to make sure we were on schedule," said Ripkoski, Accounting Director. IGEN also trained its team to self-implement future returns. With expert guidance and support, R.B. Stewart quickly became confident using the platform on their own. Since onboarding, they've added eight more returns across three jurisdictions, without outside help. They're now faster, more self-sufficient, and saving costs as they grow. - [Read more here](#)

Documented Processes That Scale with You

New hire? No problem. Your team won't have to reinvent the wheel every time someone joins. With a streamlined tech stack and detailed documented processes, your onboarding becomes repeatable, so you can ramp up new talent faster and keep costs under control.

Pro Tip: Record and save all the onboarding sessions with a new hire so you can use them in the future for other hires.

The result: faster productivity, fewer support costs, less time away for senior staff, and a more agile team, all while staying compliant in one of the most regulated areas of tax. Look for solutions that don't just plug in; they partner with you to build onboarding into a cost-cutting advantage.



Quick Wins to Cut Costs Without Cutting Corners

- Identify top 3 manual processes by time spent
- Use automated systems to manage deadlines instead of relying on error-prone spreadsheets
- Record one onboarding session per hire and store it
- Track hours spent on rework each month
- Start with one automation: license verification, form generation, or reconciliation



This is how you cut costs— without cutting corners.

Need help identifying where to start?

Let technology do the heavy lifting, so your people can
focus on what actually drives savings.

[Talk to an expert](#)

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