

Tax Revenue Management System

FY2010 Request: \$23,429,200

Reference No: 46985

AP/AL: Appropriation

Project Type: Information Technology / Systems / Communication

Category: General Government

Location: Statewide

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Estimated Project Dates: 07/01/2009 - 06/30/2014

Brief Summary and Statement of Need:

The Tax Division needs a single, comprehensive, integrated revenue management system that accomodates all tax types. Currently, the division does not have a computerized system for oil and gas production taxes, which account for about 84% of the revenue collected by the division. Computer systems that are in place for other tax programs are outdated and do not provide needed functionality. This project provides for a complete integrated tax processing system, designed to support the management of multiple taxes and associated business processes such as collections, accounting, reporting, audit, and compliance.

Funding:	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	Total
AHCC Rcpts	\$20,529,200						\$20,529,200
CSG Tax	\$2,900,000						\$2,900,000
Total:	\$23,429,200	\$0	\$0	\$0	\$0	\$0	\$23,429,200

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

Funding was received in FY2009 for three projects related to a management information system for the Tax Division. These projects will be done in conjunction with the Tax Revenue Management System:

Corporate Tax/Motor Fuel Tax System Replacement, \$830,000
Chapter 29, SLA 2008, Page 155, Line 21

Mining Tax System Replacement, \$460,000
Chapter 29, SLA 2008, Page 155, Line 24

Oil and Gas Production Tax System Replacement, \$2,620,800
Chapter 29, SLA 2008, Page 155, Line 26

Project Description/Justification:**Information Technology Capital Project Review Form FY2010****1. Has this project been previously approved?**

No

2. What is the purpose of the project?

This project will create a complete integrated commercial-off-the-shelf (COTS) tax processing software package, designed to support the Tax Division with the management of multiple taxes and licensing, and associated business and processing rules, with minimal changes to the program code – and meets state IT standards. The package will support configuration covering almost all aspects of the system including returns, letters, penalty, interest, transactions (financial and non-financial) customer demographics, workflow, terminology and a robust user interface.

3. Is this a new systems development project?

This is a new tax management computer system to streamline revenue administration.

Upgrade or enhancement to existing department capabilities? No.

4. Specifically, what hardware, software, consulting services, or other items will be purchased with this expenditure? (Include a line item breakdown).

This FY2010 request for \$23,429.2 will be combined with \$3,910.8 in funding from the three, prior-year tax system projects for a total of \$27,340.0.

Itemized breakdown:

Project Initiation / Planning - \$20.0
Software Acquisition - \$27,000
Hardware / Infrastructure Acquisition - \$250.0
Hardware / Infrastructure Installation - \$15.0
Hardware / Infrastructure Testing - \$15.0
Training - \$40.0

Line item breakdown:

Contractual: \$340.0
Equipment: \$27,000.0

5. How will service to the public measurably improve if this project is funded?

This revenue management system will allow the Tax Division to respond more timely to public and taxpayer requests for information on programs, licensing, revenue forecasts and other reports generated by the division.

6. Does project affect the way in which other public agencies will conduct their business?

No. However, in the future, other agencies may be able to interface with the system to extract data to assist in meeting their missions.

7. What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

There will be software maintenance and licensing costs in future years.

8. What will happen if the project is not approved?

Limited automated processes. Tax technicians and auditors will continue to spend a large amount of their time manually tracking data which is an inefficient use of their time. Management reports will continue to be onerous to generate and the data will continue to be reconciled manually which increases the potential for errors within the reports.