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Manchin proudly unveils new tax bills

By George Hohmann

Gov. Joe Manchin and his Tax Department staff have unveiled the first results of a \$22 million state tax computer system overhaul: Citizens can now expect to get a monthly business tax statement and an easier-to-read business registration certificate.

Monthly tax statements were mailed to 13,000 businesses earlier this week, Manchin said Thursday at a press conference. The account statements show activity for sales tax and withholding taxes. When the system is completed in three years, the statement will contain a comprehensive summary of taxpayers' accounts.

Manchin said when he took office two years ago, his priority was to get the state's house in order, "and to do that you have to have a good bookkeeping system."

The governor said one idea behind the new system is the same as his much-publicized thought on medical billing: "Send me a bill I can understand."

Until now, state taxpayers couldn't be sure how much they owed and when they owed money, Manchin said. As a small businessman, "I could have been assessed a penalty and fine before ever knowing I owed money," he said. "I thought that was very unfair."

Tax Commissioner Virgil Helton said the state previously could not send taxpayers an account statement on a timely basis. He noted that the Tax Department is the one state agency "that touches nearly every single West Virginian. We're pleased the citizens are going to see the fruits of the work we've done."

The monthly tax statements will work a lot like credit card statements: Taxpayers who owe money will receive a monthly statement and those who don't owe anything won't get a statement. Helton said many of the statements that went out this week were sent to businesses that had old liabilities but may never have been billed.

Helton said until now the state's business registration certificate was about the size of a check "and you had to be 3 inches from it to read it." The new certificate is on a standard-size sheet of paper and much easier to read.

Manchin said when completed, the new system is expected to increase tax revenue by \$18 million a year. Helton said this is expected because the new system will allow the department to notify taxpayers that may not have known they owed money and will help the department reach new taxpayers sooner.

One of the biggest improvements is scheduled to occur next May when the Tax Department expects to roll out a full Internet service center. Taxpayers will be able to use the center to file and pay their taxes online.

Samples of the monthly statement and new business registration certificate plus other information about the system is posted on the Tax Department's Web site at www.state.wv.us/taxdiv. Click on the "New Computer System" link.

The state has 41 different taxes, Helton said. Dana Miller, who is in charge of the overhaul, said the department has been using 23 systems to keep track of taxes. Manchin said some systems date back to the 1970s so keeping the Tax Department running has involved "30 years of patches, fixes and updates."

Miller said when the new system is finished, the Tax Department will have just two computer systems: The new one and a system used to assist county assessors.

Manchin proposed in his 2005 State of the State address that the state acquire an integrated tax collection system. The Legislature appropriated \$22 million during the 2005 regular session for the project.

Helton said so far the rollout is on budget and about two weeks ahead of schedule. Miller said work on the system involves 18 employees of Fast Enterprises, which was awarded the contract in late 2006, and 20 full-time Tax Department employees. He said an additional 50 to 60 state employees have been involved in various aspects of the project, such as training.

The Fast Enterprises off-the-shelf software being installed by West Virginia is used by 15 domestic and international jurisdictions, Helton said.

Fast Enterprises Partner James Harrison said, "We're proud to make West Virginia a leader in tax administration."