

April 19, 2007

## State Tax System Receives Upgrade

*The Tax Department hopes the new, concise billings will increase collections, leading to an estimated \$18 million in savings.*

By Ann Ali

The West Virginia Tax Department used to operate with 23 different 30-year-old systems that had been patched with temporary fixes, and the systems weren't very coordinated or efficient.

Gov. Joe Manchin and Tax Commissioner Virgil Helton unveiled the first of five phases of the Revenue Accounts Processing Integrated Development System, or RAPIDS, April 12.

"Our tax department had been dealing with a patched system for 30 years," Manchin said. "Customers couldn't be sure how much they owed or when."

Manchin designated and the Legislature approved \$22 million for the project in 2006. Fast Enterprises LLC, a consulting firm that was awarded the state contract in December 2006, is overseeing the project. The company's software, GenTax, will allow the Tax Department to have a consolidated, timely view of West Virginians' accounts.

Fast Enterprises brought a team of 11 employees to West Virginia and employed seven within the state. The state did not hire any new employees for this project, but 20 fulltime Tax Department employees have been dedicated to the project.

The Tax Department employees are working alongside Fast Enterprises to learn to maintain the project after the last phase in August 2009 when Fast Enterprises will leave.

Dana Miller, project manager for the integrated tax system, said West Virginia is the 12th state to implement the system since 2001. Miller said the software was a long time coming, and this is the first time the Tax Department received support from both a governor and a Legislature that realized how outdated the software had become.

"We had 23 different systems that didn't talk well with each other, and the motto with this is to bill early and bill often," Miller said. "This is a modern accounting system that will allow us to get to taxpayers and assist them."

Miller said under the old system, a taxpayer would have been billed four times during a nine-month period, and the Tax Department's billings often had a nine-month lag time.

The first phase of the project involves business registration, consumer sales and service, streamlined sales, special district excise, use, employer withholding and excise tax on wine and liquor.

Larger business registration certificates might be the first effect of RAPIDS most West Virginians see, replacing the post card-sized certificates businesses post in windows.

The Tax Department will begin to make more frequent contact with any taxpayers who have any unpaid liabilities and non-filed returns.

Helton said the project is a little ahead of schedule, and 13,000 of the new bills went to businesses last week.

Manchin announced an anticipated savings of \$18 million a year because of more timely billings that now will look like a credit card statement. The new bill will detail each liability and will include a tear-off portion to be mailed in with a payment. The bill also will include a bar code to simplify filing once it returns to the Tax Department.

While some businesses are cutting costs by cutting out paper, the Tax Department hopes frequent, concise billings will increase collections, leading to the estimated \$18 million in savings. The Tax Department plans to mail a bill every month until the liabilities are paid, similar to how businesses collect outstanding accounts. Miller said each bill costs "about a penny and a half" to print.

The third phase of the project will take place in May 2008 and will remove some of the paper with a full Internet service center for taxpayers to file and pay taxes online.