SUMMARY

This report summarizes the Tax Commission’s intent language passed by the Legislature during its 2012 General Session and provides an agency response regarding the status of each piece of passed intent language. No action is required by the Legislature regarding this issue brief. It is provided as information only, but may contribute to legislative action taken on intent language during the 2013 General Session. Intent language is broken down by line item.

TAX ADMINISTRATION:

Senate Bill 3, Item 11 (for FY 2013):

Under Section 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided to the Utah State Tax Commission in Item 17 Chapter 1, Laws of Utah 2011, not lapse at the close of Fiscal Year 2012. The use of any nonlapsing funds is limited to the costs directly related to the modernization of tax and motor vehicle systems and processes.

Agency Response:

With the support of the Governor and the Legislature, the Tax Commission has been working on a large multi-year project to replace numerous old, stand-alone computer programs. This replacement project has been implemented in strategic phases for each tax type and motor vehicle functional using the same core processing program. This is providing standardization and efficiencies between the numerous revenue collection functions that the Tax Commission administers. Business processes are also being updated as each computer program is implemented.

This modernization effort has been implemented in phases with a new and sequential series of systems being replaced every 6-12 months based on the size of that particular phase of the project.

Currently underway is the replacement of the Motor Vehicle and Motor Vehicle Enforcement systems. That phase will be fully implemented in FY2014. Also, the front-end remittance processing and scanning equipment for tax returns and payments are no longer supported or kept current by vendors, making this equipment outdated and vulnerable. It is also targeted for replacement in the upcoming year.

These tax and motor vehicle system and process improvements for FY 2013 are estimated at $2.6 million, and in FY 2014 it is $4.3 million. The nonlapsing intent language to continue this initiative will be requested for at least one more year.