

Idaho State Tax Commission -- Agency 352
Proposals to Use Stimulus Money from the American Recovery and Reinvestment Act of 2009
Presented 3/4/09 to Division of Financial Management

Priority	Brief Description	Jobs Created	Impact	Project Cost	Spending Timeframe	Exit Strategy
1	Replace the current but outdated (7 year old) Storage Area Network (SAN). This is the main data storage hardware and software that is critical for our ability to track taxpayer returns and payments. The agency is placing more of a processing load on the current SAN than it was designed to handle which is hindering our efficiencies and poses a serious threat to our ability to achieve our mission and goals. Current SAN's are also more energy efficient and provide better data security for some of the most confidential data in State government.	2 or 3 (at vendor)	The Tax Commission is extremely dependent on its ability to maintain detailed taxpayer information in a safe and reliable database. We have invested millions over the last 10 years implementing a state of the art system called GenTax from FAST Enterprises. However the efficient use of the system is in peril due to the old and increasingly unstable SAN system. This is a critical one-time use of General Fund replacement capital that will be required within the next 18 months at the latest.	\$600,000 one-time	3 to 6 months	This is a one-time capital and software investment. The stimulus money would allow us to accelerate the crucial replacement of this critically important piece of our IT infrastructure that otherwise will be mainly General Fund in the near future.
2	Replace obsolete (10 year old) mail opening and scanning equipment known as Optical Character Recognition (OCR) systems. The Commission currently uses this equipment to process all coupon-sized documents. These include all checks received as well as sales tax returns and other document sized returns. The new software and equipment would allow us to use modern "Check 21" banking techniques to send images to the bank instead of checks, resulting in hundreds of thousands of dollars in additional interest income each year in the future.	3 or 4 (at vendor)	Age of equipment and software creates a serious danger that the vendor will be unable to offer a maintenance contract guarantee beginning in FY2010. If this system fails and cannot be fixed, we would lose the ability to efficiently deposit revenue for the State on a timely basis and be unable to feed taxpayer information into our GenTax software in a reasonable timeframe.	\$992,500 one-time	6 to 9 months	This is another example of a one-time capital and software replacement that makes sense to fund out of Federal stimulus money. The need is urgent and the Tax Commission will need to fund this in the next year or two at the latest.
3	Enhance existing GenTax software. This is the main taxpayer accounting software used by the Commission to track all taxpayer returns, payments, audits, letters, and more. This request would upgrade five specific programs within the software into what is known as "core" product. This would make ongoing maintenance of these components much easier.	2 to 4 (at vendor)	This would better utilize our existing internal IT programming resources by upgrading five programs into the "core" GenTax product. Future changes and upgrades to the software, known as service packs, would be tested and implemented by the vendor rather than internal staff, allowing us to use their limited hours on other critical needs.	\$105,000 one-time	Within 12 months of approval	This is one-time money. The Tax Commission would continue to benefit in future years without adding to future costs. Additional efficiencies may provide over \$150,000 annually.
4	Replace obsolete (12 year old) IBM mainframe computer used by the County Support division to provide property tax administration services to over 30 Idaho counties. System is so old that it is out of system maintenance contracts and near complete failure.	1 (at vendor)	This mainframe holds the source and production code for over 800 State Tax Commission developed programs used by County Assessors and Treasurers to appraise market value, grant exemptions, calculate taxes, produce assessment and tax notices, and post and apportion payments to taxing districts. Failure of the system would cause huge delays.	\$23,500 one-time	Within 3 months of approval	Again, this is one-time money that will have to come out of State General Fund sometime in the near future if not funded out of the Stimulus money.

Note: All of these projects for the Idaho State Tax Commission would be funded out of Section 14002 (b) (1) of Title XIV of the Stimulus act. This allows up to 18.2 % of the State's total allocation under this title to be used "for public safety and other government services."