

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 239

Short Title: GPAC/Integrated Tax Admin. System.

(Public)

Sponsors: Senator Martin of Guilford.

Referred to: Government Performance Audit.

February 18, 1993

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT
PERFORMANCE AUDIT COMMITTEE TO REQUIRE THE DEPARTMENT OF
REVENUE TO IMPLEMENT A NEW INTEGRATED TAX ADMINISTRATION
SYSTEM TO ACHIEVE A HIGHLY EFFICIENT AND EFFECTIVE
OPERATION.

The General Assembly of North Carolina enacts:

Section 1. The General Assembly finds that:

- (1) The Department of Revenue's ongoing functional reorganization is sound and consistent with reorganizations in other states.
- (2) Three other southeastern states have indicated that functional organization is effective because duplication of effort is eliminated and taxpayers receive better service because they have a single point of contact.
- (3) The success of the Department of Revenue's functional reorganization will depend on its implementation of a new Integrated Tax Administration System (ITAS), a computer-based, fully integrated tax administration system that would support all of the essential functions of tax administration for which the Department is responsible.
- (4) The Department of Revenue's current information technology infrastructure is so inefficient and error-prone that the mission of the Department is at risk: the Department's computer hardware is old and unreliable, and the current production tax application systems are

1 written in an outdated language and depend on punch cards or tape
2 which makes processing slow.

3 (5) The key to establishing a highly efficient and effective Department of
4 Revenue is ITAS, which has the potential, if properly designed and
5 implemented, to boost productivity and reduce staffing costs.

6 (6) Long-term collections increases and personnel and operational costs
7 savings will significantly exceed the costs of implementing and
8 operating ITAS.

9 Sec. 2. There is appropriated from the General Fund to the Department of
10 Revenue the sum of six million three hundred thousand dollars (\$6,300,000) for the
11 1993-94 fiscal year to implement a new Integrated Tax Administration System (ITAS),
12 a computer-based, fully integrated tax administration system that would support all of
13 the essential functions of tax administration for which the Department is responsible.

14 Sec. 3. As part of its functional reorganization, the Department of Revenue
15 shall implement an in-depth training program to train employees in areas outside their
16 current area of expertise and to keep them continuously updated in changes in the law.

17 Sec. 4. This act becomes effective July 1, 1993.