



Rhode Island Department of Revenue

Division of Taxation

ADV 2016-23
TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS
NOVEMBER 15, 2016

Computer system changeover successfully completed *Taxes, fees now maintained and accessed on single, agency-wide system*

PROVIDENCE, R.I. – The Rhode Island Division of Taxation has successfully implemented the third phase of its changeover to a new agency-wide computer system.

During this phase of the changeover, which began November 7, services were limited. However, the changeover was completed yesterday and, as a result, the Division resumed all services in full this morning. All services are now in full operation.

Before the overall computer conversion project began, the more than 50 tax types and fees administered by the Division were kept in a variety of places, including Access databases, computer spreadsheets, and a mainframe computer which uses 1970s-era COBOL language.

With the third phase of the project now complete, Division of Taxation personnel now maintain and access substantially all tax types and fees on a single, agency-wide computer system, known as an integrated tax system.

“We appreciate the patience of taxpayers, tax professionals, and many other Division stakeholders as this latest annual phase of the project was implemented,” said Acting Tax Administrator Neena S. Savage. “My thanks, as well, to all Division of Taxation employees for their team work on this important project. I also appreciate the work performed by Revenue Solutions Inc. (RSI), our technology partner in this venture,” she said.

Project in three main phases			
Phase:	Tasks:	Date:	Status:
Phase One	Migrated bank excise tax, other levies	Summer 2014	Completed ✓
Phase Two	Migrated personal income tax, other levies	Fall 2015	Completed ✓
Phase Three	Migrated corporate income tax, sales and use tax, withholding	Fall 2016	Completed ✓

“We are moving to a new system that will eventually save everyone time and give taxpayers and tax professionals more tools and improved online access,” Savage said. “To get to that point, we must change over the old system to the new system. But to keep disruption to a minimum, we are doing the changeover gradually, in stages over time,” she said.

The first phase of the changeover was completed in July 2014. The second phase was completed in November 2015. The third phase took place from November 7, 2016, through November 14, 2016. In each phase, multiple tax types were migrated over to the new computer system. This month’s migration, for example, included the corporate income tax, sales and use

tax, and withholding. Future plans include migrating estate tax records over to the new system; moving the revenue accounting system onto the new system; and constructing a taxpayer portal, which would, among other things, let taxpayers log in and manage their accounts, grant online access to tax professionals, make payments, and check balances.

Project background

The project involves the modernization of the Tax Division's tax system and revenue accounting system. The first stage of the project, which occurred in summer 2014, mainly involved migrating account records and other information regarding bank, insurance, and certain other tax types and fees from the old system to the new system. It was the first time that the new system was used to process tax returns and other forms on a real-time basis. In the second phase, records involving the personal income tax, estate income tax, trust income tax, composite income tax, and pass-through withholding were migrated to the new system. In the third phase, completed yesterday, several other tax types were moved to the new system, including the corporate income tax and sales and use tax. By the time the entire project is completed, the new system's benefits will become apparent to taxpayers, tax professionals, and others. For example:

- A high-speed scanning and imaging system will ensure that returns -- and refunds -- are processed more quickly. The faster processing of returns -- and of payments -- means that taxpayer accounts will be updated more quickly.
- Eventually, all information about a taxpayer will be contained in one place. So if a taxpayer or preparer calls, the Tax Division employee can easily and quickly pull up the taxpayer's account to view all of the account activity on one system -- such as payments, notices, letters, and other items.
- There will be consistent business rules across all tax types -- for the application of interest and penalties, and for filing requirements, for example.
- The single location for taxpayer information should eventually result in faster processing of requests for letters of good standing. (To fulfill such requests, the Tax Division must check its records to determine if the taxpayer is current on taxes. But under the current system, that process can take time; a taxpayer's sales tax account, withholding account, and corporate account are all in different locations.)
- Faster processing of returns will also result in more timely review of those returns and their related accounts, which should reduce the turnaround time for billing. More timely review and faster and more accurate billing can improve collection on delinquent accounts -- which helps all taxpayers.

The new computer system, known in the industry as an integrated tax system, is the result of legislation approved by the Rhode Island General Assembly in 2012, which appropriated \$25 million for the project, to be paid out over a number of years to the vendor. RSI, of Pembroke, Mass., was the successful bidder. The Tax Division is using RSI's Revenue Premier product. The new system is known within the Tax Division as the State Tax Administration and Revenue System (STAARS).

FOR MORE INFORMATION

To reach the Rhode Island Division of Taxation, call the Division's main phone line at (401) 574-8829. The Division is normally open to the public from 8:30 a.m. to 3:30 p.m. business days, and is located at One Capitol Hill in Providence, in the Powers Building, which is diagonally across Smith Street from the State House. For forms, instructions, and other information, see the Division website: www.tax.ri.gov. To reach specific sections with the agency, by phone or email, use the following address: www.tax.ri.gov/contact/