

# Computer Modernization Fund and VTax Overview

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# Computer Modernization Fund (CMF)

- Created in FY07
- Sunsets in FY23
- Deposits are “benefits” (extra revenue)
- Purpose is to fund the modernization of tax systems
- CMF has 3 distinct phases

# Phase 1 – DOL Project

- 2007 - 2012
- Enhanced Revenue - \$13,308,724
- Distribution:
  - CGI/Oracle.....\$7,800,000
  - GF.....\$2,746,552
  - CMF.....\$2,762,172

# Phase 2 – Data Warehouse Project

- 2011 – April 2016
- Enhanced revenue - \$22,264,379
- Distribution:
  - RSI payment.....\$5,624,666
  - GF.....\$3,327,942
  - CMF.....\$13,311,771

# Phase 3 – VTax Project

- 2014 - present
- Enhanced revenue - \$5,570,316
- Distribution:
  - FAST benefit payments.....\$4,456,253
  - GF..... \$745,258
  - FAST non-benefit payments.....\$11,290,000
  - Discount Achieved.....\$1,320,000

# Misc. Expenses from CMF

FAST Chainbridge (net)	\$281,493
DII Hardware, M&S	\$1,316,265
VTax procurement services	\$121,330
Other VTax project expenses	\$222,213
Oracle services	\$32,030
CHAMP	\$277,045
<u>Additional IT FTE</u>	<u>\$445,564</u>
Total	\$2,695,940

# Current CMF Balance

Fund Balance (as of 1/31/2017)	\$3,260,592
FAST payment (Q2 payment)	\$(794,666)
GF 20% Allocation FY17 YTD	\$(387,237)
1 FTE for remainder of YR	\$(40,000)
DII (FY18 & 19)	\$(440,000)
Chainbridge (FY17)	\$(30,000)
Remaining Total	\$1,568,689
Less 1X trsfr	\$(798,808)
Unallocated Balance	<b>\$769,881</b>

# Benefits by Tax Type and Fund

<u>Tax Types</u>	<u>Fund</u>	<u>Total</u>
Corporate	10000 GF	\$5,153,699
Personal Income	10000 GF	\$25,600,123
Meals & Room	10000 GF	\$3,606,530
Sales & Use	10000/20205 GF/EF	\$4,037,166
Fiduciary Income	10000 GF	\$(174,714)
Insurance Premium	10000 GF	\$152,924
Captive Insurance	10000 GF	\$35,452
Bank Franchise	10000 GF	\$961
Health Care Claims	21990/21916HC/HC-IT	\$13,962
<u>Fuel Gross Receipts</u>	<u>21235 Weatherization</u>	<u>\$71,407</u>
	<b>TOTAL</b>	<b>\$38,497,511</b>



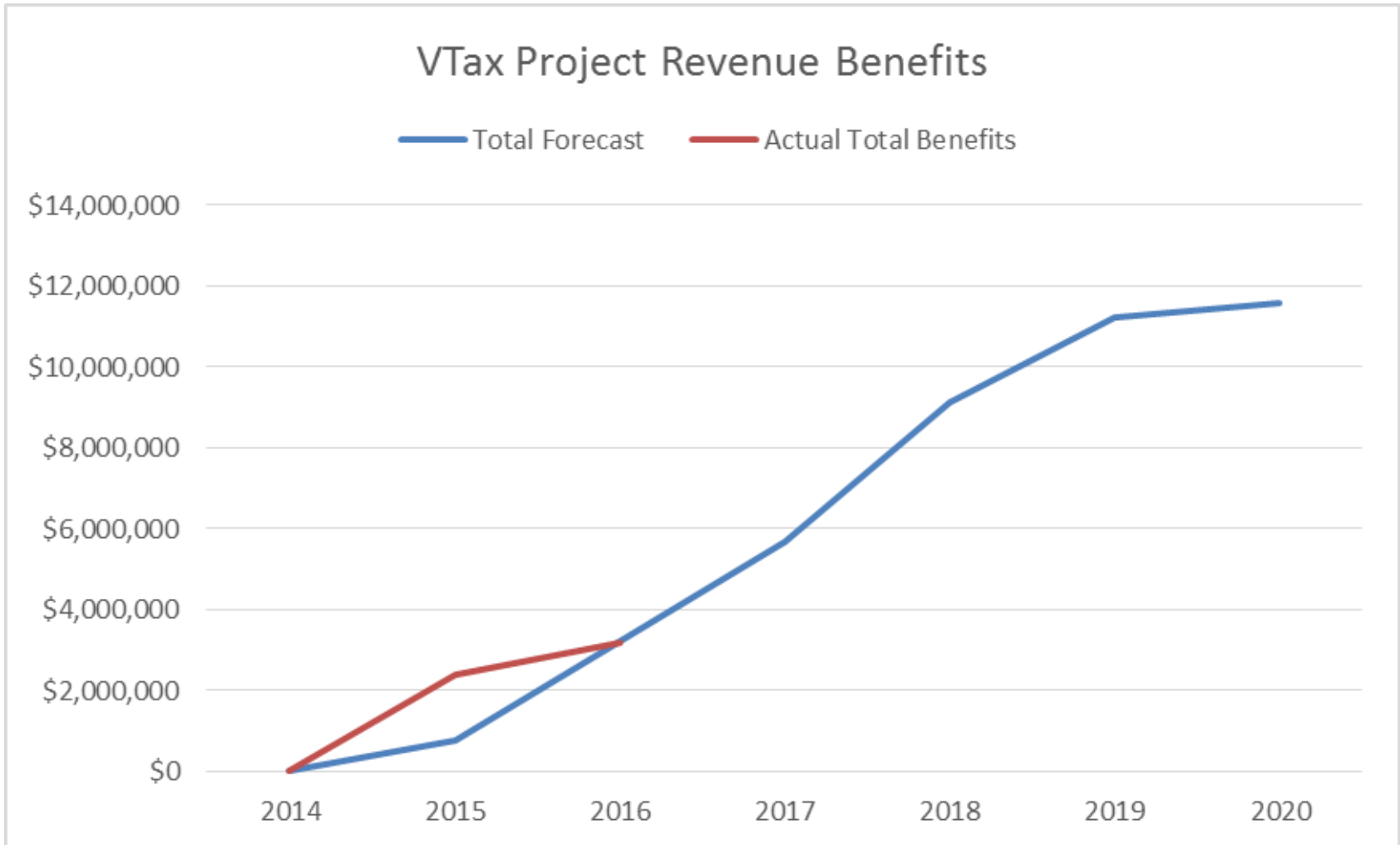
# VTax Payments to Date

Total Project Costs	\$28,600,000
Non-benefit payments	\$11,290,000
Discount Achieved	\$1,320,000
<u>VTax Benefit Payments</u>	<u>\$4,457,604</u>
Outstanding Balance	\$11,532,396

# VTax Project Phases

- Phase 1: December 2014
  - Corporate Income Tax, Business Income Tax
- Phase 2: November 2015
  - Sales and Use, Meals and Rooms, Withholding, Fiduciary Income Taxes
    - 5 smaller miscellaneous taxes
- Phase 3: December 2016
  - Personal Income, Property Transfer, Land Gains Taxes
    - Renter Rebate, Homestead Declaration and Property Tax Adjustment
- Phase 4: November 2017
  - Everything left
- How have we done?
  - Each phase: on time, on budget, in scope.

# Increase In Revenue Collection



# What's Next?

- Tax conversion will end November 2017
  - Mainframe usage ends
- 2 year ongoing FAST support – 2018 & 2019
- Added Health Care Claims Tax and Employer Assessment during VTax project
- Other taxes, fees?
  - Unemployment Insurance
  - Child Support collections
  - DMV fees
  - Other State agency debt collection
  - Current Use
  - Front End Scanning