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Revenue Signs Contract for New Phase of Computer System

The state Revenue Department has signed a \$7 million contract with an Idaho company to continue work on installing Montana's new tax accounting computer system.

Fast Enterprises of Boise, which has been working on the project for almost a year, is expected to complete phase two by the end of September 2005 when software to handle corporation license taxes and individual income tax processing is added.

The work is part of the department's effort to replace its crippled computer system, known as POINTS, that has given state officials headaches for years and cost Montana an estimate \$55 million.

POINTS, or Process Oriented Integrated Tax System, was intended to provide one cohesive system for tax computing and tracking in Montana, but the system had problems from the start in May 1998 and the Legislature eventually ordered the project abandoned.

The contract, signed last week but not announced until Monday, moves the Integrated Revenue Information System closer to completion.

Don Hoffman, acting department director, said his agency will have to get more money from the 2005 Legislature to finish the project. Phase three will involve adding accounting capability for a variety of relatively minor taxes, such as coal severance, contractor gross receipts and retail telephone excise taxes.

The first phase, for which the state paid \$8.2 million to Fast, involved initial installation of its program called GenTax, which is designed specifically for government revenue agencies.