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Department of Revenue Implements Largest Tax Type into New Computer System

After two years of continuous computer programming and several successes with smaller tax types, the Montana Department of Revenue is now ready to convert its largest tax type—individual income tax—into its new Integrated Revenue Information System (IRIS) on October 3.

“The new computer system will bring better service to individual income taxpayers, greater equity to taxpayers and strengthen the security of our system,” said revenue director Dan Bucks.

According to Director Bucks, taxpayers will see several new features with the new individual income tax program, including a new monthly billing for taxes due. The first billing for income tax will be mailed in early November to approximately 19,000 taxpayers with delinquent accounts, he said. The monthly billing process will not affect the more than 500,000 Montana taxpayers who have filed returns and paid their taxes on time.

“The first billing cycle will include many taxpayers who have not received a Statement of Account from the department in a some time,” said Bucks. “They may be a bit surprised to see the statements in their mailboxes.”

Taxpayers are encouraged to call the department to resolve their accounts. Many taxpayers may have questions because penalty and interest will be updated and many accounts may be as old as five years.

“We will work with taxpayers to solve any issues, inaccuracies or problems with their accounts,” said Bucks.

In the long run, monthly statements will benefit taxpayers, he said.

“Monthly statements will help taxpayers”
-Dan Bucks

“Monthly statements will help taxpayers know the status of their accounts on a regular basis and stay current on liability owed to Montana,” said Bucks.

The department began implementing the new system in late 2003, under a contract with Boise, Idaho-based Fast Enterprises. So far, the system has been used to successfully manage the daily operation for six tax types that generate approximately \$800 million in revenue annually: income tax withholding, oil and gas production tax, rental vehicle tax, lodging facility use tax, cigarette tax and corporate income tax. Daily operation includes processing tax returns and revenue, customer registration, functionality for auditing, collection processing, and resource management tools.

Bucks said the new system will offer many other benefits to Montana’s citizens.