Joint Technology Committee
Staff Analysis of the State Tax System

April 10, 2019
State Tax System: GenTax

GenTax processes hundreds of tax types and programs:
• individual income tax in 26 jurisdictions;
• withholding tax in 28 jurisdictions;
• business taxes in 34 jurisdictions;
• estate/inheritance taxes in 14 jurisdictions;
• tobacco taxes in 28 jurisdictions; and
• alcohol taxes in 20 jurisdictions.
GenTax, Commercial Off-the-Shelf (COTS) System

Core functionality:
• process tax returns and payments
• issue refunds and bills

Support functions:
• provide web-enabled functionality for taxpayers
• refund approvals, collections, and fraud

✓ Almost 30 states
✓ Local governments, including Denver and Aurora
✓ Several countries
LLS No. 19-1088: State Tax System Working Group

Cost-Benefit Analysis:
- Tax Reporting Options
- External Severance Tax Module
- Current State of Tax System
  - Solely Vendor Managed
    - FY19-20 Operating Budget Adds State Technical Staff (e.g., Developers)
  - Over 600 Service Requests
  - Cost of Ownership ($1.4M General Fund Increase)
  - Planned Goals, Objectives and Timeline to Correct Critical Service Requests

Assess Possibility of External Assessment:
- Scope of Assessment and Estimated Cost
LLS No. 19-1088: State Tax System Working Group (conti)

Collaborative Effort
- Department of Revenue
- Governor's Office of Information Technology
- Legislative Staff Agency
- Department of Personnel and Administration