HOUSE RESEARCH

Bill Summary

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This bill directs the commissioner of revenue to issue RFPs for a system of tax analytics and business intelligence tools to help collect state taxes and debts. This system is intended to improve the state's methods used to select taxpayers for audit and debts for collection.

This system is to use DOR data, along with other data sources, and sophisticated modeling and technology to identify these candidates for auditing with goals of both improving the revenue yielded by the audits and debt collection efforts and reducing the number of audits of compliant taxpayers.

The bill directs the commissioner of revenue to enter a contract by October 1, 2011.

The bill requires that, incorporating the system of tax analytics and business intelligence tools under the contract in this section, the commissioner of revenue identify and collect tax liabilities from individuals and business that currently do not pay all taxes owed. The bill authorizes the commissioner to enter into additional contracts as necessary to implement this section. A contract may incorporate a vendor financing option. This financing option may not compensate the vendor based on a percentage of taxes assessed or collected. Appropriates $11.5 million for the fiscal year ending June 30, 2012, and $23.3 million for the fiscal year ending June 30, 2013, from the general fund to the commissioner of revenue for purposes of this section. States that this initiative is expected to result in new general fund revenues of $133 million for the biennium ending June 30, 2013. Requires MMB to reduce executive agency operating budgets to the extent that new general fund revenues are less than $133 million.