

HOUSE RESEARCH

Bill Summary

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Subject: DOR request for proposals (RFP) for tax compliance contract
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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, that includes a "performance-based vendor financing option whereby the vendor shares in the risk of the project's success." This likely means that contractor would be paid, at least in part, based on the increase in state revenues yielded by use of the proposed system.