Rhode Island Department of Revenue
Division of Taxation

Computer system changeover successfully completed
A new operating system for personal income tax, replacing old mainframe; final phase next year

PROVIDENCE, R.I. – Rhode Island Tax Administrator David M. Sullivan announced today that the Division of Taxation has successfully implemented the second phase of its changeover to a new agency-wide computer system.

"Phase Two was a success," Sullivan said. "I appreciate the patience of taxpayers, tax practitioners, and our many other stakeholders during the past six business days as this latest annual phase of our project was implemented. My thanks, as well, to all Division of Taxation employees for their team work on this important project. I also appreciate the work performed by Revenue Solutions Inc. (RSI), our technology partner in this venture," he said.

"We are moving to a new system that will eventually save everyone time and give taxpayers and practitioners more tools and improved online access," Sullivan said. "To get to that point, we must change over the old system to the new system. But to keep disruption to a minimum, we are doing the changeover gradually, in stages over time," he said.

Project in three main phases			
Phase:	*Tasks:*	*Date:*	*Status:*
Phase One	Migrated bank excise tax, other levies	Summer 2014	Completed ✓
Phase Two	Migrated personal income tax, other levies	Fall 2015	Completed ✓
Phase Three	Migrate corporate income tax, sales tax; launch taxpayer portal	Fall 2016	

The first phase of the changeover was completed in July 2014. The second phase took place on six consecutive business days: from October 26, 2015, through November 2, 2015. During that time, the Tax Division office at One Capitol Hill in Providence remained open during normal business hours and continued to offer most services, but certain services were limited. "We are now back to full service," Sullivan said. "All services have now resumed full operation."

What's ahead

"We are excited to move into the last phase of our system implementation, which has already begun," Sullivan said. The third and final phase of the project, scheduled to be completed in the fall of 2016, will include a new Division of Taxation website and taxpayer portal that will allow taxpayers to log in and manage their account, grant online access to tax practitioners, make payments, and check balances, he said. Until the third and final phase is completed, the corporate income tax, sales tax, and some other levies will remain on the mainframe computer – but they will all be migrated to the new system in the fall of 2016, Sullivan said.

Project background

The project involves the modernization of the Tax Division's tax and revenue accounting system. The first stage of the project, which occurred in summer 2014, mainly involved migrating account records and other information regarding bank, insurance, and certain other tax types and fees from the old system to the new system. It was the first time that the new system was used to process tax returns and other forms on a real-time basis.

In this, the second phase, the personal income tax, estate and trust income tax, composite income tax, and pass-through withholding were migrated onto the new system.

In the third phase, in late 2016, the Tax Division will launch a new website and taxpayer portal, and a number of other taxes and fees will be migrated over, including the corporate income tax and the sales and use tax. "By the time the third phase is completed, all of the system's benefits will be available – and a number of them will be visible to taxpayers and tax practitioners," Sullivan said. For example:

- A high-speed scanning and imaging system will ensure that returns -- and refunds -- are processed more quickly. The faster processing of returns -- and of payments – means that taxpayer accounts will be updated more quickly.
- Eventually, all information about a taxpayer will be contained in one place. So if a taxpayer or preparer calls, the Tax Division employee can easily and quickly pull up the taxpayer's account to view all of the account activity on one system – such as payments, notices, letters, and other items.
- There will be consistent business rules across all tax types -- for the application of interest and penalties, and for filing requirements, for example.
- The single location for taxpayer information should eventually result in faster processing of requests for letters of good standing. (To fulfill such requests, the Tax Division must check its records to determine if the taxpayer is current on taxes. But under the current system, that process can take time; a taxpayer's sales tax account, withholding account, and corporate account are all in different locations.)
- Faster processing of returns will also result in more timely review of those returns and their related accounts, which should reduce the turnaround time for billing. More timely review and faster and more accurate billing can improve collection on delinquent accounts – which helps all taxpayers.

The new computer system, known in the industry as an integrated tax system, is the result of legislation approved by the Rhode Island General Assembly in 2012, which appropriated $25 million for the project, to be paid out over a number of years to the vendor. RSI, of Pembroke, Mass., was the successful bidder. The Tax Division is using RSI's Revenue Premier system. The system is known within the Tax Division as the State Tax Administration and Revenue System (STAARS).

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