



Opinion

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Revenue system looking up

Get ready for a shock: There's good news about the state Department of Revenue and its tax-tracking computer system.

The people in charge of fixing the department's well-publicized computer mess told the IR Editorial Board last week that a new system is coming along ahead of schedule and under budget.

And it's working. That was never the case with POINTS, which stood for Process-Oriented Integrated Tax System and which cost the state at least \$40 million in development costs before it was junked last year.

It turns out, according to state Chief Information Officer Brian Wolf, that POINTS never had a chance. He said the software was flawed from its very base — it's most basic level of accounting procedures had never been validated — and it finally had to be abandoned when it became clear it was incapable of being fixed.

Wolf said that back in the late 1990s, the department was unable to provide the policy and oversight necessary to ensure the "incredibly" complex project was coming together properly.

Don Hoffman, newly appointed acting director of the agency, put it more simply: The state had the wrong contractor and inadequate supervision of its work.

An *ir*view

James Harrison, a managing partner with Fast Enterprises, which won the \$8 million contract to replace POINTS last August, said such disasters aren't uncommon. He said, for instance, that Colorado has experienced the same POINTS-like failure that occurred here. Wolf said Fast Enterprises, which in 1998 developed GenTax, the first commercial off-the-shelf integrated tax processing software package, and which has successfully installed systems in Idaho, New Mexico, Louisiana and two Canadian provinces, has gotten off to a quick start in Montana.

The company has completed what Wolf called the base tax system — the underlying accounting processes — and has installed the state's rental vehicle tax system. It currently is perfecting systems for lodging and cigarette taxes, and expects to complete Montana's employee income tax withholding process by July and its oil and gas system in August.

Wolf was hired in 2001 from the private sector after the Legislature became convinced Montana needed better overall oversight of its information technology. He said he intends to deliver what he promised the 2003 Legislature. And unlike the case with POINTS, the state "will be paying significantly less. It will get a product that works and is delivered on a tight timeline."

POINTS has been one of the state's most costly and embarrassing failures. In addition to its development expenses, it has cost Montana lost revenue that could add up to tens of millions of dollars.

Although the new system is far from complete, this upbeat progress report is good news for a frazzled Revenue Department and for every citizen in the state.