

April 12, 2007

News Release

West Virginia Tax Department Modernizes Upgrades Software

Taxes affected in the first phase of the project are business registration, consumer sales and service, streamlined sales, special district excise, use, employer withholding, and excise tax on wine and liquor.

West Virginia Gov. Joe Manchin and State Tax Commissioner Virgil T. Helton today announced the State Tax Department has implemented the first phase of a [new computer system](#) that will allow timely billing to businesses, which should cut down on their delinquent tax penalties and interest and also generate more revenue for the state.

"With this modern platform, we're giving the Tax Department the tools it needs to provide superior services to taxpayers," Manchin said. "We'll be able to notify them sooner of unpaid liabilities and returns they haven't filed. It will allow us to operate more efficiently and effectively."

Manchin designated \$22 million in 2006 for this project, which is expected to increase tax revenue by \$18 million a year once complete.

The GenTax computer system is part of a comprehensive project to revitalize the way the Tax Department collects and accounts for state taxes. This technology replaces tax processing systems that were designed and implemented in the early 1970s, and were inadequate to meet today's accounting challenges, Helton said.

"We're very excited about this new system because it will give us a consolidated view of a customers' tax accounts, which will allow us to more efficiently

communicate with them," Helton said. "For about 30 years, the Tax Department has tracked taxes paid or owed by a single taxpayer using multiple systems and programs. This integrated system will allow us to be more responsive to West Virginia taxpayers while helping ensure tax laws are applied fairly and consistently. This is a critical service that benefits every West Virginian."

The taxes affected in the first phase of the project are business registration, consumer sales and service, streamlined sales, special district excise, use, employer withholding, and excise tax on wine and liquor.

Taxpayers soon will see changes in how the State Tax Department does business, from the redesign and enhancement of the business registration certificate to their statements of account. The statement of account is a monthly statement detailing any unpaid liabilities and non-filed returns. The State Tax Department will mail this statement every month until the taxpayer satisfies the liability. This process is similar to what a business uses to collect for outstanding accounts receivable.

GenTax is commercial, off-the-shelf software produced by Fast Enterprises LLC, which was awarded the state's contract in December 2006.