



ARIZONA STATE SENATE
Forty-ninth Legislature, First Regular Session

PROGRAM PRESENTATION
Business Reengineering/Integrated Tax System (BRITS)

Background

BRITS is the computer system the Department of Revenue (DOR) is using to integrate their separate tax systems. BRITS involves a complete reengineering and automation of the work processes of the four primary taxes administered by DOR: Transaction Privilege Tax (sales tax), Withholding Tax, Corporate Income Tax, and Individual Income Tax. In 2002, DOR contracted with Accenture to assist in updating its processes and computer systems in order to make all taxpayer information available through one integrated system. BRITS permits business taxpayers to file and pay taxes online and assists DOR in collecting unpaid taxes.

Fiscal Information

BRITS is funded from the increased revenues generated by BRITS instead of through a yearly appropriation from the Legislature. A baseline was determined when BRITS was initially contracted. Until the contract is paid, 85% of tax enforcement revenues generated above the baseline are paid to the contractor who is financing the system, and 15% of the revenues are paid to the state.

The overall cost of the original BRITS contract was approximately \$133.7 million, including \$122.7 for the base contract and \$11 million for estimated interest. DOR currently estimates a total cost of \$162.1 million, including \$122.7 for the base contract, \$7 million for estimated interest, and \$32.5 million for BRITS contract extensions. [See attachment.]

Laws 2008, Chapter 290 continues to require DOR to submit for Joint Legislative Budget Committee review any BRITS contract extensions or modifications that increase the contractor's share of gain-sharing proceeds from state revenues during FY 2009. Contract extensions have allowed DOR to use additional General Fund resources on this project without a legislative appropriation.

Attachments

- Excerpt from *Fiscal Year 2009 Appropriations Report*, p.378.
- Graphical representation of BRITS Fiscal Information.