



North Carolina Department of Revenue

Roy Cooper
Governor

Ronald Penny
Secretary

DEPARTMENT OF REVENUE SYSTEMS PROJECTS UPDATE REPORT October 3, 2022

Per Section 34.4 of S.L. 2021-180 this report is being provided to the chairs of the House Appropriations Committee on General Government and the Senate Appropriations Committee on General Government and Information Technology and the Fiscal Research Division. This report provides an update on three projects:

1. The Power of Attorney Registrations project
2. The Collections Case Management project
3. The IBM 4100 Printer replacement project

Power of Attorney Registrations Project

Problem

There is a desire for all notices that are sent to taxpayers are also sent to any registered Power of Attorney (POA) for that tax type and period. In order to achieve that outcome two significant changes in technology need to occur: Capture of the POA registration in a structured, electronic format and Capture of all notices in a structured, electronic format. In order for the Department to automate the issuance of notices to any registered POA all of the relevant information must be digital so that it can be cross referenced. [e.g. notice of collections to TP, is there a POA lookup? If so, email the POA a copy of the notice]

Status

The first part of this transformation, the capture of the POA registration in a structured, electronic format has been completed. The system was in full production as of 2/7/2022.

The second part of this transformation is underway.

- IBM Professional Services
 - IBM Professional Services team has completed the discovery work and provided all deliverables. These include:
 - Functional Flow Report
 - Business Rules Discovery Report
 - Extracted Business Rules
 - Print Utilities Report and Recommendation
 - Project Close Out Report
 - A follow on project is underway to generate the notice of collections as PDFs that can be sent to the document management system.
- Document Management System
 - Statement of Work is awarded and covers:
 - OIC Discovery
 - RO - 1033 Exception Discovery
 - POA Advanced Revocation
 - ITAS Structured Note
 - DMS Test Environment
 - POA related policies are under review for potential changes to support capturing and processing POAs to support emailing notice copies.



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- A new POA revocation form is being developed. Requirements sessions are in progress to document the POA revocation process and capture of POA revocation data.
 - Designing a solution to scan and systematically capture data from the POA Form Gen-58 forms submitted via paper
- Met with representatives from the NCACPA to capture feedback on business requirements to support the objective of sending copies of notices to authorized POA entities
- Based on the size and complexity of the work I would anticipate that we would go live at some level by calendar year Q1 2023.
- Reached out to the North Carolina Association of Certified Public Accountants for feedback on the electronic POA system that is currently in production.
 - Usage statistics from the NCACPA
 - Electronically, via website: 19%
 - Print, via fax: 57%
 - Print, via mail: 8%
 - Combination of methods (e.g., electronically AND fax): 16%
 - Some comments
 - I don't think many know about the ability to e-file the NC POA. I just found out about a month ago and let everyone in our firm know this option was available. They should really consider making more firms/CPAs aware.
 - The online version was actually relatively easy to do/send to clients... I ended up needing to do it after a faxed POA had not been processed after a month and several calls... Had always faxed in the past
 - I've mostly been hesitant to try it; however, after reading this I went to check it out and it looks simple and straight forward. I'll try it next time!

Collections Case Management Project Status

We have identified the Offer-In-Compromise (OIC) process within the collections workflow as our first work flow within the Collection Case Management project. We will extend an existing contract to have the vendor come and gather all the requirements in order to implement the OIC process in the Document Management system. After requirements gathering, we will know the time and cost to have the vendor then implement the OIC workflow.

- Electronic version of the RO – 1033 Installment Payment Agreement implemented using the new DMS form utility.
- Requirements sessions to begin within 60 days to discuss matching the POA data with the key fields on Notice of Collections

IBM 4100 Replacement Project Status

The IBM 4100 printer is nearing end of life and needs to be replaced. This is a high speed printer that is used to print checks and notices and so is critical to our operations. Since we can print notices in PDF format we are now refining requirements for the RFP. We anticipate the 4100 RFP would be out by Q2 2022.