

Sales and Use Tax Senate Bill 19-006

Task Force Committee Update

September 11, 2019



COLORADO

Governor's Office of
Information Technology

Serving people serving Colorado

Agenda

- The GIS Project Plan
 - Overview
 - GIS Timeline
 - GIS Cost
- Why OIT for GIS
- Technical
 - GIS Data Collection Strategy
 - GIS System Architecture
- Progress
 - GIS User Stories
 - GIS Project Plan
- GIS Demonstration
- Vendor Procurement Update
- Consortium Structure



Project Overview

Business Case:

Senate Bill 19-006 requires the Department of Revenue to implement a system for accepting and processing returns and payments for the sales and use tax levied by State and Local tax jurisdictions.

To support this system implementation, the Office of Information Technology will implement a global information system (GIS) database to house and maintain sales tax districts and boundaries and to calculate sales and use tax rates for individual addresses.

Scope:

- Collection of all sales tax districts and boundaries in the State
- Collection of system functionality requirements from all stakeholders
- Provide and maintain a State-wide database of all sales tax districts, boundaries and rates
- Provide and maintain a system interfaces with other Department of revenue applications as identified in the business requirements
- Provide and maintain a user interface for the GIS database



Project Overview

Success Criteria:

- Project is completed in the approved timeline
- Project is completed on budget
- Project delivers all items within the agreed upon scope
- Project meets all agreed upon functionality requirements
- Project handover to operational support was documented and completed

Project Management Methodology

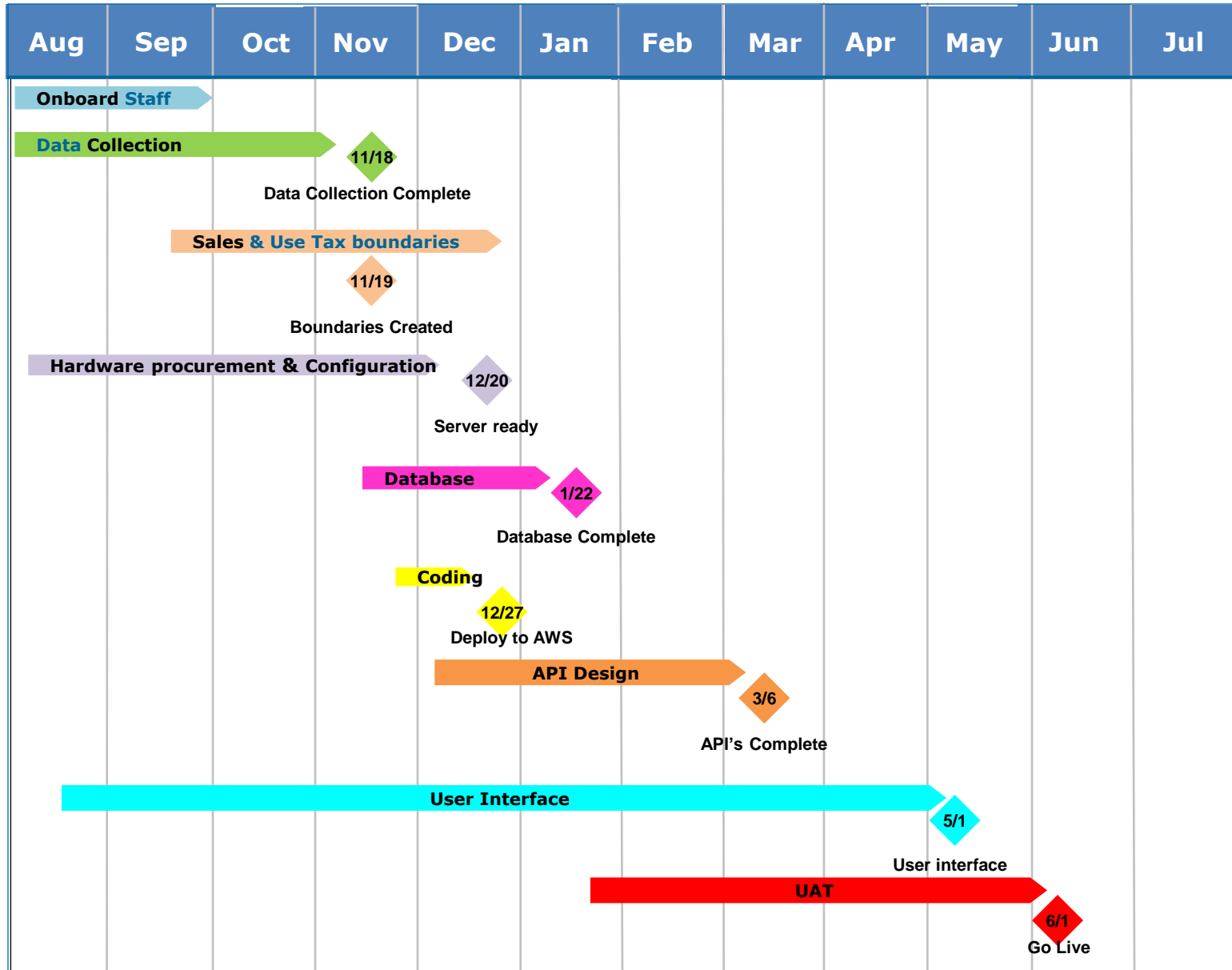
- The solution development approach will utilize a Waterfall methodology.
- Note: Agile approach will be used for the development and implementation of the user interface functionality with several iterations of UAT as additional functionality is added.

Project Change Control

Per the OIT Project Lifecycle Methodology and Governance Policy 200_01, section 7.8 , all changes to the project scope, budget, schedule, and resources for will be documented within OIT's enterprise PPM tool using the Project Change Request form. Any change request will be reflected on the Project Status report, as well as the Risk, Issues and Changes Project Tracking log. All project changes will be documented and must be reviewed and approved /denied by the project sponsor, project team and project steering committee.



Project Timeline



Project Costs

SB 19-006 Appropriation			
Fiscal Year 2019-20	\$9,183,000	OIT	Initial funding of the electronic sales and use tax simplification system
Fiscal Year 2019-20	\$817,000	DOR	Purchase of information technology services, specifically a GIS database to maintain jurisdictional boundaries of sales tax districts and to calculate appropriate sales and use tax rates
Fiscal Year 2020-21	\$8,750,000	OIT	Ongoing maintenance



OIT vs. Vendor

“ Because the OIT GIS has advantages of x, y, as well as technology advantages, the decision has been made to utilize the OIT GIS solution.”

PRO	CON
Responsiveness - hold harmless vendors were not responsive to requests for information about processes or pricing	Vendors have expertise supporting such applications, and state has experience with them
Transparency - related to above, data sources, processes and quality of data sources are clearly understood	Ongoing support required by OIT for infrastructure
Update frequency and responsiveness - data can be updated on frequency and with desired response time	Vendors may distribute costs of supporting systems among many customers
OIT experience - OIT has relationships with counties and provides data for other agencies; experience can be leveraged and project will assist coordination efforts	



Data Collection Strategy

Address Data:

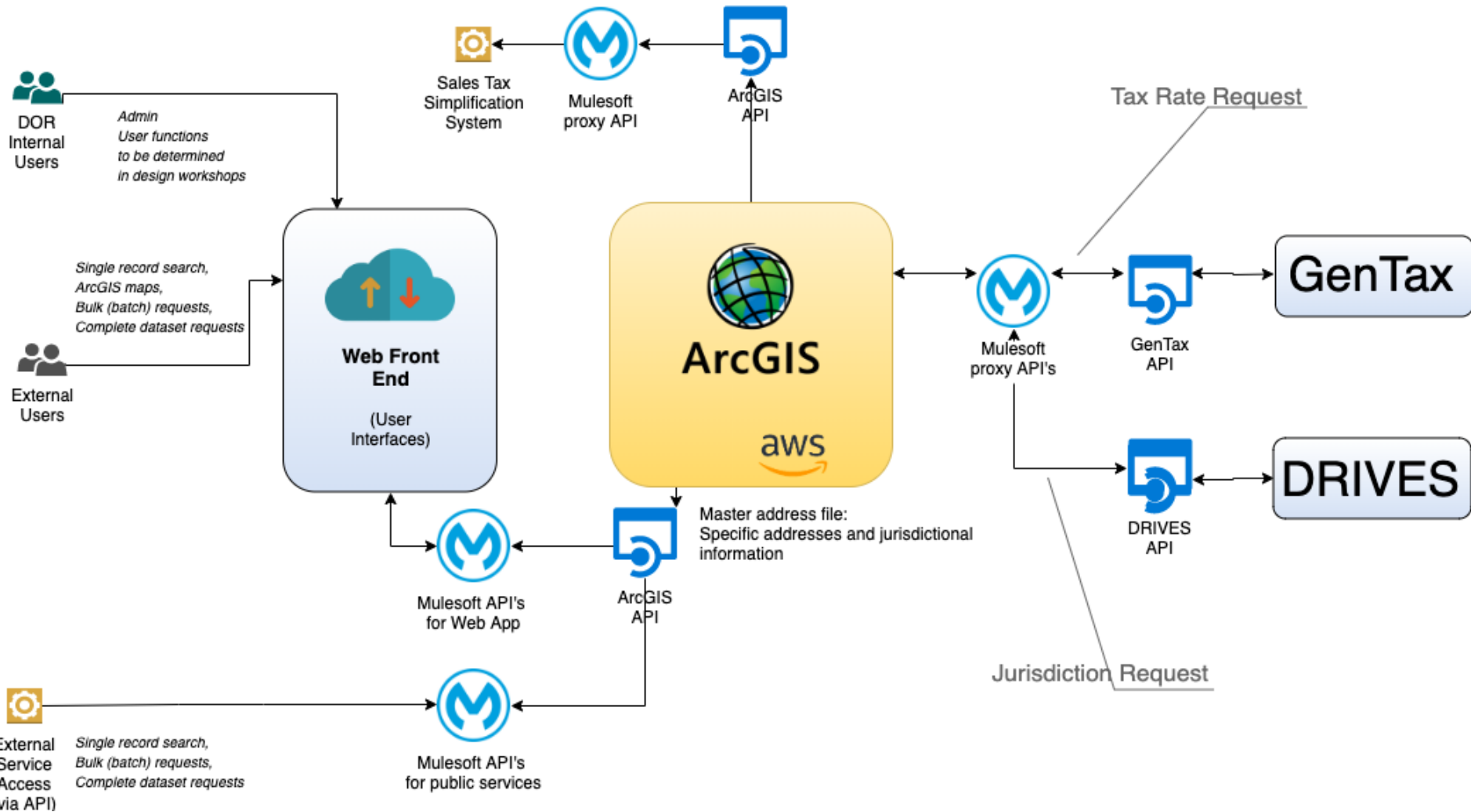
- Collected from county GIS departments
- Different counties have different methods for creating and maintaining addresses
- Data collected from 53 counties
- Address mapping in counties without data will rely on other potential sources of geocoding
- OIT will continue to work with counties with potential to maintain digital address data (e.g. Washington)
- OIT address data generally more spatially accurate, which is important for other uses of data

Sales Tax Districts

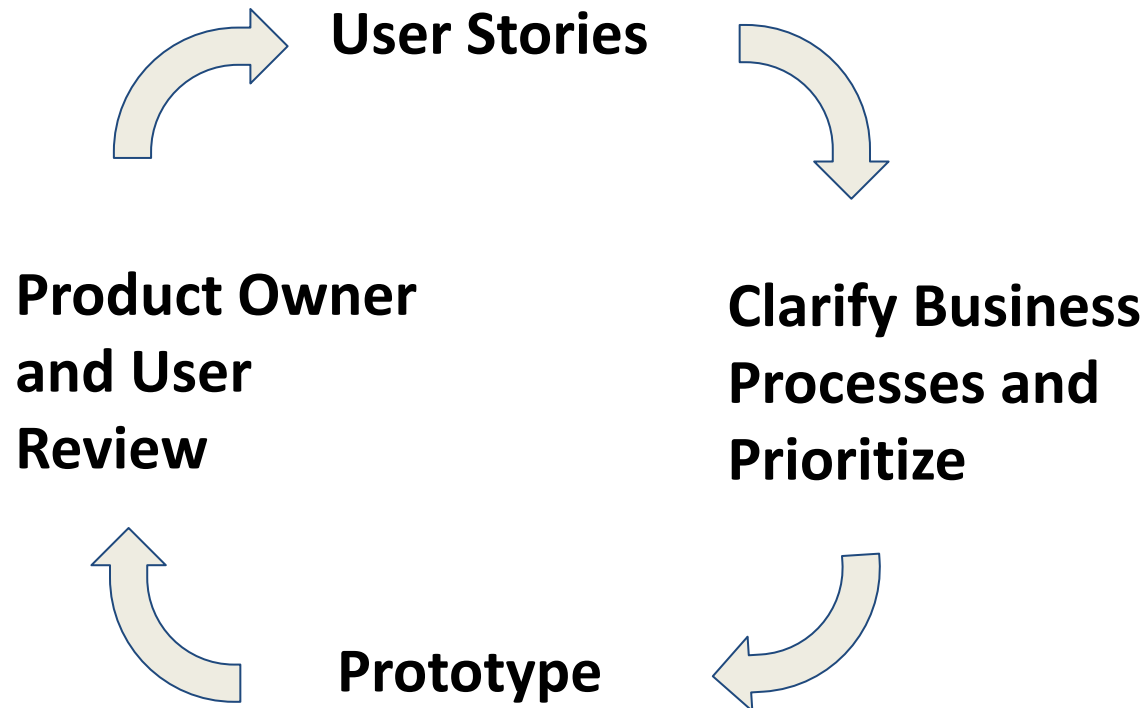
- Check availability of data from counties
- Start with districts that follow jurisdictional boundaries (all but 23)
- Districts that follow features (e.g., roads)
- Districts that are based on surveys or individual parcels



High-level Architecture



Human-Centered Design Process



User Stories

We include real people in our design process from beginning to end.

User story:



“As an online retailer, I need a simple way to look up current and previous sales and use tax rates for an address so that I can confidently and easily comply with the Colorado state requirements.”



User Stories

Agency User Classifications

Taxpayer Services	Field Audit	Office of Research and Analysis
Anonymous Citizen Data Service Provider Dealership DOR Administrator DOR Basic User DOR Local Liaison DOR Tax Examiner Local Government Retailer Utility	DOR Audit Mgrs DOR Field Auditors	ORA Analyst



Prioritization

Most Common Stories



Search for tax rate and location code by address



View maps of jurisdictional boundaries



Upload multiple addresses for batch searches



Download the entire data set



Research



Pilot User Group: Retailers

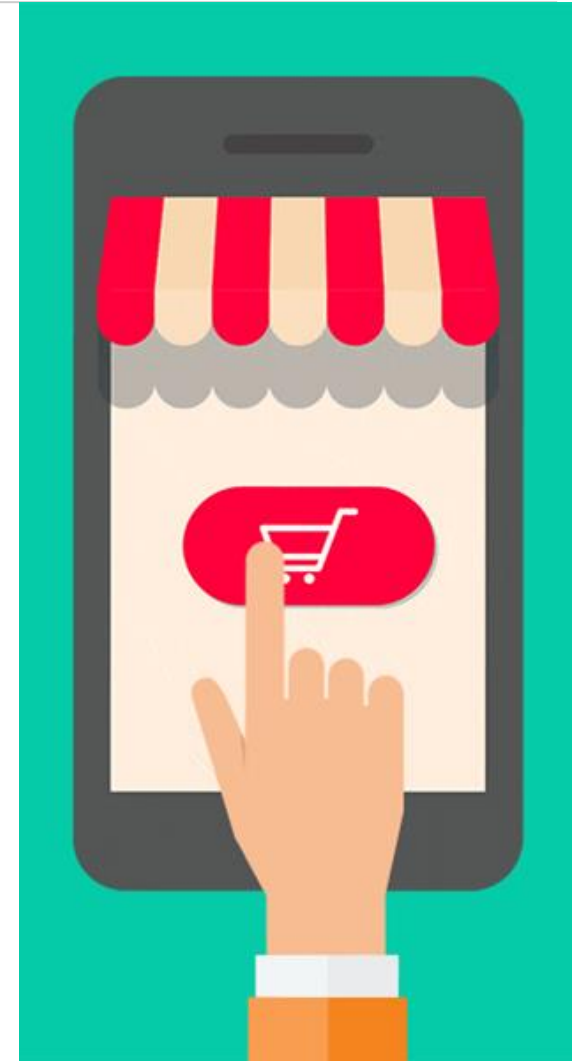
We are researching **small, medium and large retailers**. Our objectives:

- What will we prototype for each?
- How will **different users** interact with our tool?
- **What does success look like** for different users?
- How might we **make the process easier** to help the user move close to their goal each step of the way?
- How will we **measure success**?

Prototype

We'll create a prototype and test with real users.

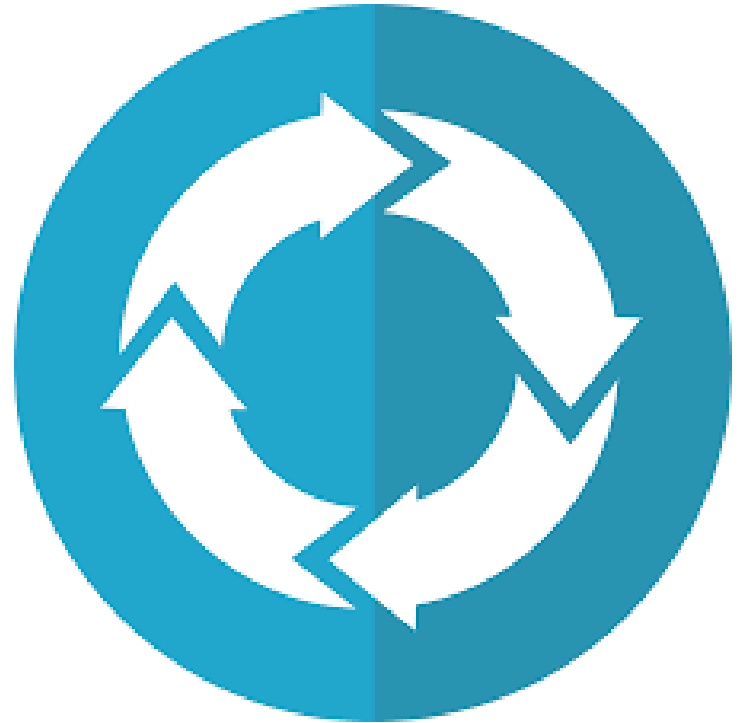
- Create low-fidelity mockups (wireframes) and quickly test them with internal users
- Create high-fidelity mockups and test them with internal and external (if available) users



Continuous Improvement

Measurement and continuous improvement to keep up with changing users and technology

- Implement an easy to track measurement plan
- Check in regularly with users
- Re-prioritize if necessary
- Iterate



Demonstration

COLORADO Broadband Office
Governor's Office of Information Technology

HOME ABOUT CONTACT US FAQ

Layers

View Broadband Coverage

- Broadband Coverages
 - Residential Coverage
 - Wireline Residential Speed Tiers
 - ≥ 200 Kbps < 768 Kbps
 - ≥ 768 Kbps < 1.5 Mbps
 - ≥ 1.5 Mbps < 3 Mbps
 - ≥ 3 Mbps < 6 Mbps
 - ≥ 6 Mbps < 10 Mbps
 - ≥ 10 Mbps < 25 Mbps
 - ≥ 25 Mbps < 50 Mbps
 - ≥ 50 Mbps < 100 Mbps
 - ≥ 100 Mbps < 1 Gbps
 - ≥ 1 Gbps
 - Fixed Wireless Residential Speed

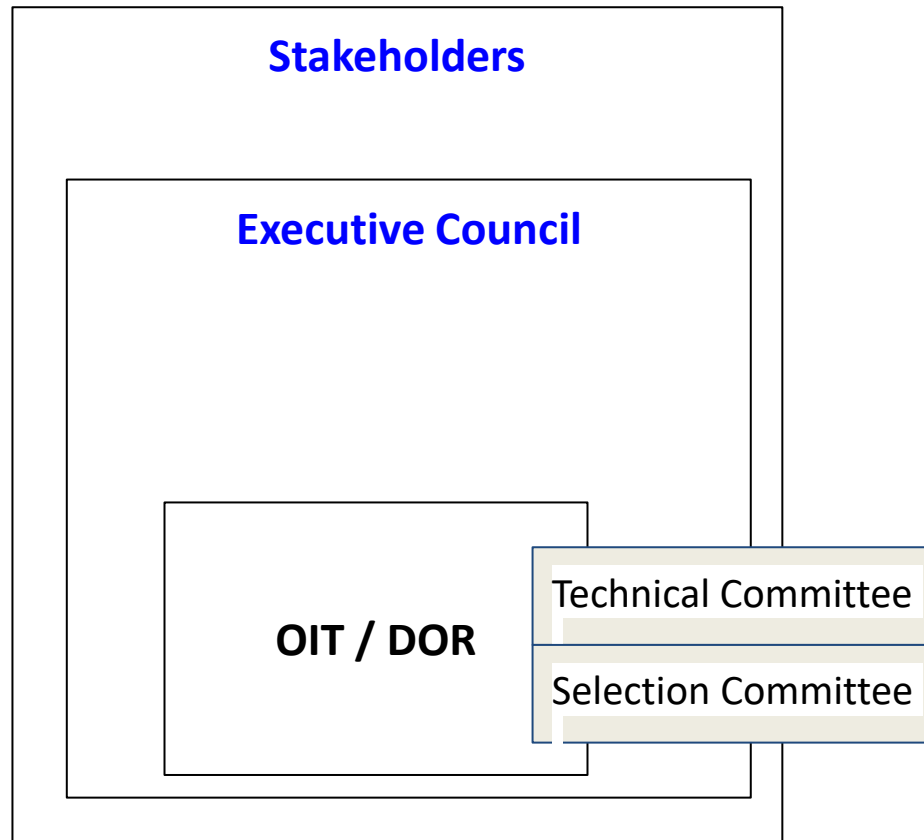
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Vendor Procurement Update

- Sales Tax Solicitation Proposals – Due September 13
- To date 11 Vendors have expressed intent to bid
- Selection Committee Kick off – September 16
- Committee Review – Finish September 27
- Competitive Range determined – September 27
- Negotiation Team Kick-off – September 30



SB19-006 SOFTWARE CONSORTIUM STRUCTURE



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EXECUTIVE COUNCIL Senior Advisors to OIT and DOR

**HOME RULE
MUNICIPALITIES
(2-CML)**

**COUNTIES
(2-CCI)**

**BUSINESSES
(1 CoChamber)
(1- SimCo)**

**SPECIAL DISTRICTS
(1- DOR w/SDAC)**

**GENERAL
ASSEMBLY
(1- JTC)**

**OIT
Office of Information Technology
Contractor & Procurement Support
(1-OIT)**

**DOR
Department of Revenue
Customer Support function
(1-DOR)**

**LEGAL / AG
Legal Support
function
(1-OIT/DOR)**



SB19-006 SOFTWARE CONSORTIUM STRUCTURE

STAKEHOLDERS

BUSINESS MEMBERSHIP GROUPS

(chambers, associations, trade orgs, etc.)

BUSINESSES

(individual businesses, marketplace retailers, vendors, etc.)

GENERAL ASSEMBLY

(any additional government agencies)

LOCAL MUNICIPALITIES

(NGOs and others who can provide insight)

SUTS Stakeholders will advise Executive Council, OIT, and DOR as to their needs, desires, and concerns on the software development.

