Arkansas Integrated Revenue System (AIRS) Increasing Efficiencies

Category:	State CIO Office (or equivalent) Special Recognition
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Executive Summary

The Arkansas Integrated Revenue System (AIRS) is an integrated revenue system that modernizes processing and record keeping for all state taxes administered by the Arkansas Department of Finance and Administration (DFA) and offer more comprehensive taxpayer service capabilities. The new computer system also manages the DFA's driver's services and motor vehicle services records.

During the 2007 Legislative Session, $30 million in funds were appropriated to acquire a state of the art Integrated Tax System, maintaining all taxpayer data in one integrated computerized system. AIRS uses the FAST Enterprises Gentax Software product, which is a Commercial Off-The-Shelf (COTS) software package. AIRS starts with a basic functional tax package that is configured to best serve the needs of the DFA and Arkansas taxpayers, providing a centralized view of the taxpayer and saving development time and costs. System development began in 2008.

AIRS supports the existing and desired business processes of the DFA Revenue Division including, but not limited to, taxpayer registration for administered business and personal taxes; processing forms; returns and return data; processing payment data; posting transactions to taxpayer accounts; collection of unpaid and underpaid liabilities; and workflow. AIRS includes the following tax sections: Sales Tax, Collections, Bankruptcy, Discovery, Audit, Withholding, Natural Gas Severance, Motor Fuel, Individual Income and other miscellaneous taxes.

AIRS was a multi-phase project which replaced legacy revenue systems. Tax system modernization completed the first phase. Phase two replaced legacy systems in driver's services and motor vehicle to integrate with AIRS. The DFA worked in collaboration with the Department of Information Systems (DIS), Arkansas Crime Information Center (ACIC), Arkansas State Police and a private sector partner.

In September 2012, the DFA performed the first statewide rollout of the AIRS-Driver Services Motor Vehicle (DSMV) to include the drivers' services portion of the system. In September 2013, the second rollout occurred to complete the system's vehicle services portion.

The new, Web-based technology provides innovative features such as facial recognition and utilizes a graphical user interface to guide individuals through processes in the system. The new system is well-integrated across various offices and agencies to increase efficiencies and collaboration.

Business Problem & Solution

The Arkansas DFA faced the issue of managing a revenue system that was composed of several unique and stand-alone mainframe systems, including Individual, Corporate, Withholding and Sales Taxes, each with a corresponding Accounts Receivable sub-system. This resulted in a duplication of tasks between systems, redundant data storage and separate taxpayer accounts. In addition, the respective individual tax systems fed a separate collections system. The absence of system integration also created difficulties for voluntary compliance by taxpayers, restricts and complicates the provision of services to taxpayers, and made compliance efforts more difficult.

The previous DFA system was expensive to maintain and out-of-date, and the agency took a phased approach to implementing the new AIRS system. The development of the system began in March 2008, with five scheduled phases of the implementation.

The first tax module rollout in February 2009 included Excise taxes collected on the ET400 form, primarily Sales and Use and related taxes, including the local tax component. The initial rollout also included Collections, Accounts Receivable, Bankruptcy, Discovery, Data Warehousing and Audit.

The second product rollout took place in January 2010 and included Withholding, Motor Fuel taxes and Taxpayer Access Point (TAP). This was followed by the release of the Individual and Corporation Income Taxes in January 2011. Most Miscellaneous taxes and Tax Credits/Refunds were included in Rollouts 4 in August 2011 and Rollout 5 in February 2012.

The initial implementation streamlined operations and interaction across tax systems, functions, and processes utilizing 42 physical servers. Working with the vendor and leveraging virtualization, the refresh of the same environment was completed on 13 physical servers to include five dedicated database servers and eight virtual server physical hosts running a total of 53 virtual server instances.

In September 2012, the DFA performed the first statewide rollout of the AIRS-Driver Services Motor Vehicle (DSMV) to include the driver's services portion of the system. In September 2013, the second rollout occurred covering the vehicle services portion. With the final implementation of the DSMV portion of AIRS the state of Arkansas now owned a state of the art, Web-based, comprehensive revenue system.

Project Significance

The AIRS system serves 135 revenue offices throughout Arkansas and the number of users totals almost 1,000, including users from third-party external systems such as law enforcement and the American Association of Motor Vehicle Administrators (AAMVA).

The new technology is a substantial improvement compared to the state's previous system which was an aging COBOL based system. The DFA was at a crossroads of having to make a decision as all of the agency's existing developers were retiring and new developers were expensive and very hard to find.

AIRS is an intuitive system that provides ease of use and increases efficiencies for employees. The visual nature of the system and ease of programming also provide extra benefits to the system, as well as provide cost-savings for the state.

On the tax side, in 2014 the AIRS system managed:
- 450 active users
- 2.7 million returns received
- 2 million payments received
- 1 million refunds received

In the same year, on the driver and vehicle services side, the AIRS system managed:
- 1200 active users
- 1 million driver's licenses and state IDs issued
- 1 million titles issued
- 3.3 million registration cards issued

Project Benefit

The benefits to the new state of the art, integrated AIRS computer system are almost too numerous to count. With states continually looking for new ways to increase efficiencies and decrease costs, the new system is invaluable.

The intuitive and visual nature of AIRS makes the system easy to use for the agencies on the system. The system is Web-based and has a graphical user interface to easily guide users through the various processes the system performs. The ease of use also contributes to cost-savings since employees can move quickly through their work. Also, the system is much easier to program than the previous system.

AIRS is well integrated across the various offices and agencies using the system, increasing collaboration across state government and again aiding in efficiencies. An example would be the system making the court process easier for ticketed drivers and court employees alike. Courts would normally send the tickets or suspensions for state employees to enter onto the driver record, but with the system interface, the court employee can enter the suspension or ticket so that it's on a driving record quickly. A driver's license can even be reinstated at the court level once the driver has paid a fine. Another feature of the AIRS system is facial recognition which can be used to decrease fraud.

The AIRS system interfaces with multiple systems across Arkansas state government which include, but are not limited to:

- Secretary of State's Office
- Social Security Administration
- Arkansas Administrative Statewide Information System (AASIS)
- Arkansas Crime Information Center (ACIC)
- Arkansas Organ Donor Registry
- Arkansas Courts
- Child Support Enforcement
- Information Network of Arkansas (INA) Payment Processing
- Selective Service Registration
- 75 County Offices