

**PROJECTED ONE TIME BONUS
COLLECTIONS UNDER PROPOSED
COLLECTIONS METHOD - SELECTED TAX CATEGORIES
BASED UPON FYE JUNE 30, 2001 COLLECTIONS**

		Estimated % of Revenue from Taxpayers Required to File Under Proposed Collection Method - \$20K Monthly Tax Liability	Estimated Revenue from Taxpayers Required to File Under Proposed Collection Method - \$20K Monthly Tax	Estimated % of Revenue from Taxpayers Required to File Under Proposed Collection Method - \$10K Monthly Tax Liability	Estimated Revenue from Taxpayers Required to File Under Proposed Collection Method - \$20K Monthly Tax Liability
Gross Revenues					
Sales Tax	2,109,101,322	60%	1,265,460,793	75%	1,581,825,992
Use Tax	204,937,297	25%	51,234,324	35%	71,728,054
Insurance Premium Tax	116,577,280	80%	<u>93,261,824</u>	90%	<u>104,919,552</u>
Annual			1,409,956,941		1,758,473,597
Monthly (12)			117,496,412		146,539,466
Weekly (52)**			27,114,557		33,816,800
General Fund Revenues					
Sales Tax	1,383,512,382	60%	830,107,429	75%	1,037,634,287
Use Tax	159,469,602	25%	39,867,401	35%	55,814,361
Insurance Premium Tax	102,455,378	80%	<u>81,964,302</u>	90%	<u>92,209,840</u>
Annual			951,939,132		1,185,658,487
Monthly (12)			79,328,261		98,804,874
Weekly (52)**			18,306,522		22,801,125

GENERAL FUND BONUS COLLECTION				
	Present Method	Proposed Method	Present Method	Proposed Method
First Month Collections				
July 9, 2002 - Week 1 July Collections		18,306,522		22,801,125
July 16, 2002 - Week 2 July Collections		18,306,522		22,801,125
July 23, 2002 - Week 3 July Collections		18,306,522		22,801,125
July 22, 2002 - June 2002 Collections*	79,328,261	79,328,261	98,804,874	98,804,874
July 30, 2002 - Week 4 Collections		18,306,522		22,801,125
Total July Collections	79,328,261	152,554,348	98,804,874	190,009,373
Bonus Collection	<u>\$79,328,261</u>		<u>\$98,804,874</u>	

*June Collections due on 20th of month - in July this is Saturday.

Assumption _____
Collections based upon taxpayers with \$20,000 per month in tax liability (Code Sec. 27-3-81) or \$10,000 per month in tax liability (proposed) and paying their tax liability electronically (Code Sec. 27-3-83) on a weekly basis (proposed).

**Spreadsheet you gave me determined weekly by dividing annual by 48!!

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Gross Revenues					
Sales Tax	2,109,101,322	60%	1,265,460,793	75%	1,581,825,992
Use Tax	204,937,297	25%	51,234,324	35%	71,728,054
Insurance Premium Tax	116,577,280	80%	<u>93,261,824</u>	90%	<u>104,919,552</u>
Annual			1,409,956,941		1,758,473,597
Monthly (12)			117,496,412		146,539,466
Weekly (48)**			29,374,103		36,634,867
General Fund Revenues					
Sales Tax	1,383,512,382	60%	830,107,429	75%	1,037,634,287
Use Tax	159,469,602	25%	39,867,401	35%	55,814,361
Insurance Premium Tax	102,455,378	80%	<u>81,964,302</u>	90%	<u>92,209,840</u>
Annual			951,939,132		1,185,658,487
Monthly (12)			79,328,261		98,804,874
Weekly (48)**			19,832,065		24,701,218

GENERAL FUND BONUS COLLECTION				
	Present Method	Proposed Method	Present Method	Proposed Method
First Month Collections				
July 9, 2002 - Week 1 July Collections		19,832,065		24,701,218
July 16, 2002 - Week 2 July Collections		19,832,065		24,701,218
July 23, 2002 - Week 3 July Collections		19,832,065		24,701,218
July 22, 2002 - June 2002 Collections*	79,328,261		98,804,874	
July 30, 2002 - Week 4 Collections		19,832,065		24,701,218
Total July Collections	79,328,261	158,656,522	98,804,874	197,609,748
Bonus Collection	<u>\$79,328,261</u>		<u>\$98,804,874</u>	

*June Collections due on 20th of month - in July this is Saturday.

Assumption

Collections based upon taxpayers with \$20,000 per month in tax liability (Code Sec. 27-3-81) or \$10,000 per month in tax liability (proposed) and paying their tax liability electronically (Code Sec. 27-3-83) on a weekly basis (proposed).

****Spreadsheet you gave me determined weekly by dividing annual by 48!!**

Cille's Notes and Comments

July 1 is not doable.

January 1, 2003 is possibly doable.

Would require emergency purchase procedure.

Most likely would result in "time and material estimates" - hourly rates plus travel rather than fixed price

If vendor is required to do development in Jackson rather than offsite, costs will increase.

If vendor is allowed to do work offsite, some state travel will be required. This will be less costly than vendor travel.

Scope control would be crucial.

Cooperation among all parties would be crucial.

Other projects at MSTC, ITS, DFA would have to be put on hold. (At DFA that would be GENIE (again), work being done with CVC, and the Minority Business Tracking and Reporting).

Oracle Implementation Schedule 2002 - \$4M estimate

1 "Will not interface to any other systems for phase 1" - if that is so, how will diversions be done?

2 If estimate does not include conversion and the diversions, it is probably low.

Another payment vehicle for credit cards/EFT other than the Payment Engine now in place would require integration to

3 SAAS (not sure of the assumption here)

4 **Who pays the electronic payment processing fees required in 2001 SBxxxx?**

Approach discussed with EzGov - \$2M estimate

1 Assumes no integration with backend systems other than to provide a transaction file for batch posting.

2 This is what is being done on other portal applications.

If MSTC legacy systems cannot handle a batch transaction interface or cannot handle posting of data more than

3 monthly, there will be additional costs to be incurred at MSTC.

4 HIGH LEVEL IDEA

Build a collection vehicle.

Would put to the web a vehicle for payment.

Would allow, in effect, filing an estimated return without having the entire "official return" on the web for now.

Would include limited validation but would include ability to sign in using tax ID and password, pay via e-check or credit card.

One time registration process would have the taxpayer set up the credit card, debit card, or checking account to be touched for each payment.

Would include IVR ability to do the collection.

Would include limited conversion required to set up taxpayer file for validation.

Did not discuss but would have to have a way to add new taxpayers to the web file from what comes into the legacy applications.

Would use the portal infrastructure to host the collection application.

Would use the payment engine and the existing integration to SAAS.

Does not handle any penalties, late filing, aging, etc. - assumes the MSTC systems do that.

5 **Who pays the electronic payment processing fees required in 2001 SB2857?**

Bottom line: we really are shooting in the dark without MSTC involvement on what is required overall.

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BASED UPON PROJECTED FYE JUNE 30, 2002 COLLECTIONS**

General Fund Revenues		Estimated % of Revenue from Taxpayers Required to File Under Proposed Collection Method - \$20K Monthly Tax Liability	Estimated Revenue from Taxpayers Required to File Under Proposed Collection Method - \$20K Monthly Tax Liability
Sales Tax	\$1,396,321,122	60%	\$837,792,673
State Withholding (Estimate)	\$900,000,000	40%	\$360,000,000
Use Tax	\$157,552,936	25%	\$39,388,234
Insurance Premium Tax	\$123,934,382	80%	<u>\$99,147,506</u>
Annual			\$1,336,328,413
Monthly (12)			\$111,360,701
Weekly (52) Sales and Use			\$25,698,623

Assumption

Collections based upon taxpayers with \$20,000 per month in tax liability (Code Sec. 27-3-81) paying their tax liability electronically (Code Sec. 27-3-83) on a weekly basis (proposed).

GENERAL FUND BONUS COLLECTION	Present Method	Proposed Method
First Month Collections		
July 09, 2002 - Week 1 S&U Collections		\$25,698,623
July 16, 2002 - Week 2 S&U Collections		\$25,698,623
July 16, 2002 - Weeks 1-2 WH Collections		\$13,846,154
July 23, 2002 - Week 3 S&U Collections		\$25,698,623
July 22, 2002 - June 2002 Collections*	\$111,360,701	\$111,360,701
July 22, 2002 - June 2002 Collections add 2 months Insurance	\$16,524,584	\$0
July 30, 2002 - Weeks 3-4 S&U Collections		\$25,698,623
July 31, 2002 - July Insurance Collections		\$8,262,292
Total July Collections	\$127,885,285	\$228,001,348
Bonus Collection	<u>\$100,116,063</u>	

*** June Collections due on 20th of month - in July this is Saturday.**

**PROJECTED ONE TIME BONUS
COLLECTION UNDER PROPOSED
COLLECTION METHOD - SALES TAX
BASED UPON FYE JUNE 30, 2001 COLLECTIONS**

**Monthly Revenue
Collections Before
Diversions** from Taxpayers
with a \$20K Monthly Sales
Tax Liability - According to the
Mississippi State Tax
Commission 01/29/2002

Sales Tax	\$108,000,000
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This bonus collection is in addition to regularly scheduled State and local revenues. There is no negative economic impact to municipalities and counties.