

Administrative Issues for Alternatives

Replacement Alternatives (Value Added Taxes and Income Taxes)

System Changes

- Development of computer system to process accounts
 - New rate system
 - New deductions
- Addition of new taxpayers to database (for an income tax, this is a large increase in taxpayers).
- Development of new tax return
- Time necessary to implement

Taxpayer Outreach

- Registration of new taxpayers (substantial increase for income tax)
- Education of reporting requirements
 - Rate, base, deductions
 - Nexus issues
 - Withholding
 - Estimated payments

Processing and Administration

- Training employees on new tax system (audit, appeals, etc.)
- Additional employees/equipment to process tax returns

Adjustment Alternatives

System Changes

- Depending on changes, may require some new deductions, programming, etc.

Taxpayer Outreach

- Standard education for all changes

Processing and Administration

- Training employees on changes
- May require coordination with local governments for property tax changes and other local matters.