



COMMONWEALTH of VIRGINIA

Department of Taxation

October 20, 2004

The Honorable John H. Chichester
Chairman, Senate Finance Committee
P.O. Box 904
Fredericksburg, Virginia 22404

The Honorable Vincent F. Callahan, Jr.
Chairman, House Appropriations Committee
P.O. Box 1173
McClellan, Virginia 22101

The Honorable Harry J. Parrish
Chairman, House Finance Committee
9009 Center Street
Manassas, Virginia 20110

Dear Senator Chichester, Delegate Callahan, and Delegate Parrish:

Item 288.2.e of Chapter 4 of the Appropriations Act requires me to submit an annual spending plan to the Department of Planning Budget for approval of expenditures against the Department of Taxation's share of the Technology Partnership Fund (the Fund) whenever TAX enters into a new public-private partnership. A copy of this plan must also be submitted to the chairmen of the money committees.

I have notified Richard D. Brown, Director, Department of Planning and Budget, that we have not entered into a new public-private partnership, and have no plans at this time to do so. Accordingly, there is no reporting requirement, and a spending plan will not be submitted for FY 2005.

The existing public-private partnership between TAX and CGI-AMS is referenced in item 288.1 of Chapter 4 of the Appropriations Act. TAX's authority to use a portion of the Fund for our existing public-private partnership to support operating expenses associated with the partnership ended June 30, 2004, the date on which additional compliance revenue ceased to be deposited into the

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fund. Consequently, a spending plan for TAX's operating portion of the fund is no longer relevant, and not required by the Appropriations Act. In terms of CGI-AMS's portion of the Fund, those expenditures are ongoing as required by our contract, but have never been the subject of a spending plan.

Please let me know if you have any questions.

Sincerely,



Kenneth W. Thorson
Tax Commissioner

Attachment

c: The Honorable John M. Bennett
Secretary of Finance

Mr. Bill Wilson
Division of Legislative Automated Systems