

TIME TO PARTNER

NIC INC. 2008
SUMMARY ANNUAL REPORT

TIME IS RIGHT

State governments know efficient online services can drive revenue and reduce costs while delivering more effective customer service to citizens and businesses.

Businesses and citizens have come to know and expect 24/7/365 access to information in their daily lives, and their expectations are no different for government. The information government holds is vital to users and timely delivery is now a requirement rather than the exception.

The question for many states is less about should they increase their eGovernment presence, but how and when do they move forward.

NIC is the partner of choice. Now is the time.

ALABAMA.GOV AZ.GOV ARKANSAS.GOV COLORADO.GOV FEC.GOV EHAWAII.GOV
IDAHO.GOV IN.GOV INDYGOV.BIZ IOWA.GOV IOWATAXANDTAGS.GOV KANSAS.GOV
KENTUCKY.GOV MAINE.GOV MICHIGAN.GOV/SOS MT.GOV OK.GOV NEBRASKA.GOV
RI.GOV SC.GOV TN.GOV UTAH.GOV VERMONT.GOV VIRGINIA.GOV WV.GOV

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FINANCIAL AND OPERATING HIGHLIGHTS

MARKET FOR THE COMPANY'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS

Our common stock trades on the NASDAQ Global Select Market under the symbol "EGOV." The following table shows the range of high and low sales prices reported on the NASDAQ Global Select Market for the periods indicated. On February 28, 2009, the closing price of our common stock was \$4.98.

Fiscal Year Ended December 31, 2007	High	Low	Fiscal Year Ended December 31, 2008	High	Low
First Quarter	\$5.82	\$4.96	First Quarter	\$8.81	\$5.86
Second Quarter	\$6.94	\$5.23	Second Quarter	\$8.58	\$6.48
Third Quarter	\$7.70	\$6.23	Third Quarter	\$7.75	\$6.36
Fourth Quarter	\$8.90	\$6.70	Fourth Quarter	\$6.61	\$3.59

As of February 28, 2009, there were approximately 388 shareholders of record of NIC's common stock.

DIVIDEND POLICY

On February 3, 2009, the NIC Board of Directors declared a special cash dividend of \$0.30 per share, payable to shareholders of record as of February 17, 2009. The dividend, totaling approximately \$19.2 million, was paid on February 27, 2009, out of the Company's available cash.

On February 4, 2008, the NIC Board of Directors declared a special cash dividend of \$0.25 per share, payable to shareholders of record as of February 18, 2008. The dividend, totaling approximately \$15.7 million, was paid on February 28, 2008, out of the Company's available cash and short-term investments.

Any future determination as to the payment of dividends will be made at the discretion of our Board of Directors and will depend on NIC's operating results, financial condition, capital requirements, general business conditions and such other factors as the Board of Directors deems relevant.

Year Ended December 31,

Consolidated Statement of Income Data	2008	Change	2007	Change	2006
Portal revenues	\$96,795,170	17%	\$82,451,763	18%	\$70,008,598
Software & services revenues	\$3,780,333	14%	\$3,303,171	142%	\$1,367,248
Total revenues	\$100,575,503	17%	\$85,754,934	20%	\$71,375,846
Operating income	\$18,609,214	15%	\$16,126,966	0%	\$16,148,034
Net income	\$11,921,077	0%	\$11,955,220	11%	\$10,739,001
Net income per share—basic	\$0.19	—	\$0.19	—	\$0.17
Net income per share—diluted	\$0.19	—	\$0.19	—	\$0.17
Weighted average shares outstanding—basic	62,530,672	—	61,836,530	—	61,408,552
Weighted average shares outstanding—diluted	62,841,690	—	62,525,249	—	61,763,093

As of December 31,

Consolidated Balance Sheet Data	2008	Change	2007	Change	2006
Cash and cash equivalents	\$60,371,935	58%	\$38,235,605	4%	\$36,744,872
Short-term investments	—	(100%)	\$17,600,000	(61%)	\$45,008,431
Working capital	\$53,495,576	7%	\$49,796,763	(36%)	\$77,605,515
Current ratio	2.0	—	2.1	—	2.8
Total assets	\$119,411,507	7%	\$111,376,147	(21%)	\$140,134,447
Long-term debt	—	—	—	—	—
Total shareholders' equity	\$67,219,573	1%	\$66,864,952	(33%)	\$99,254,185
Debt to equity ratio	—	—	—	—	—
Book value per share	\$1.07	(1%)	\$1.08	(33%)	\$1.62

Year Ended December 31,

Supplemental Disclosures	2008	Change	2007	Change	2006
Same-state portal revenue growth	11%	—	15%	—	10%
Recurring portal revenue percentage	92%	—	93%	—	95%
Portal gross profit percentage	45%	—	47%	—	47%
Operating income as a percentage of portal revenues	19%	—	20%	—	23%
Selling & administrative costs as a percentage of portal revenues	23%	—	26%	—	22%
Return on shareholders' equity	18%	—	18%	—	11%
Depreciation & amortization	\$3,633,201	45%	\$2,501,615	23%	\$2,040,398
Capital expenditures	\$3,942,205	(19%)	\$4,876,242	89%	\$2,584,948
Net operating loss carryforward	\$7,301,598	(71%)	\$25,109,731	(36%)	\$39,312,214
Effective tax rate	38%	—	35%	—	42%
Portal state population served at end of year	70,616,082	4%	68,064,404	13%	60,415,354
Portal revenue per capita	\$1.37	11%	\$1.21	9%	\$1.15
Employee count	473	13%	418	23%	339

This financial information should be read in conjunction with the financial statements and related notes in NIC's 2008 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 13, 2009.

THIS IS WHO WE ARE

WHO WE ARE

NIC is the nation's leading provider of eGovernment services. We create value by delivering government services online, over-the-counter, and via mobile that help citizens, businesses, and government agencies communicate more effectively. Since 1992, NIC has used technology to streamline and simplify the process of interacting with every level of government.

WHAT WE DO

NIC is the official eGovernment provider for 21 states and more than 2,900 government agencies across the United States. We help government deliver valuable services and information to constituents 24 hours a day and seven days a week.

NIC combines world-class technology and marketing programs to make renewing a driver's license, obtaining a building permit, or filing official documents as easy as checking e-mail.

NIC'S BUSINESS APPROACH

NIC's unique self-funded business model allows state government to offer a broad array of online services at no upfront cost to taxpayers. We also offer customized business models that incorporate fixed cost, time & materials, and blended funding approaches to meet the specific needs of our government partners.

HOW WE GROW

NIC is committed to delivering sustainable and profitable growth by:

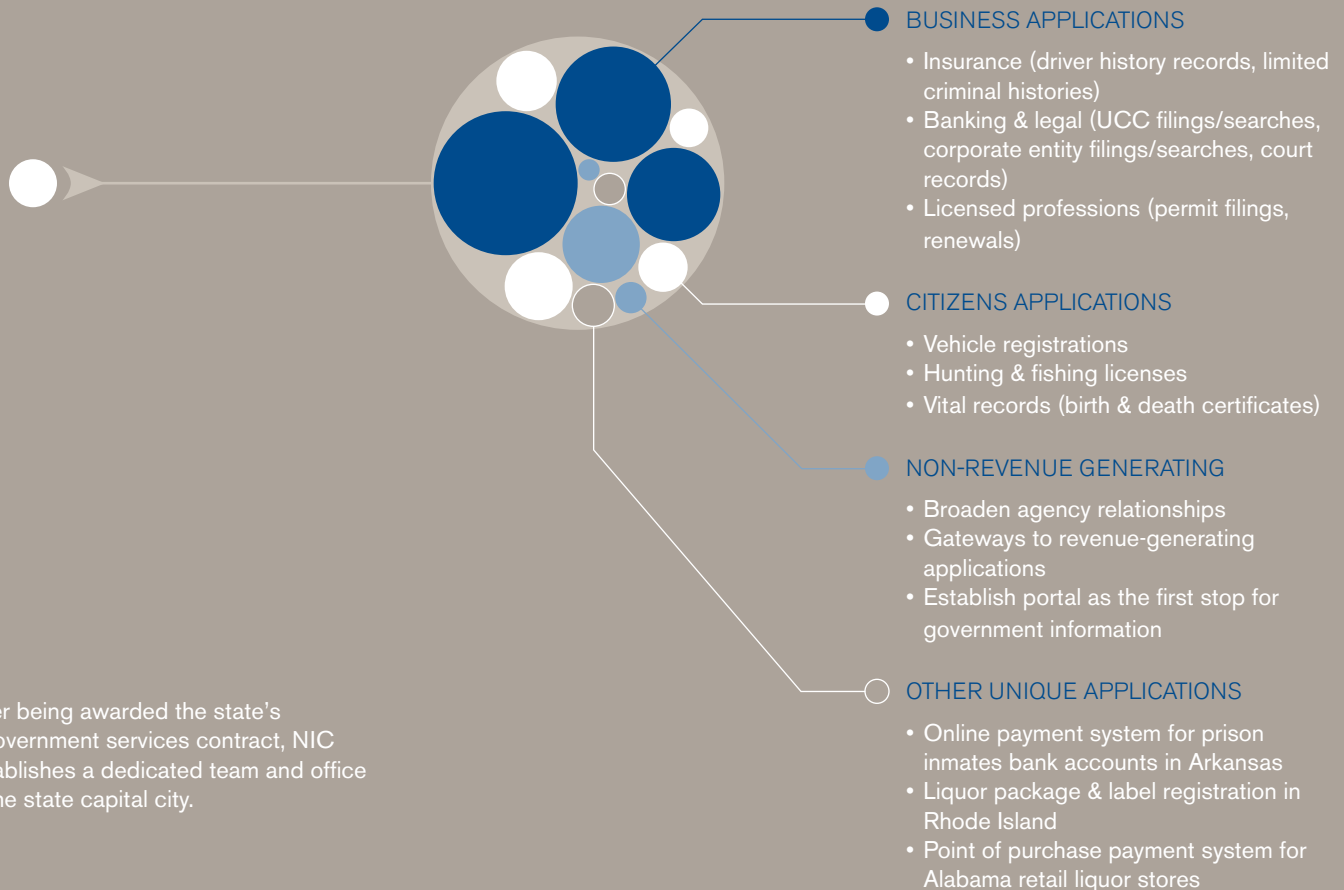
- Winning new state contracts
- Increasing the usage of current eGovernment services by developing targeted marketing programs
- Creating innovative services for new and existing markets

THIS IS OUR SELF-FUNDED MODEL

PORTAL LAUNCH

After being awarded the state's eGovernment services contract, NIC establishes a dedicated team and office in the state capital city.

DEPLOY SERVICES AND APPLICATIONS



LETTER TO SHAREHOLDERS



HARRY HERINGTON

Chairman of the Board &
Chief Executive Officer

When NIC began serving the state of Kansas 17 years ago, our vision was to make interaction with government as efficient as possible for the state and the citizens and businesses it serves. The self-funded model underpinning this vision enabled NIC to provide essential government services without using state budget dollars to do so.

Our vision and ability to deliver have not changed. NIC has served its partners with sustained success. It is my belief that we will continue to deliver positive results particularly during these tough economic times. In fact, I would assert that this is when government needs us most.

Businesses and citizens have come to expect 24/7/365 access to information in their daily lives, and their expectations for government are no different. However, there is little forgiveness from constituents during a slow economy; if anything, there is a greater need as businesses and citizens look for efficiencies to benefit their own pocketbooks. Like its counterparts in the private sector, government is being forced to reduce its workforce and find operating efficiencies through fewer work days or hours. This can make it hard for government to meet the demands of those it serves.

We are in the perfect spot to assist.

NIC is a strong and growing company. The self-funded model we pioneered continues to flourish today and the deliberate manner in which we run our business generates consistent free cash flow, keeps NIC debt free, and delivers solid growth year over year.

Our solutions offer tremendous savings and drive additional revenue into state and local government coffers. NIC has the largest library of eGovernment applications and services. While some services offer efficiencies by enabling online access to vital information, many provide the ability to conduct business with government instantly via the web, mobile devices, or through over-the-counter solutions. With NIC's support, government can deploy these services with no upfront costs and, in some cases, realize incremental revenue from the transactions.

We understand government. There are no other companies that have the unique focus and experience in eGovernment that NIC brings to the table. This expertise allows us to help our partners navigate through the roadblocks and issues they face daily in their quest to serve.

Transparency is the most recent example of this. Tracking the federal stimulus money is a hot topic for citizens that is covered daily in the press, and our partners are looking to us to help them deal with this challenge head on.

The federal stimulus money allocated to states comes with a requirement to transparently track how these funds are spent and what benefits are delivered. We are supporting our partners with proven know-how and services that will enable states to tag, track, monitor, and report on all funding received through the federal stimulus package.

Transparency is not a new topic for our partners. It has long extended far beyond this new wave of federal budget dollars to current state spending, lobbyist spending, legislative tracking, and more.

Kansas was the first state to legislate state budget transparency and, with the assistance of NIC, has put its budget online with its KanView site. Now, more states are turning online, and to NIC, to inform residents where taxpayer dollars are allocated and spent. These sites, as in the case of Oklahoma's OpenBooks site, provides citizens insight into the budget process, where the money comes from, and how the money is being used.

In some cases, states give residents a voice on how tax dollars should be spent. Virginia was one of the first states to let citizens indicate where they believe the federal dollars received by the state should be spent through its federal stimulus site, Stimulus.Virginia.gov. The state is using that input as allocations are made.

We believe that government needs these types of solutions, and that offering eGovernment transparency services is no longer a luxury but a necessity.

This year's annual report theme reflects our belief that now is an obvious time for government to turn to NIC – it's time to partner.

2008 FINANCIAL HIGHLIGHTS

In 2008, total revenues rose 17 percent to \$100.6 million. Operating income grew 15 percent to \$18.6 million for the year.

We have taken steps over the past several years to diversify and grow the portal business in an effort to minimize our reliance on driver history records through deployment of hundreds of other eGovernment services. For the first time in company history, the percentage of NIC's revenue derived from non-driver history record services, or non-DMV services, was higher than the percentage from DMV revenue. We ended 2008 at 52 percent non-DMV revenue and 48 percent DMV revenue.

In 2008, we shared our financial success with shareholders by paying a 25 cent per share special cash dividend early in the year, and we just recently paid a 30 cent per share special dividend in early 2009.

CONTINUED STRONG PARTNERSHIPS

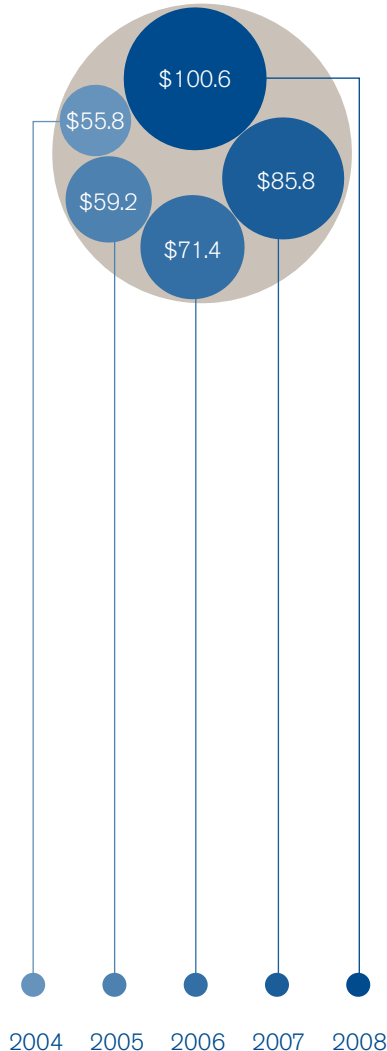
NIC is the dominant provider of eGovernment portals and services.

We provide our partners with technology advancements, collective foresight, stability, and the support needed to meet the increasing demands of the businesses and citizens they serve. These advantages are the reasons states choose to partner with NIC; they are also the reasons states stay with NIC.

This year, our partners continued to reaffirm their confidence in NIC. In 2008, we renewed contracts with the states of Alabama, Arkansas, Hawaii, Idaho, Kansas, Maine, Oklahoma, South Carolina, Vermont, and West Virginia. We continue to successfully secure every renewal and rebid from our state partners.

Our partners rely on NIC to help them expand the online services they provide. We are pleased that these states clearly see the value NIC delivers, and we are honored they continue to do business with us.

Total Revenues (in millions)



MEANINGFUL ADVANCES IN TECHNOLOGY

With the self-funded model, NIC partners can remain at the forefront of technology trends without incurring the ongoing financial investment. At the same time, NIC leverages the research and development happening with one partner, or at the corporate level, to cost-effectively bring new ideas and services to other partners.

While moving government services online is still the central focus for NIC and our partners, we continue to expand where we deliver services. We now offer government services via mobile, over-the-counter, and in agency offices across the country.

One example is the point-of-sale system we launched in Alabama in 2008. NIC now operates the state's electronic payment processing system in all 164 state-controlled, retail liquor locations. These locations collectively process approximately 200,000 credit card transactions that generate between seven and 12 million dollars per month. Other "controlled" liquor states are now potential opportunities for NIC.

SPOTTING AND STAYING AHEAD OF TRENDS

NIC's partners are a visionary group of public officials. It goes without saying that these leaders clearly understand the value that NIC's self-funded model can bring to the state and its constituents. But beyond that, our partners contribute to and benefit from best practices.

Having this group of partners gives NIC a unique view of what is happening now and what is on the cusp of happening. Spotting these trends enables NIC to capture, develop, and deploy new services to meet the needs of our partners as – and sometimes before – they arise. The mobile space is a good example of this.

eGovernment has long been referred to as "electronic" or "efficient" government for the obvious reasons. NIC is taking it one step further with *mGovernment* – or mobile government – by providing state employees, businesses, and citizens access to information and services at any point in time via handheld mobile devices.

NIC has launched three national mobile applications and have developed several others for our state partners. While mobile may still be in its infancy for many states, our partners know that we will continue to keep them ahead of the curve with this constantly evolving technology.

OUR PEOPLE MAKE US SUCCESSFUL

We have the brightest, hardest working and most dedicated employees in the eGovernment industry. Our portal teams continue to step up to the plate for our partners – especially in these

hard economic times when our partners need us most. This dedication to our partners has enabled NIC to secure a stronghold in the market and continue to create opportunities for our employees.

Our newly-promoted Executive Vice President, Robert Knapp, is one such example. In his previous roles, including Vice President of Portal Operations and general manager of our Kansas portal, Robert's leadership helped to deliver significant growth in our core portal business. In his enhanced role, Robert will expand his oversight of portal operations and leverage his extensive experience in managing state portals to identify new growth opportunities for the company.

CONTINUED GROWTH

We have set ambitious goals to win more states and increase our non-DMV revenues. To hit these goals by the end of 2010, we know we must win new states. 2009 is a critical year for NIC.

Today we continue to believe our investments in growth are resulting in both new state opportunities and increased cross-selling of non-DMV applications. We currently have one of the largest sales pipelines in our company's history and are responding to three active state opportunities – the most we have ever had at one time. On the non-DMV front, we launched a record 392 new non-DMV revenue-generating transactions in 2008.

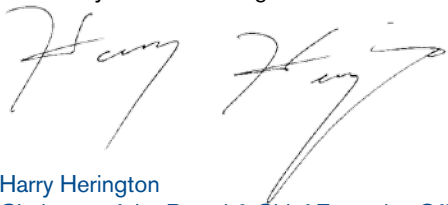
In these tight times, many companies are changing direction and hunkering down to weather the storm. Not NIC. We keep moving forward and have our foot firmly on the gas pedal.

CONFIDENCE IN NIC

When we first started the company, we established three very straightforward principles to live by. We want to be: the best partner government has worked with; the best place our employees have worked; and the best investment our shareholders have made. I always say that if we deliver flawlessly on the first two principles, the third will take care of itself. That philosophy has remained true from day one and for the 10 years we have been a public company.

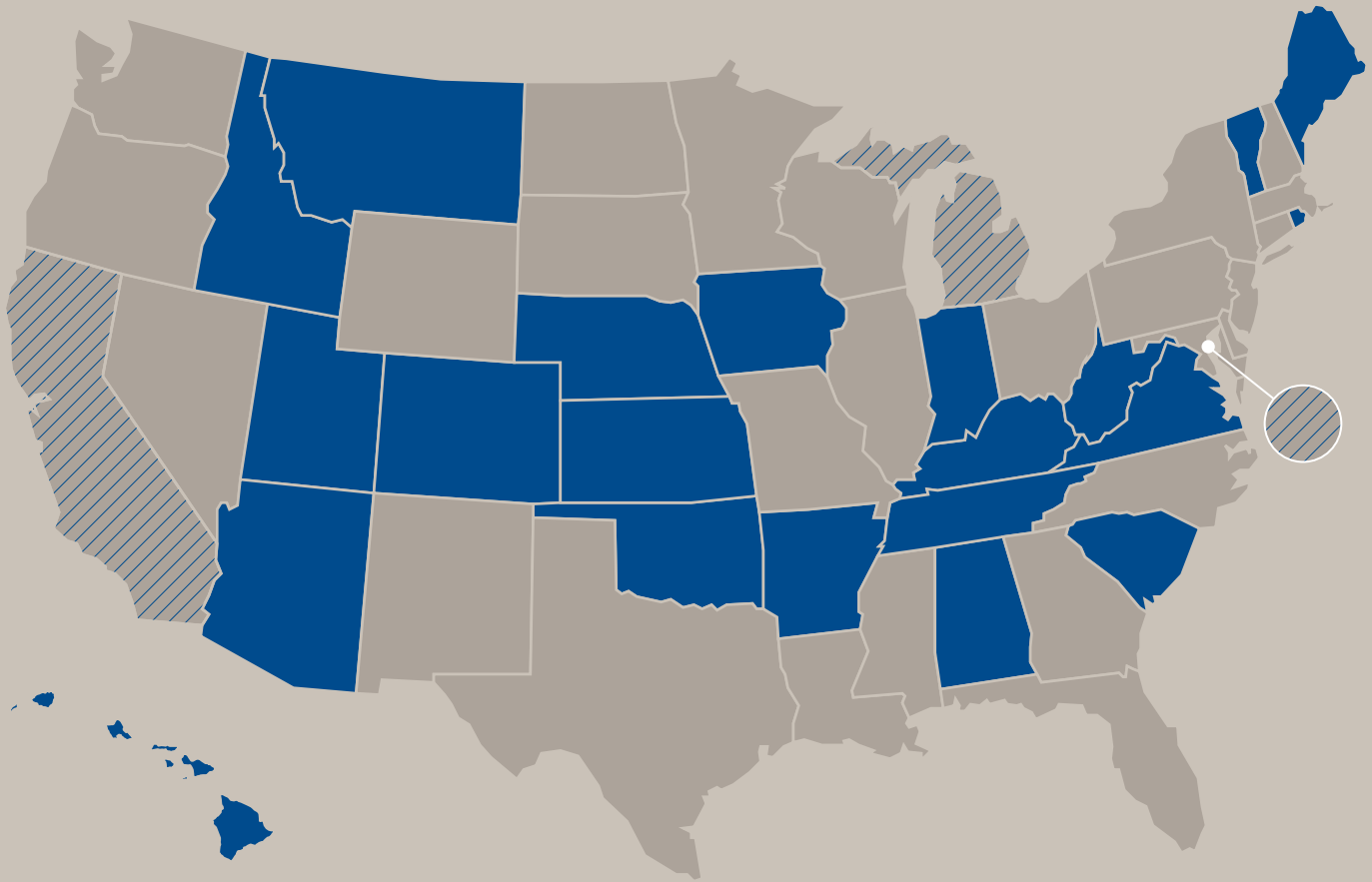
I believe our world-class employees will continue to deliver the value, expertise, and services needed by our partners, which will provide our shareholders with the financial returns they expect for many years to come.

That's why I believe it's a great time to work for, partner with, and invest in NIC.

A handwritten signature in blue ink, appearing to read "Harry Herington". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Harry Herington
Chairman of the Board & Chief Executive Officer
NIC

OUR PARTNERS



● NIC STATE PARTNERS

▨ NIC EGOVERNMENT SOFTWARE & SERVICES PARTNERS

HAVE MUCH TO BRAG ABOUT

Sixteen of our eGovernment partners were recognized in independent competitions and surveys last year. NIC congratulates each winner and is proud to be the eGovernment partner of choice for the nation's most progressive and honored Web sites and online services.

BEST OF THE WEB

- 1 - Virginia
- 2 - Maine
- 5 - Alabama & Rhode Island (tie)
- Finalist - Arkansas
- Finalist - Colorado
- Finalist - Nebraska
- Special award - West Virginia education portal

DIGITAL GOVERNMENT ACHIEVEMENT AWARDS

Government-to-Business

- Montana Department of Justice gambling control suite of services

Government-to-Citizen

- Idaho PayPort
- Nebraska DMV driver license reinstatements

Government-to-Government

- Kentucky No Pass/No Drive driver license status system for students
- Honorable mention: Maine motor vehicle municipal data transfer system

DIGITAL EDUCATION ACHIEVEMENT AWARDS

Community (Tighter Bonds) Category

- West Virginia Education Portal

NATIONAL ELECTRONIC COMMERCE COORDINATING COUNCIL (NECCC) EXCELLENCE AWARDS

Innovation in protecting the privacy & integrity of citizen information

- Arkansas.gov portal and payment processing system

Innovation in the use of social networking to enhance citizen involvement in government

- Governor's Web site – Arkansas.gov

Innovation in the use of the Web in government management practices

- Rhode Island liquor labeling
- HireME online state job applications (honorable mention)

INTERNATIONAL ASSOCIATION OF CORPORATE ADMINISTRATORS (IACA) MERIT AWARD

Hawaii Purchase Documents Online service

NATIONAL ASSOCIATION OF STATE CHIEF INFORMATION OFFICERS (NASCIO) AWARDS

Government-to-Business

- Hawaii Compliance Express (finalist)
- Oklahoma State Treasurer's electronic trading system (finalist)

PALMETTO PILLAR AWARD

Greatness in Technology in Government

- SC.gov

BROOKINGS INSTITUTION EGOVERNMENT SURVEY

- 6 – Maine
- 7 – Kentucky
- 8 – Alabama
- 9 – Indiana
- 10 – Tennessee
- 12 – Colorado
- 13 – Arizona
- 14 – Arkansas

DIGITAL STATES SURVEY

- 1 – Utah
- 3 – Virginia
- 4 – Arizona
- 7 – Kentucky
- 10 – Tennessee
- 11 – Kansas
- 12 – Arkansas
- 14 – Maine

CIO MAGAZINE'S CIO 100

Alabama CIO Jim Burns & Alabama.gov

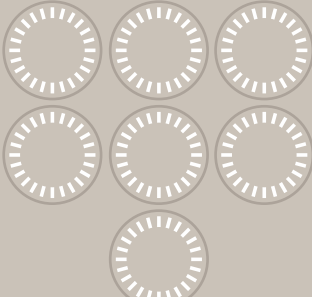
TIME TO REINVENT



10 HOURS A DAY



4 DAYS A WEEK



24/7 ACCESSIBILITY

HOW THE WEEK WORKS

In 2008, Utah Governor Jon Huntsman announced the 'Working 4 Utah' initiative to conserve energy, save money, improve air quality, and enhance the government's delivery of services across the state. The initiative called for closing most of the state's administrative offices – excluding essential public services – on Fridays.

This was made possible largely due to the state's robust eGovernment service offering. Governor Huntsman cited the state's national leadership position in technology services and the ability of the state's award-winning Web site, Utah.gov, to provide ongoing access to government services as key factors in Utah's move to a four-day work week.

The online solutions developed by NIC have allowed the state to provide 24x7 access to constituent services. Through NIC's ongoing, enterprise-wide contract with the state to develop and manage online services, NIC has worked with Utah to deliver more than 600 of the state's 800+ online services.

"We live in a dynamic, ever-changing environment, and it's crucial that we take a serious look at how we can adapt and maintain our state's unparalleled quality of life."

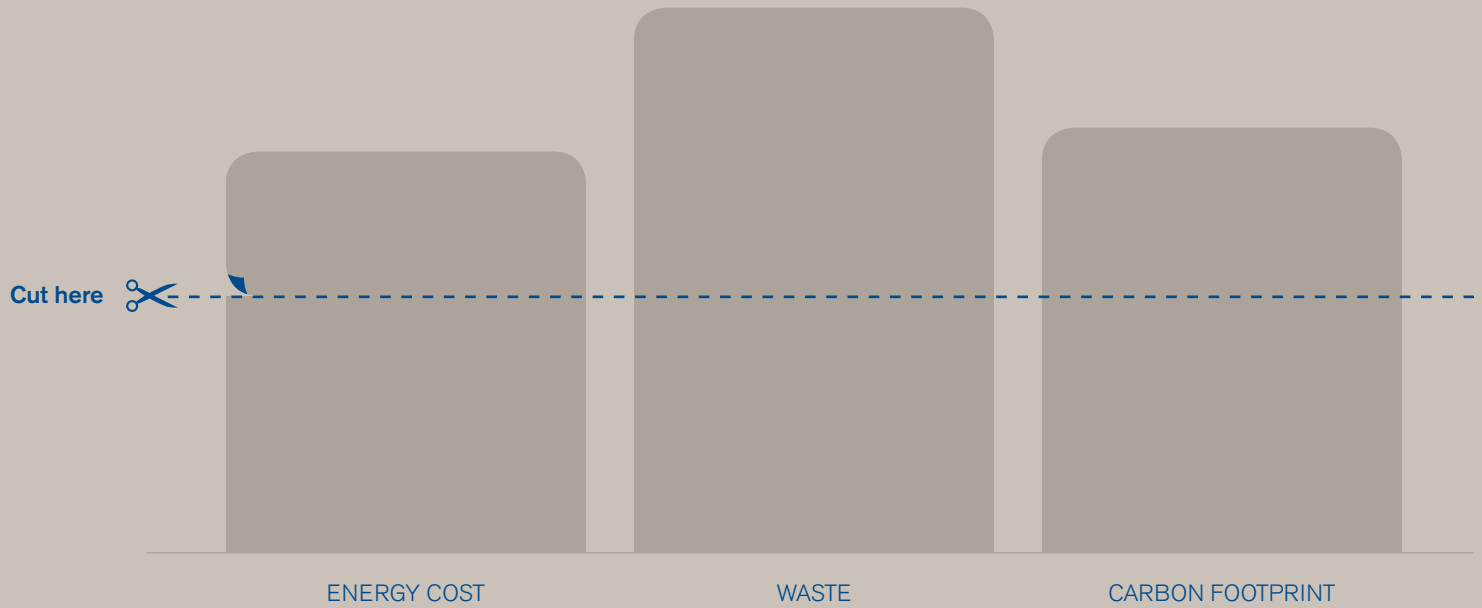
Jon M. Huntsman, Jr.
Governor of Utah



LEARN MORE ABOUT HOW
THIS INNOVATIVE APPROACH IS
BENEFITING THE STATE AND ITS
CONSTITUENTS

WWW.NICUSA.COM/REINVENT

TIME TO REDUCE



THE WASTE AND GO GREEN

Green IT has been frequently talked about, but NIC states are doing more than talking.

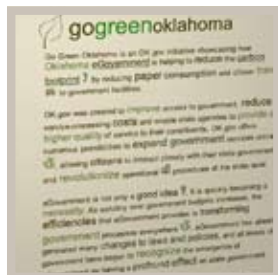
Since 2007, OK.gov has reduced paper consumption by state agencies by more than 1.25 million sheets of paper.

Through its Go Green initiative, OK.gov is showcasing how Oklahoma eGovernment is helping to reduce the carbon footprint by reducing paper consumption and citizen travel to government facilities.

Currently, the Go Green Oklahoma study provides data from online services provided by the state of Oklahoma. All state agencies are invited to be included in the data by reporting their online services that reduce paper consumption at <http://www.ok.gov/gogreen>.

“More and more Oklahoma citizens and businesses are turning to the Web to take advantage of the convenience of Oklahoma’s online services. eGovernment is proving to not only be efficient, but also economic and environmentally friendly.”

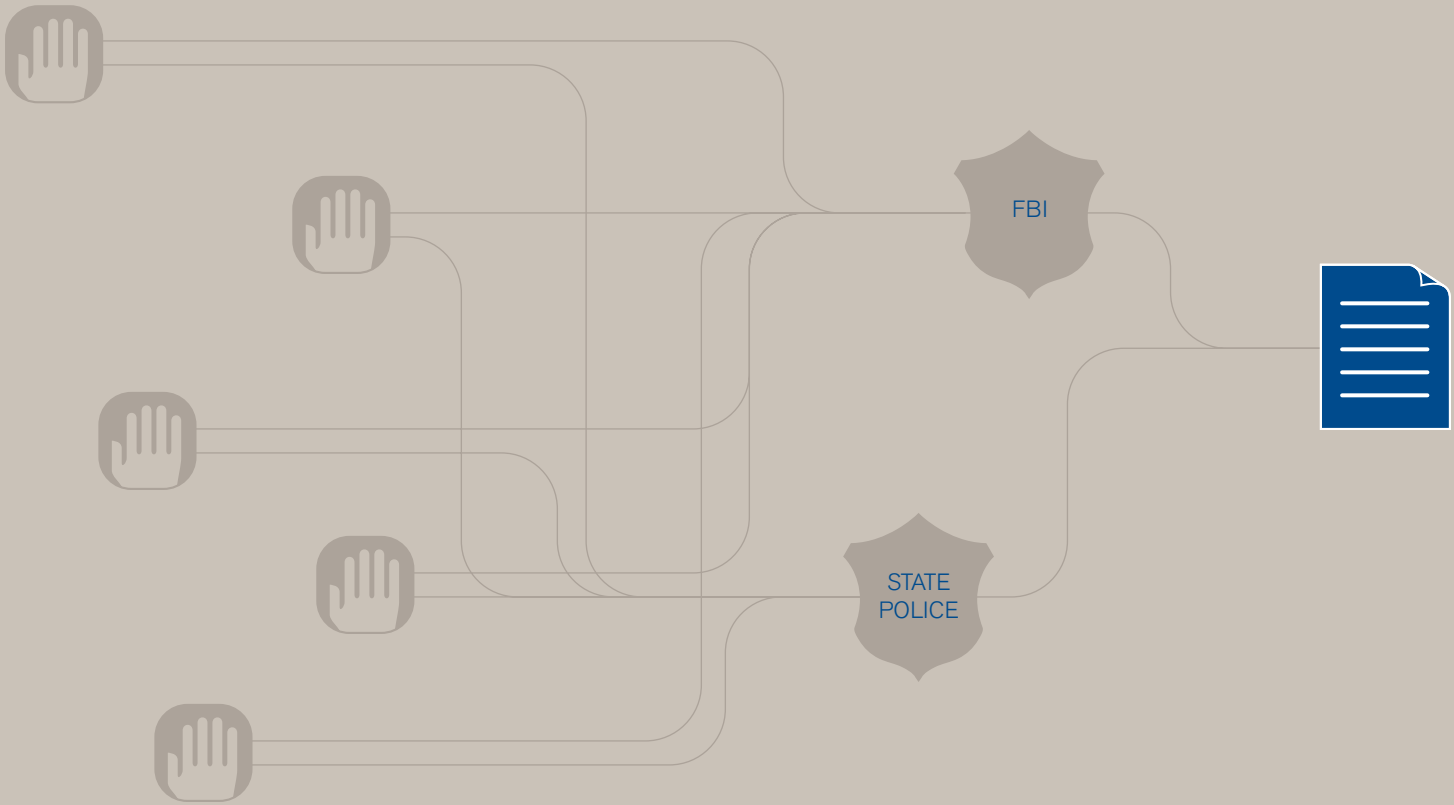
Joe Fleckinger
Deputy Director of
Information Technology
Oklahoma Office of State Finance



CALCULATE HOW EGOVERNMENT
CAN REDUCE YOUR CARBON
FOOTPRINT

WWW.NICUSA.COM/GOGREEN

TIME TO HURRY



AND GET IT DONE RIGHT, THE FIRST TIME

FBI fingerprint results are now delivered faster, thanks to the enhancements to the Criminal Background Check System made by the Arkansas State Police and Arkansas.gov. The new end-to-end electronic solution captures fingerprints electronically at select civil “harvesting” locations and submits background checks to the state and the FBI.

Previously, hiring managers in child welfare, long-term care facilities, and professional licensing agencies would have to wait six to eight weeks to complete the process. The new electronic solution reduces turnaround time to five days or less and enables managers to hire faster and more confidently, reduces errors, and eliminates paper from the process flow. The Criminal Background Check System processes more than 70,000 civil fingerprint checks in Arkansas per year.

“The Arkansas State Police has joined with Arkansas.gov and independent companies that capture civil fingerprints to provide more locations for the public to obtain quality fingerprints. This process allows the fingerprint-based FBI criminal background check requests to be submitted electronically and the results received electronically. This is just another way to better serve the citizens of Arkansas.”

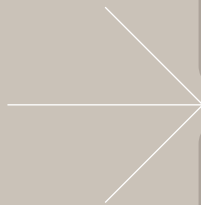
Colonel Winford E. Phillips
Arkansas State Police



LEARN MORE ABOUT HOW
ARKANSAS IS SPEEDING UP
THE PROCESS

WWW.NICUSA.COM/HURRY

TIME TO SIMPLIFY



Credit Card
Authorization
System

PC-Based
Cash Register

Processing
Engine

Signature
Capture

SYSTEMS THAT EASE AND SECURE

The state of Alabama controls alcoholic beverage distribution, licensing, enforcement, and education through its Alabama Alcoholic Beverage Control Board. The Board operates a chain of 164 retail and wholesale stores statewide. On average, these stores generate more than 200,000 over-the-counter credit card transactions each month that require Payment Card Industry (PCI) compliance, high volume processing capabilities, and the need for innovative solutions to manage each transaction.

Alabama.gov and the Alabama Alcohol Beverage Control Board implemented a secure end-to-end payment processing system that integrated the NI C payment engine and a credit card and PIN debit authorization system with the state's existing point of sale PC-based cash register stations and signature capture devices. Now all 164 state operated alcohol retailers and wholesalers can quickly and efficiently accept, process, and authorize credit card payments over broadband or dial-up connections.

"In 2008 we chose to migrate our merchant service offerings to NIC with flexibility, service, and customization of software in mind. As with any major conversion the migration of this service had its challenges requiring NIC to respond quickly with innovative solutions. The result is a new secure solution that provides benefits to both customers and employees."

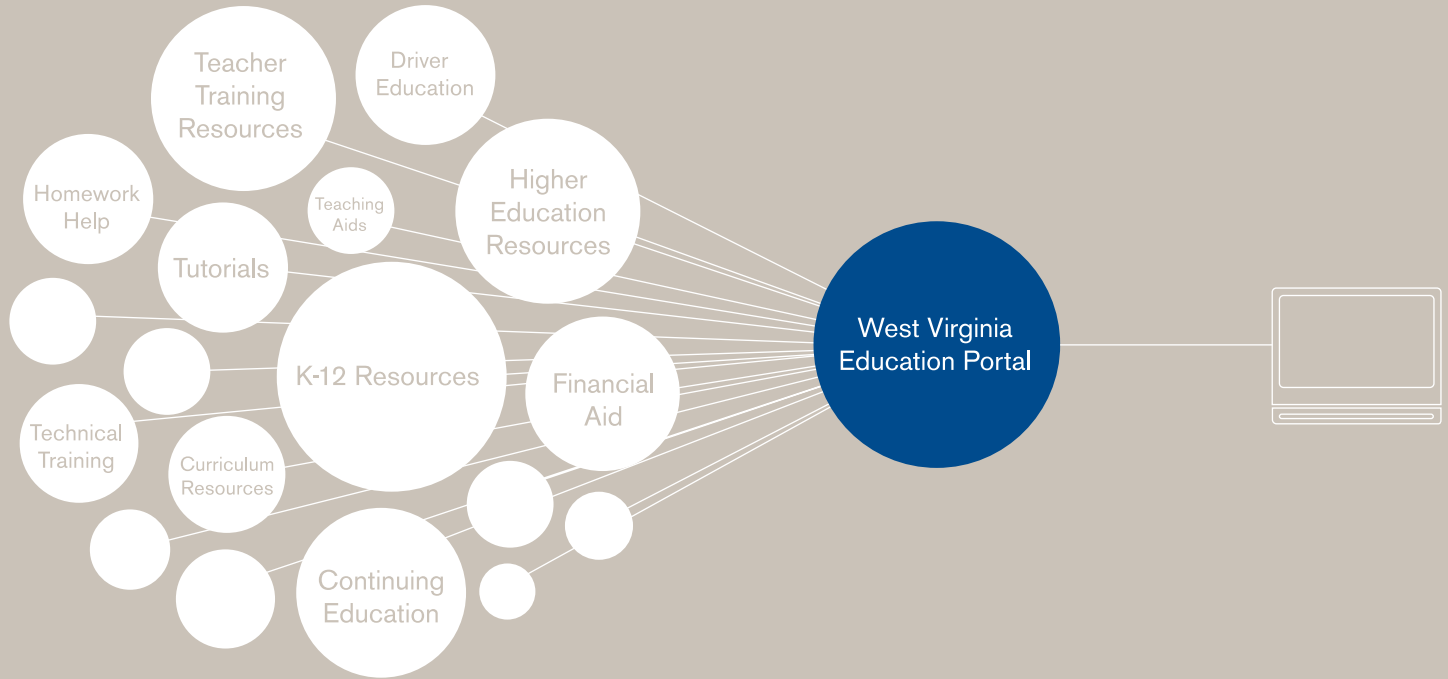
David Latham
Director of Information Technology



SEE HOW ALABAMA IS SIMPLIFYING
THE PAYMENT PROCESS

WWW.NICUSA.COM/SIMPLIFY

TIME TO EDUCATE



AND OFFER A PATH TO KNOWLEDGE

Education, job training, and lifelong learning are key underpinnings of West Virginia's job creation and economic development efforts. However, West Virginia residents, teachers, adult students, and families were required to locate and navigate through 20 different Web sites to find all the education information provided by the state. That was until the 21st Century Jobs Cabinet, the First Lady of West Virginia, and WV.gov teamed up to develop and promote the nation's first comprehensive education portal.

This seamless education system connects every level of education — from early childhood to graduate study. The site brings together more than 900 resources across the state into one, easy-to-find, user-friendly Web site.

WV.gov now provides the estimated 200,000 monthly visitors to the site rich content that enhances their ability to access and take advantage of educational opportunities within the state.

“West Virginia is the first state in the nation to develop a centralized online resource for families to seamlessly access the numerous educational offerings to our citizens. Through this educational portal, our state is demonstrating our commitment to this endeavor and to being globally competitive in this 21st century by improving the educational and workforce opportunities for our students and families.”

Gayle Manchin
First Lady of West Virginia



SEE HOW MUCH EDUCATIONAL
INFORMATION WEST VIRGINIANS
CAN GET WITH ONE CLICK

WWW.NICUSA.COM/KNOWLEDGE

TIME TO LOOK CLOSER

GOVERNMENT



AND SEE GOVERNMENT MORE CLEARLY

It is more than just the word of the day. Transparency is a philosophy and an approach embraced by NIC and its partners.

Transparency extends into all areas of state government – from spending to legislative tracking, to elections, to reporting fraud. But lately, the focus has been the increased demand for information on and input into state spending. Kansas was the first state to legislate transparency into the state budget. With NIC's help, Kansas launched KanView, an online service that brings better visibility, openness, and accessibility to the state's financial activity for its taxpayers.

But access to current state budgets is just the beginning. The new federal stimulus money comes with a goal of detailed reporting, yet it lacks a defined path of how to deliver pertinent information. That is where NIC comes in by supporting government partners with customized services to meet their unique needs.

"Thanks to KanView, more than 10 million accounting transactions processed by the state of Kansas are now easily accessible by the public."

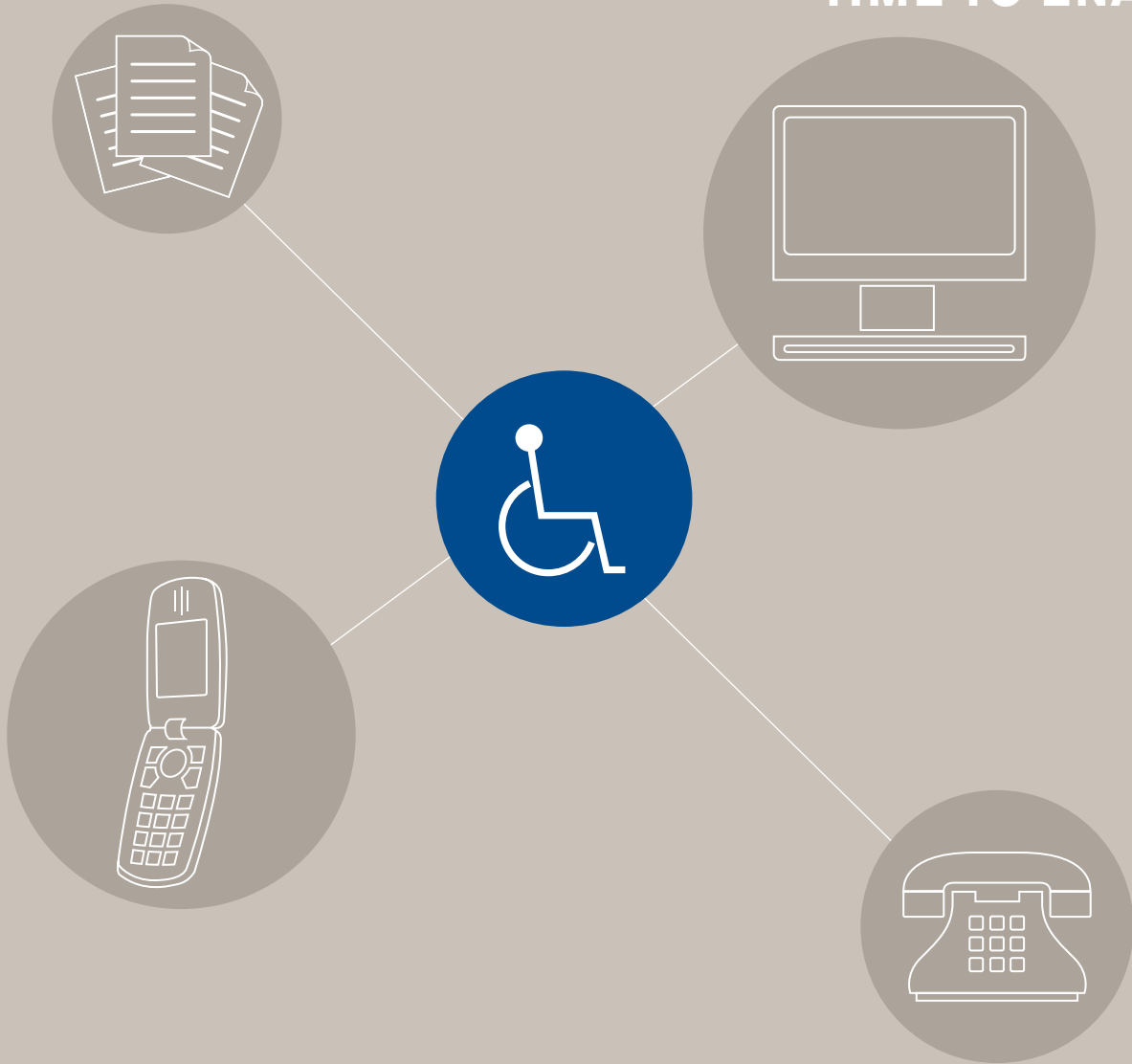
Duane Goossen
Secretary, Kansas Department of
Administration



SEE TRANSPARENCY INITIATIVES
ACROSS THE COUNTRY

WWW.NICUSA.COM/TRANSPARENT-GOV

TIME TO ENABLE



ALL CITIZENS WITH ACCESS

The intent of eGovernment is to use technology to make it easier for all citizens and businesses to interact with every level of government. Unfortunately, the experience can differ dramatically, especially for those with disabilities or varying levels of access.

Since 2004, Maine has established its leadership in this space by developing standards for all Maine.gov Web sites, including a design template, style guide, and an accessibility policy. These standards go above and beyond traditional compliance to ensure that everyone has an equal experience with the state's online services.

With more than 400 online services, Maine has been able to make government easier to use and more available to all of its residents. The most recent example is the launch of the new Maine.gov video service that quickly adds closed captioning to any video uploaded to the site.

The state monitors all agencies and reports quarterly on progress to ensure these best policies become best practices.

"We believe no Maine citizen should be left unserved and that our online government services should be usable by all residents. NIC has helped us enormously in this challenging endeavor by delivering new solutions that enhance the services Maine offers to its citizens through its portal to ensure they are accessible."

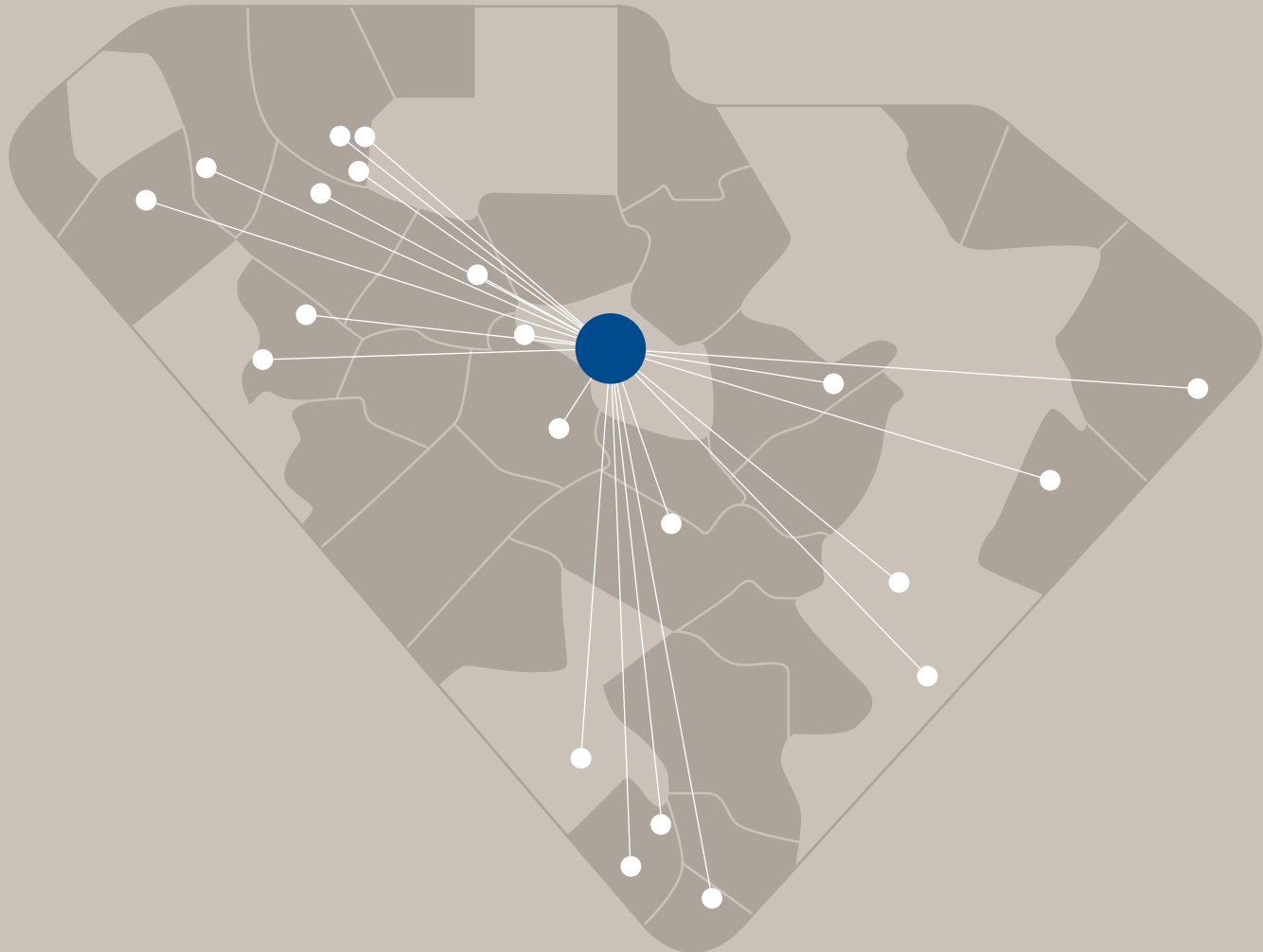
Richard B. Thompson
Chief Information Officer, Maine



FIND OUT HOW MAINE IS MAKING
ACCESSIBILITY A PRIORITY

WWW.NICUSA.COM/ACCESS

TIME TO SHARE



● COUNTY PARTNERS

● CITY AND MUNICIPAL PARTNERS

● STATE SERVICES

THE SERVICES THAT SERVE YOU

South Carolina has been successful in providing online applications that deliver efficiencies for citizens and businesses. But why stop at the state level? With 46 counties and 376 cities in South Carolina, many of these local entities were expressing a need for the same great service.

SC.gov has cost-effectively leveraged the state Web portal infrastructure to deliver secure payment processing solutions to cities and counties. Local partners are better able to serve their customers by accepting debit and credit card payments via the Web or over-the-counter for a variety of services ranging from property tax and utility payments to court fees and fines.

In 2008, SC.gov worked with 76 local partners and processed nearly \$25 million on behalf of those partners.

"By using the same infrastructure for both state and local government, we can more efficiently offer the citizens and businesses of South Carolina a single, secure online way to conduct business with government, regardless of jurisdictional boundaries."

Jeff McCartney
General Manager, SC.gov



READ MORE ON SC.GOV'S
COLLABORATIVE APPROACH WITH
STATE AND LOCAL GOVERNMENT AT
WWW.NICUSA.COM/LOCAL

OUR NUMBERS

392

\$1.37

\$100.6
Million

1st

\$7.5
Billion

\$0.25

2nd

5th

17%

21

HAVE NEVER LOOKED SO GOOD

NUMBER OF NEW REVENUE-GENERATING SERVICES LAUNCHED BY NIC PORTALS IN 2008

PORTAL REVENUE PER CAPITA IN 2008

TOTAL NIC REVENUE FOR 2008

VALUE OF FINANCIAL TRANSACTIONS PROCESSED THROUGH NIC'S PORTALS IN 2008

PER SHARE SPECIAL CASH DIVIDEND DISTRIBUTED TO SHAREHOLDERS IN FEBRUARY 2008

YEAR-OVER-YEAR INCREASE IN NIC'S PORTAL REVENUES

RESPECTIVE RANKINGS OF VIRGINIA, MAINE, ALABAMA AND RHODE ISLAND (TIE) IN THE 2008 BEST OF THE WEB COMPETITION

NUMBER OF STATES THAT OUTSOURCE THEIR EGOVERNMENT SERVICES TO NIC

FINANCIAL INFORMATION

The following financial statements have been condensed to make them more readable. A detailed financial evaluation may require more information than is included in this summary annual report. More comprehensive financial information is provided in NIC's 2008 Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 13, 2009. Copies can also be requested by contacting NIC's Investor Relations Department.

(See Corporate Information on page 38.)

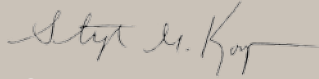
REPORT FROM MANAGEMENT

REPORT OF MANAGEMENT

The management of NIC Inc. has prepared the accompanying condensed consolidated financial statements as of December 31, 2008 and 2007, and for the years ended December 31, 2008, 2007, and 2006, and is responsible for their integrity and objectivity. Management maintains a system of internal control over financial reporting that is designed to provide reasonable assurance that, among other things, transactions are properly executed and financial records and reports are reliable. Through its Audit Committee, the NIC Board of Directors reviews the Company's financial and accounting policies, practices, and reports. Management's Report on Internal Control Over Financial Reporting appears in NIC's 2008 Annual Report on Form 10-K.



Harry H. Herington
Chairman of the Board
Chief Executive Officer



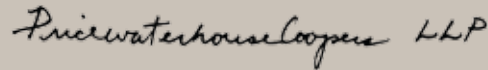
Stephen M. Kovzan
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of NIC Inc.:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of NIC Inc. and its subsidiaries as of December 31, 2008 and 2007, and for each of the three years in the period ended December 31, 2008; and in our report dated March 12, 2009, we expressed an unqualified opinion with a consistency reference on those consolidated financial statements relating to the manner in which the Company measures fair value in accordance with SFAS No. 157, "Fair Value Measurements" in 2008 and accounts for uncertain tax positions in 2007. The consolidated financial statements (not presented herein) appear in Item 8 of NIC Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.



Kansas City, Missouri
March 12, 2009

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Year Ended December 31,	2008	2007	2006
Revenues:			
Portal revenues	\$96,795,170	\$82,451,763	\$70,008,598
Software & services revenues	3,780,333	3,303,171	1,367,248
Total revenues	100,575,503	85,754,934	71,375,846
Operating expenses:			
Cost of portal revenues, exclusive of depreciation & amortization	53,492,292	43,648,482	37,249,358
Cost of software & services revenues, exclusive of depreciation & amortization	2,323,158	1,883,478	596,279
Selling & administrative	22,517,638	21,594,393	15,341,777
Depreciation & amortization	3,633,201	2,501,615	2,040,398
Total operating expenses	81,966,289	69,627,968	55,227,812
Operating income	18,609,214	16,126,966	16,148,034
Other income (expense):			
Interest income	695,367	1,741,107	2,401,504
Gain (loss) on affiliate investments	—	508,209	(96,954)
Other expenses, net	(49,155)	(16,010)	(35,187)
Total other income	646,212	2,233,306	2,269,363
Income before income taxes	19,255,426	18,360,272	18,417,397
Income tax provision	7,334,349	6,405,052	7,678,396
Net income	\$11,921,077	\$11,955,220	\$10,739,001
Basic net income per share	\$0.19	\$0.19	\$0.17
Diluted net income per share	\$0.19	\$0.19	\$0.17
Weighted average shares outstanding			
Basic	62,530,672	61,836,530	61,408,552
Diluted	62,841,690	62,525,249	61,763,093

This financial information should be read in conjunction with the financial statements and related notes in NIC's 2008 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 13, 2009.

CONDENSED CONSOLIDATED BALANCE SHEETS

December 31,	2008	2007
Assets		
Current assets:		
Cash and cash equivalents	\$60,371,935	\$38,235,605
Short-term investments	–	17,600,000
Trade accounts receivable	37,496,614	28,149,698
Unbilled revenues	359,025	720,131
Deferred income taxes, net	4,293,653	6,746,355
Prepaid expenses & other current assets	2,272,839	2,142,673
Total current assets	104,794,066	93,594,462
Property and equipment, net	6,640,869	6,110,075
Deferred income taxes, net	6,726,811	10,808,941
Other assets	1,249,761	862,669
Total assets	\$119,411,507	\$111,376,147
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$41,791,344	\$36,497,922
Accrued expenses	8,407,082	6,847,523
Application development contracts	202,217	352,969
Other current liabilities	897,847	99,285
Total current liabilities	51,298,490	43,797,699
Other long-term liabilities	893,444	713,496
Total liabilities	52,191,934	44,511,195
Commitments and contingencies	–	–
Shareholders' equity:		
Common stock, no par, 200,000,000 shares authorized 62,778,564 and 62,031,312 shares issued and outstanding	–	–
Additional paid-in capital	154,200,185	165,934,316
Accumulated deficit	(86,980,612)	(98,901,689)
	67,219,573	67,032,627
Less treasury stock	–	(167,675)
Total shareholders' equity	67,219,573	66,864,952
Total liabilities and shareholders' equity	\$119,411,507	\$111,376,147

This financial information should be read in conjunction with the financial statements and related notes in NIC's 2008 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 13, 2009.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31,	2008	2007	2006
Cash flows from operating activities:			
Net income	\$11,921,077	\$11,955,220	\$10,739,001
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation & amortization	3,633,201	2,501,615	2,040,398
Stock-based compensation expense	2,470,687	1,676,890	1,331,603
Accretion of discount on marketable securities	–	–	(8,431)
Application development contracts	(150,752)	(159,649)	(748,013)
Deferred income taxes	6,534,832	6,220,176	7,179,104
Gain (loss) on affiliate investments	–	(508,209)	96,954
Impairment loss on property and equipment	–	164,075	–
Loss on disposal of property and equipment	49,155	16,258	35,187
Changes in operating assets and liabilities:			
(Increase) decrease in trade accounts receivable	(9,346,916)	579,340	(6,486,896)
Decrease in unbilled revenues	361,106	348,809	2,523,859
(Increase) decrease in prepaid expenses & other current assets	(130,166)	(497,857)	46,588
(Increase) decrease in other assets	(12,173)	(10,089)	19,117
Increase in accounts payable	5,293,422	2,295,985	9,744,035
Increase (decrease) in accrued expenses	1,090,181	593,141	(731,384)
Increase (decrease) in other current liabilities	798,562	(155,706)	(62,220)
Increase (decrease) in other long-term liabilities	179,948	(405,608)	–
Net cash provided by operating activities	22,692,164	24,614,391	25,718,902

This financial information should be read in conjunction with the financial statements and related notes in NIC's 2008 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 13, 2009.

Year Ended December 31,	2008	2007	2006
Cash flows from investing activities:			
Purchases of property and equipment	(3,942,205)	(4,876,242)	(2,584,948)
Proceeds from sale of property and equipment	32,234	13,672	–
Capitalized internal use software development costs	(678,098)	(567,946)	(239,492)
Purchases of marketable securities	(1,000,000)	(18,000,000)	(24,500,000)
Sales and maturities of marketable securities	18,600,000	45,408,431	–
Proceeds from sale of affiliate	–	508,209	–
Net cash provided by (used in) investing activities	13,011,931	22,486,124	(27,324,440)
Cash flows from financing activities:			
Cash dividends on common stock	(15,709,073)	(46,729,871)	–
Proceeds from sale of treasury stock	–	–	64,965
Proceeds from employee common stock purchases	279,979	239,746	157,398
Proceeds from exercise of employee stock options	1,861,329	880,343	1,226,638
Net cash provided by (used in) financing activities	(13,567,765)	(45,609,782)	1,449,001
Net increase (decrease) in cash and cash equivalents	22,136,330	1,490,733	(156,537)
Cash and cash equivalents, beginning of year	38,235,605	36,744,872	36,901,409
Cash and cash equivalents, end of year	\$60,371,935	\$38,235,605	\$36,744,872
Other cash flow information:			
Income taxes paid	\$1,083,198	\$776,717	\$373,793

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Common Stock	
	Shares	Amount
Balance, January 1, 2006	61,073,505	\$-
Cumulative effect of SAB No. 108	-	-
Net income	-	-
Sale of treasury stock	11,154	-
Stock options exercised	448,898	-
Stock-based compensation	-	-
Issuance of common stock under employee stock purchase plan	40,343	-
Balance, December 31, 2006	61,573,900	-
Cumulative effect of FIN 48	-	-
Net income	-	-
Cash dividends on common stock	-	-
Shares surrendered to pay exercise price of stock options	(33,446)	-
Shares surrendered upon exercise of stock options and vesting of restricted stock to satisfy tax withholdings	(50,204)	-
Stock option exercises and restricted stock vestings	488,440	-
Stock-based compensation	-	-
Issuance of common stock under employee stock purchase plan	52,622	-
Balance, December 31, 2007	62,031,312	-
Net income	-	-
Retirement of treasury stock	-	-
Cash dividends on common stock	-	-
Shares surrendered upon exercise of stock options and vesting of restricted stock to satisfy tax withholdings	(64,137)	-
Stock option exercises and restricted stock vestings	749,706	-
Stock-based compensation	-	-
Issuance of common stock under employee stock purchase plan	61,683	-
Balance, December 31, 2008	62,778,564	\$-

This financial information should be read in conjunction with the financial statements and related notes in NIC's 2008 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 13, 2009.

Additional Paid-in Capital	Accumulated Deficit	Treasury Stock	Total
\$207,444,750	\$(122,093,098)	\$(184,048)	\$85,167,604
–	565,564	–	565,564
–	10,739,001	–	10,739,001
50,004	–	16,373	66,377
1,226,638	–	–	1,226,638
1,331,603	–	–	1,331,603
157,398	–	–	157,398
210,210,393	(110,788,533)	(167,675)	99,254,185
–	(68,376)	–	(68,376)
–	11,955,220	–	11,955,220
(46,729,871)	–	–	(46,729,871)
(246,998)	–	–	(246,998)
(343,185)	–	–	(343,185)
1,127,341	–	–	1,127,341
1,676,890	–	–	1,676,890
239,746	–	–	239,746
165,934,316	(98,901,689)	(167,675)	66,864,952
–	11,921,077	–	11,921,077
(167,675)	–	167,675	–
(15,709,073)	–	–	(15,709,073)
(469,378)	–	–	(469,378)
1,861,329	–	–	1,861,329
2,470,687	–	–	2,470,687
279,979	–	–	279,979
\$154,200,185	\$(86,980,612)	\$–	\$67,219,573

CORPORATE INFORMATION

BOARD OF DIRECTORS

Harry H. Herington | Chairman
Mr. Herington, 49, is Chief Executive Officer of NIC and previously served as the Company's President, Chief Operating Officer, and Executive Vice President of Portal Operations. He became a NIC Director in 2006.

Art N. Burtscher | Lead Director
Mr. Burtscher, 58, is Chairman of McCarthy Group Advisors, an investment advisory firm. He is also a Director of NovaStar Financial, Great Western Bancorp., AmeriSphere Multifamily Finance, L.L.C., Landscapes Unlimited, Inc., and the Silverstone Group. Mr. Burtscher became a NIC Director in 2004 and was named Lead Director in 2008.

John L. Bunce, Jr.
Mr. Bunce, 49, is Senior Advisor to private equity investment firm Hellman & Friedman, LLC, and Managing Director of Greyhawk Capital Management, LCC. He is also a Director of Arch Capital Group and several privately-held companies. Mr. Bunce became a NIC Director in 1998.

Daniel J. Evans
Governor Evans, 83, is Chairman of Daniel J. Evans Associates, a public policy consulting firm, and previously served as Governor and U.S. Senator for the state of Washington. He is also a Director of Costco Wholesale Corporation and Archimedes Technology Group. He became a NIC Director in 1998.

Jeffery S. Fraser
Mr. Fraser, 49, co-founded NIC's initial subsidiary 17 years ago and was Chief Executive Officer until his retirement in 2008. He became a NIC Director in 1998.

Ross C. Hartley
Mr. Hartley, 61, is a co-founder of NIC and former President of The Hartley Insurance Group. He is also a Director of the Empire District Electric Company. He became a NIC Director in 1998.

Alexander C. Kemper
Mr. Kemper, 43, is Chairman of The Collectors Fund, a private equity fund, and former Chairman and Chief Executive Officer of Perfect Commerce and UMB Financial Corp. He is a Director of UMB Financial Corp and several privately-held companies. He became a NIC Director in 2007.

Pete Wilson
Governor Wilson, 75, is a Principal at Bingham Consulting Group, a business consulting firm. He previously served as Governor and U.S. Senator for the state of California and Mayor of San Diego. He is also a Director of The Irvine Company and U.S. Telepacific Corporation. In addition, he serves on the board of advisors for Thomas Weisel Partners. Governor Wilson became a NIC Director in 1999.

Audit Committee
Art N. Burtscher – Chair
John L. Bunce, Jr.
Daniel J. Evans
Alexander C. Kemper
Pete Wilson

Compensation Committee
Daniel J. Evans – Chair
John L. Bunce, Jr.
Art. N. Burtscher
Alexander C. Kemper
Pete Wilson

Corporate Governance & Nominating Committee
Alexander C. Kemper – Chair
John L. Bunce, Jr.
Art N. Burtscher
Daniel J. Evans
Pete Wilson

Contacting the Board of Directors

Signed, confidential, and anonymous communications to NIC's Board of Directors should be sent via e-mail to board@nicusa.com or in writing to:

Board of Directors
NIC Inc.
25501 West Valley Parkway
Suite 300
Olathe, Kansas 66061

The Board's committee charters, the Company's Code of Business Conduct of Ethics, and governance guidelines may be found on the Company's Web site at www.nicusa.com/investor and may be obtained in print by contacting the Investor Relations Department at invest@nicusa.com or (913) 498-EGOV.

SHAREHOLDER INFORMATION

Annual Meeting

The Annual Meeting of NIC Inc. will be held on May 5, 2009, at 10:00 a.m., CDT, at the Sheraton Overland Park Hotel at the Convention Center, 6100 College Boulevard, Overland Park, Kansas 66211.

A formal notice, together with the proxy statement and proxy form, will be mailed in advance of the meeting to all shareholders of record entitled to vote. Shareholders are encouraged to attend the meeting, but those unable to do so are asked to sign and return the proxy form.

Stock Listing

NIC Inc.'s common stock is traded on NASDAQ Global Select Market under the symbol "EGOV." As of March 9, 2009, there were 64,153,625 shares outstanding.

Register and Transfer Agent

Computershare
250 Royall Street
Canton, MA 02021
(800) 884-4225
www.computershare.com

Investor Relations

Securities analysts and investors are encouraged to contact the Company with questions or requests for information. Copies of NIC's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other publications are available without charge upon written request. Inquires should be directed to:

Nancy Beaton
Director of Communications
& Investor Relations
25501 West Valley Parkway
Suite 300
Olathe, Kansas 66061
(913) 754-7054
(877) 234-EGOV
nbeaton@nicusa.com

These documents can also be viewed online at www.nicusa.com.

INDEPENDENT REGISTERED PUBLIC ACCOUNTANT

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1100 Walnut Street Suite, 1300
Kansas City, Missouri 64106
(816) 472-7921
www.PwC.com

OUTSIDE COUNSEL

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1201 Walnut Street, Suite 2900
Kansas City, Missouri 64106
(816) 842-8600
www.stinson.com

OFFICERS

Harry H. Herington

Chairman of the Board and Chief
Executive Officer
Age 49

William F. Bradley, Jr.

Chief Operating Officer and
General Counsel
Age 54

Stephen M. Kovzan

Chief Financial Officer
Age 40

Robert W. Knapp, Jr.

Executive Vice President
Age 40

CREDITS

Writing and production:

Nancy Beaton
Director of Communications &
Investor Relations

Design:

modern8
Salt Lake City, Utah
www.modern8.com

Printing:

Paragon Press
Salt Lake City, Utah
www.paragonpress.com

TRADEMARKS & REGISTERED SERVICE MARKS

NIC Inc. is a registered service mark of NIC Inc. The NIC logo and "The People Behind eGovernment" are registered trademarks of NIC Inc. Certain other names and logos protected by trademark appear in this report. Rather than list the names and entities that own these trademarks or insert a trademark symbol with each mention of the trademark, NIC Inc. states that it is using the names only for editorial purposes and to the benefit of the trademark owner with no intention of infringing upon that trademark.

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GLOSSARY

THE FOLLOWING TERMS ARE USED REGULARLY IN THE EGOVERNMENT INDUSTRY AND MANY ARE REFERENCED IN THIS ANNUAL REPORT.

Application – A service that allows a user to interact electronically with government.

Blended Funding – A business model that allows governments to pay for eGovernment services with more than one funding approach.

Blog – A Web site that provides commentary or news on a particular subject and often combines text, images, and links to other blogs and Web sites. Many blogs also feature an interactive format that allows readers to leave comments.

Content Management System (CMS) – A system that allows users to build and manage Web sites without requiring technical knowledge or complex software programs.

Constituent – Citizens, businesses, and government employees who use NIC's online services.

Cross-Boundary Integration – Also called “one stop shops,” these eGovernment services allow constituents to interact seamlessly with more than one government entity.

Example: Court records from 185 county and circuit courts in Nebraska can be accessed online through the state's integrated JUSTICE system.

DMV (Department of Motor Vehicles)

Revenues – Revenues generated through the purchase of driver histories by the insurance industry.

eGovernment – A platform for delivering efficient government services via the Internet, telephone, mobile devices, and point-of-purchase locations.

Governing Board – A government-appointed entity that provides oversight for eGovernment portal operations. A typical governing board has both public and private sector representation and develops the policies, establishes the fee structure, and sets all priorities for the portal.

Green Government – The practice of using technology and business process improvement to reduce government's impact on the environment.

iGovernment – A platform for delivering government services through non-governmental delivery channels.

Example: Utah's On the Spot service allows merchants like Jiffy Lube to renew vehicle registrations in real-time so citizens can now drive away with a new license plate tag as part of a vehicle inspection.

Information Architecture – The development and categorization of Web site content so it can be easily accessed by users.

mGovernment – The delivery of government services and information directly to, and customized for, mobile devices.

Non-DMV Revenues – Revenues generated through all eGovernment services other than driver histories.

Over-the-Counter Payments –

When government offices use card-swipe technology to accept credit card payments that are processed through NIC's secure payment processing system.

Partner – A federal, state, county, or city government that works in cooperation with NIC to deliver services electronically.

Payment Engine – NIC's comprehensive secure payment processing, reconciliation, and accounting system.

Personal Digital Assistants (PDA) –

Web-accessible technologies, including mobile phones, digital calendars, and handheld organizers.

Podcast – Custom digital audio programs that are distributed over the Internet for playback on portal music players and personal computers.

Point-of-Purchase – An online service accessible from a sales terminal that allows retail employees to offer eGovernment applications directly to in-store customers.

Example: Outdoor enthusiasts in six states can obtain hunting and fishing licenses directly from retailers through NIC's point-of-purchase system.

Portal – A central Web site through which a wide range of government services can be accessed.

Revenue Per Capita – A measurement of the revenue generated per citizen across the total state population NIC serves.

Really Simple Syndication (RSS) –

A technology used to package and deliver customized and frequently updated Web content to a user's browser.

Self-Funded – Developed by NIC, this business model allows governments to offer eGovernment services without using upfront taxpayer funds. NIC collects a nominal transaction fee for a limited number of high-volume applications to cover the costs of building and managing online services on behalf of state and local governments across the country.

Search Engine Optimization – An online method used to increase the amount of high-quality traffic to a particular Web site.

Subscription – A feature that allows high-volume users of eGovernment services to access value-added portal applications with a secure user name and password.

Transaction – An end-to-end process in which information is transferred electronically between government and a constituent.

Transaction Fee – A nominal fee applied to select eGovernment services to cover the cost of building and maintaining online services.

UCC (Uniform Commercial Code) –

Required registered debt filings that are typically processed by a state's secretary of state office.

Usability – The combination of content, technology functionality, navigation, and information architecture that allows users to quickly and easily accomplish what they are trying to do on a Web site.

Vertical Portal ("Vortal") – An eGovernment portal through which users can interact with multiple government agencies through a single site.

Example: Maine's Rapid Renewal portal allows constituents in several hundred municipalities to both process vehicle tag registration renewals and pay local excise taxes through a single Web site.

Web 2.0 – Web design that encourages creativity, collaboration, and two-way communication between Internet users by effectively implementing wikis, blogs, Web video, podcasts, RSS feeds, and other social networking technologies.

Web Video – Digital video clips that can be posted, downloaded, and linked to on the Internet.

Wiki – Collaborative Web sites that allow users to create, edit, and link content together to create robust online sources of information.



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NASDAQ: EGOV