

NIC INC

FORM 8-K (Unscheduled Material Events)

Filed 7/12/2006 For Period Ending 7/12/2006

Address	12 CORPORATE WOODS 10975 BENSON STREET SUITE 390 OVERLAND PARK, Kansas 66210
CIK	0001065332
Industry	Computer Services
Sector	Technology
Fiscal Year	12/31

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**UNITED STATES SECURITIES AND EXCHANGE
COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): July 12, 2006

NIC INC.

(Exact name of registrant as specified in its charter)

Colorado	000-26621	52-2077581
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(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

10540 South Ridgeview Road
Olathe, Kansas 66061

(Address of principal executive offices, including zip code)

(877) 234-3468

(Registrant's telephone number, including area code)

ITEM 7.01 REGULATION FD DISCLOSURE

On July 12, 2006, NIC Inc. issued a press release announcing that the state of Indiana has signed a new long-term contract with Indiana Interactive, a subsidiary of NIC Inc., to develop and maintain its official eGovernment portal (www.IN.gov). The contract includes an initial four-year term and renewal options that run through June 2014. A copy of the press release is furnished with this report on Form 8-K as Exhibit 99.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

99 - Press release issued by NIC Inc. dated July 12, 2006, announcing that the state of Indiana has signed a new long-term contract with Indiana Interactive, a subsidiary of NIC Inc., to develop and maintain its official eGovernment portal (www.IN.gov).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NIC Inc.

Date: July 12, 2006

/s/ Stephen M. Kovzan

Stephen M. Kovzan

*Vice President, Financial Operations
Chief Accounting Officer*

EXHIBIT 99

Indiana Signs New eGovernment Portal Contract with NIC

INDIANAPOLIS--(BUSINESS WIRE)--July 12, 2006--The state of Indiana has signed a new long-term contract with Indiana Interactive to develop and maintain its official eGovernment portal (www.IN.gov). The contract includes an initial four-year term and renewal options that run through June 2014. Indianapolis-based Indiana Interactive is a wholly owned subsidiary of eGovernment firm NIC (Nasdaq: EGOV). The new contract is based on a funding model that includes recurring fixed monthly fees for baseline services and both transaction- and project-based pricing for variable services. The initial four-year contract has a baseline value of \$18 million and a potential value of \$44 million through the deployment of variable services.

"We are excited about the tremendous upside potential this contract provides and are eager to continue developing innovative solutions for the state of Indiana," said Jeff Fraser, NIC's Chief Executive Officer. "I believe that our success in Indiana will generate new growth opportunities in states that want to work with NIC but have been unable to initiate self-funded procurements as quickly as they would like. No other provider can match our capabilities or the results we deliver."

Indiana Interactive signed its original contract with the state of Indiana in July 1995. After fulfilling the original contract term and all available extensions, the state issued a competitive bid for eGovernment portal services in February 2006.

Second Quarter 2006 Outlook

NIC reaffirms its second quarter 2006 guidance and expects total revenues of \$17.7 - \$18.1 million, portal revenues of \$17.2 - \$17.5 million, and software and services revenues of \$0.5 - \$0.6 million. The Company also anticipates operating income between \$4.4 - \$4.6 million and net income of \$2.7 - \$2.9 million.

Full-year 2006 guidance is also unchanged. The Company expects total revenues of \$66.8 - \$67.7 million, portal revenues of \$66.3 - \$66.9 million, and software and services revenues of \$0.5 - \$0.8 million. The Company also expects operating income between \$15.1 - \$15.6 million and net income of \$9.5 - \$9.8 million.

The Company will provide additional context and answer investor questions about market dynamics and performance metrics during its second quarter earnings announcement on July 27, 2006.

About IN.gov

www.IN.gov is the official Web portal for the state of Indiana. IN.gov's services are developed and maintained by Indiana Interactive, a wholly owned subsidiary of eGovernment firm NIC (Nasdaq: EGOV).

About NIC

NIC manages more eGovernment services than any provider in the world. The company helps government communicate more effectively with citizens and businesses by putting essential services online. NIC provides eGovernment solutions for 2,200 state and local agencies that serve more than 60 million people in the United States. Additional information is available at www.nicusa.com.

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