

Description:

The General Services Division provides several programs for agency-wide support services, policy development, and computer services. Management Support Services includes accounting, purchasing, facilities management, and motor pool management. Other programs in the division include Tax Policy, Human Resources, Information Technology, Communications and Outreach. Communications and Outreach handles public and media inquiries, develops Commission publications and news releases, manages the agency copy center, provides forms and web design, and coordinates the administrative rules for the agency

Major Functions and Targeted Performance Standard(s) for Each Function:

1. Increase the percentage of data exchanged, processed, and managed electronically.
 - A. Expand electronic commerce capabilities such as electronic tax filing, electronic mail, electronic payment, information retrieval, and information exchange (EDI).

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
65%	75%	85%	95%
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
95%	95%	95%	95%

2. Provide a flexible and responsive information technology infrastructure.
 - A. Update existing systems (CATS) and expand computer and network capability.

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
60%	80%	90%	95%
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
95%	95%	95%	95%

Tax Commission, State Management Services

Program Results and Effect:

The effect of the General Services program is the efficient use of resources to support the Tax Commission mission.

The Commission continues to propose changes to the legislature to enhance the tax code. To achieve compliance with the tax law, the law must be clear, concise, and perceived as fair. Thorough annual review of the tax code will enhance compliance with the law.

Management Support Services continues to update and improve the fully integrated accounting system called Navision, first implemented in FY01. This software integrated the budget, expenditure, purchasing, and revenue processing cycles in one integrated commercial off-the-shelf product. Additional phases added fixed assets tracking and perpetual inventory control. Currently, an updated version (3.7a) of the software is being installed. A future phase is planned to add an integrated human resources module. Purchasing functions and preparation of RFP's for major acquisitions continue to be performed in accordance with state rules and requirements.

Human Resources continues to meet the employee needs of the agency and to provide support to management in the hiring and training of employees.

Information Technology (IT) is trying to maintain the momentum established with the very successful CATS (Convert All Tax Systems) project. With assistance from FAST Enterprises, the vendor for the GenTax software the agency successfully installed in that project, several improvements were made to the base installation. A "stand-alone" audit module was developed for IFTA (International Fuels Tax Agreement) tax, along with an audit selection process for individual income tax. The stand-alone audit module will permit fuels tax auditors to have up to date information on the taxpayer in the field, perform the audit, and then upload the results to GenTax without re-keying. The individual audit selection capability will replace a third-party software called STAX that was costing the agency \$50,000 annually in software license fees. The flexibility of GenTax and the COTS (commercial off-the-shelf) model it represents, were demonstrated in configuring agency sales and cigarette tax systems for tax rate increases in a very short timeframe. The legislation authorizing these increases passed very late in a very long legislative session, leaving the agency little time to configure the tax systems. Because most program changes can be made in configuration rather than hard coding in COTS software, both tax systems were ready to accept the new tax rates on the effective dates.

Elsewhere in IT, the agency VPN (virtual private network) was expanded and put into full service to allow secure electronic access to agency systems. A wireless project was also started to provide secure electronic broadband access for staff who cannot get DSL or cable broadband service. The Coeur d'Alene field office was connected to IdaNET, the statewide broadband network, and the Lewiston office is expected to be connected in FY04. IT Support stepped up to the challenge of maintaining computers, servers and other hardware that is well past its projected life cycle. Because of budget constraints resulting in virtually no capital replacement the last two fiscal years, many agency PC's are breaking down and requiring repair, and several network servers are too old to be maintained on the support contract with the vendor. Replacement of some of this hardware is crucial in FY05 if the agency is to maintain the productivity it has demonstrated in recent years.

Communications and Outreach continued revising and enhancing the Tax Commission's Web site, which earned a first place Idaho Press Club award for General Excellence (the fourth IPC award in as many years). Major projects in FY04 included a complete revision of the Unclaimed Property section and addition of an online reporting capability for unclaimed property holders; partnering with other agencies to create Idaho's Trucking Portal and Business Portal (featuring a new online business registration form); adding sales and use tax reports to the Web, as well as city revenue sharing reports; and County Support (property tax) added Web based training videos and multiple software applications to help county assessors and mapping staff throughout the state. Communications and Outreach also coordinated a major revision of Idaho's employer withholding booklet and divided it into three parts on the Web for easier access. The public is using the Tax Commission's Web site more than ever, judging from state webmaster Jon Eckerle's report that the agency's site had more than 1.2 million hits on April 15, "...the largest ever single day hit count for an individual site..." on any of the state's servers.

For more information contact Mark Poppler at 334-7507.

Tax Commission, State Audit and Collections

Description:

The Audit and Collections Division provides direct taxpayer service to the public from the administrative office in Boise as well as 5 field office locations; collects delinquent taxes and conducts audits on virtually all tax types administered by the agency, by authority of Idaho Code and the Multi-State Tax Compact; conducts discovery and enforcement efforts directed at no filers; administers Idaho Unclaimed Property statutes.

Major Functions and Targeted Performance Standard(s) for Each Function:

1. Expand and improve the services the agency provides.

- A. Develop a customer information survey.

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
100%	100%	100%	0
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
0	0	0	0

2. Improve customer education and outreach.

- A. Improve taxpayer access to state and federal tax assistance and other government agency registration requirements.

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
100%	100%	100%	100%
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
100%	100%	100%	100%

3. Improve communication and coordination and foster partnerships with agency stakeholders.

- A. Take a leadership role in interagency projects that improve dissemination of information to stakeholders or simplify taxpayer registration requirements.

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
100%	100%	100%	100%
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
100%	100%	100%	100%

4. Implement educational audit/compliance reviews.

- A. Establish a statewide managed/self-audit program.

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
100%	100%	100%	100%
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
100%	100%	100%	100%

5. Increase timeliness, consistency, and scope of our enforcement efforts.

A. Implement procedures and processes that encourage individuals to get back into and remain in compliance.

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
100%	100%	100%	100%
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
100%	100%	100%	100%

6. Improve audit, enforcement, and investigation processes.

A. Increase use of technology to improve enforcement efforts.

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
100%	100%	100%	100%
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
100%	100%	100%	100%

B. Use a post-audit survey to obtain taxpayer feedback to improve audit effectiveness.

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
100%	100%	100%	100%
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
100%	100%	100%	100%

C. Increase nonresident enforcement through audit/nexus investigations.

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
100%	100%	100%	100%
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
100%	100%	100%	100%

Tax Commission, State Audit and Collections

Program Results and Effect:

Program Results and Effect:

FY04 saw marked improvement in Audit and Collections Division. A stabilized budget enabled the division to fill personnel vacancies, and add revenue generating permanent and part time positions. With restored manpower, the division reduced the extraordinary workload carried by collection employees. Full staffing and some innovative measures negated the difficult collections environment, exacerbated by the economic downturn. New auditor and collections employees funded by the Legislature, starting in FY2004, exceeded revenue expectations by nearly 2 to 1.

Taxpayer Service simplified starting a business. By working with the Idaho Commerce and Labor Department and the Idaho Industrial Commission, they developed an application allowing taxpayers to apply on-line for a withholding account, sales tax permit, use tax account, travel and convention tax account, and Greater Boise Auditorium District tax account. The project was funded by a grant by Idaho Commerce and Labor.

Taxpayer Services is working with the Department of Administrations efforts to develop an Idaho business portal. The portal will provide business owners with information on starting, running, expanding, relocating, or closing a business. Taxpayer Services are developing new FAQs for the web site, providing information on these five topics.

Taxpayer Service continues to provide training to assist the volunteer income tax preparer program administered by AARP. We maintain a training manual and provide classroom training to help the volunteers understand Idaho income tax. We provided information to the Idaho Army National Guard to help the soldiers understand the tax ramifications of their deployment to Iraq.

The managed audit program using Tax Specialists positions was fully funded in FY04. Eight vacant positions were ultimately rehired. We increased the number of audits completed to 764, over a 100% increase. The program continues to produce meaningful returns on investment by selecting niche audits and a low-key "educational" approach to tax compliance.

Income Tax Audit created a withholding tax unit to give greater emphasis to compliance in that area. The activities of the unit are focused on expanding enforcement and developing an education outreach effort designed to provide training for Tax Commission employees and the public.

A number of programs were begun in FY04 that will help taxpayer get back into and remain in compliance with tax laws and produced significant returns on investment. The Treasury Offset program, where identified delinquent taxpayers have their Federal income tax refund diverted to the state to pay outstanding balances raised nearly three quarters of a million dollars. Boise Field Office began two shifts of phone collectors to assist in contacting taxpayers after work.

The division provided taxpayer assistance, promoted voluntary compliance and increased use of technology by:

Following up on IRS supplied leads on Abusive Trusts by Tax Discovery and Income Tax bureau's.

Coordinated agency sales tax training efforts with the State Dept. of Transportation for various County Assessor's staff, car dealers, banks and finance companies.

Expanded the enforcement and monitoring, in conjunction with the State Attorney General's office, of the Cigarette Master Settlement Agreement.

Encouraged volunteers to assist low-income taxpayers in conjunction with a program sponsored by AARP, Mall Day, and Post Office and field office tax document drop-off on April 15th.

Established a Frequently Asked Questions section on our web page specifically for "forgot to file" individuals and businesses.

Using data supplied by the Secretary of State's office, continue to review newer types of business formations

for compliance with tax laws.

For more information contact Mark Poppler at 334-7507.

Tax Commission, State

Revenue Operations

Description:

The Revenue Operations Division provides citizens with opportunities to voluntarily file returns, pay on time, and receive prompt refunds. Services include: postal services providing mailing services for the entire agency, receipting of tax documents and payments, account registration and maintenance, data collection, return perfection, records management, and other tax revenue related services.

Major Functions and Targeted Performance Standard(s) for Each Function:

1. Increase the percentage of data exchanged, processed, and managed electronically.
 - A. Expand electronic data capture, storage, and retrieval technologies.

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
65%	75%	78%	82%
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
82%	86%	90%	95%

Program Results and Effect:

With the implementation of our internet filing for Sales/Use Tax and Employer Income Tax Withholding the division now manages five electronic filing programs for taxpayers who need to file and pay Idaho taxes. The Sales and Use tax online filing program produced an increase from 1,811 returns in the first quarter of fiscal 04 to 9,132 in the last quarter of the fiscal year. The International Fuels Tax Agreement (IFTA) internet application collected 19% of the returns filed in the last fiscal year. Also during this fiscal year, we have improved our electronic collection of returns data associated with our Fuel Distributor Tax from 60% to 80% of the the data.

By far our most used electronic filing program is our individual income tax system. During the 2004 filing season some 256,958 taxpayers filed electronically. This is a 22% increase over the previous year. Fully 48% of taxpayers now file an electronic Idaho State Income Tax. As we expect the rate of growth (in terms of % increase) of electronic filers to decrease, we will be adding 2-D bar-coding, which will allow the collection of the data in some 100,000 paper returns to be data captured in an automated fashion.

For more information contact Mark Poppler at 334-7507.

Description:

County Support provides oversight and technical support in the administration of the property tax system, working to ensure fair, equitable and accurate property taxation. Services include education in property tax assessment administration and appraisal, property appraisal research, forest land and forest products' appraisal, day-to-day support to county elected officials, ratio study review and recommendations, operating property appraisal, and budget and levy review and approval.

Major Functions and Targeted Performance Standard(s) for Each Function:

1. Expand and improve the services the agency provides.
 - A. Consult with the Assessor's Education Committee, the Examination Committee, and the Idaho Association of Assessment Personnel to develop and provide education, training, and certification programs that meet county and state needs.

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
100%	100%	100%	100%
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
100%	100%	100%	100%

2. Provide a flexible and responsive information technology structure.
 - A. Expand the Geographical information System.

Actual Results			
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
75%	85%	95%	99%
Projected Results			
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
99%	99%	99%	100%

Program Results and Effect:

The primary goal of the Division is to ensure that all property owners receive equal application of the Idaho property tax laws and that these laws are administered as efficiently and effectively as possible.

The County Support Division in FY04 continued to monitor the administration of property tax law in Idaho to ensure that the property tax burden of all taxpayers is fair and equitable. We conduct an annual ratio study to ensure that each jurisdiction is estimating property values at the current market level so that all taxpayers bear an equitable burden under the law. The Division appraised operating properties and utilities that may be located in multiple jurisdictions (Centrally Assessed Properties).

The Division continues to provide quality training for the counties with annual summer and winter schools. During FY04, the education program continued to provide several more regional offerings for the counties. Additional appraisal seminars and workshops were presented for the benefit of assessors and their staff by the Division's consulting appraiser team. Participation in educational activities exceeded 625 enrolled students in FY04.

Expansion of the Geographical Information System continues. Through 2004, the division had helped 44 counties in their computer mapping programs. GIS education continues to increase with 19 course offerings in related field study.

For more information contact Mark Poppler at 334-7507.