

Agency Overview

STATE TAX COMMISSION

EXPLANATION OF DIVISIONS IN AGENCY

1. **General Services Division** consists of: Commissioners, Public Information, Legal section, Tax Policy section, Human Resources section, Information Technology section, and Management Services. This organizational unit provides for centralized management, policy development, legal, personnel, fiscal and computer services.

17 percent, or 71 positions, have been funded in these capacities. General fund appropriation of \$6,477,800 for this division in FY 2007.

2. **The Audit & Collections Division** provides direct taxpayer service to the public from the administrative office in Boise and five 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 Multistate Tax Compact; conducts discovery and enforcement efforts directed at non-filers and administers Idaho's unclaimed property statutes.

55 percent, or 227 positions, have been funded in these capacities. General fund appropriation of \$11,160,300 for this division in FY 2007.

3. **The Revenue Operations Division** administers the voluntary tax compliance program. Activities include: (a) registering permit holders for sales, withholding, hotel/motel, special fuels, beer, wine, cigarette and tobacco taxes; (b) ensuring that all individuals and licensed businesses are mailed proper tax forms for reporting; (c) establishing taxpayer liability, as well as processing revenue and refund documents submitted by taxpayers; and (d) maintaining a records system capable of providing individuals with tax documents. In the last fiscal year, over 2,153,000 tax returns – representing nearly \$2.9 billion - were processed in this division.

18 percent, or 75 positions, have been funded in these capacities. General fund appropriation of \$4,145,300 for this division in FY 2007.

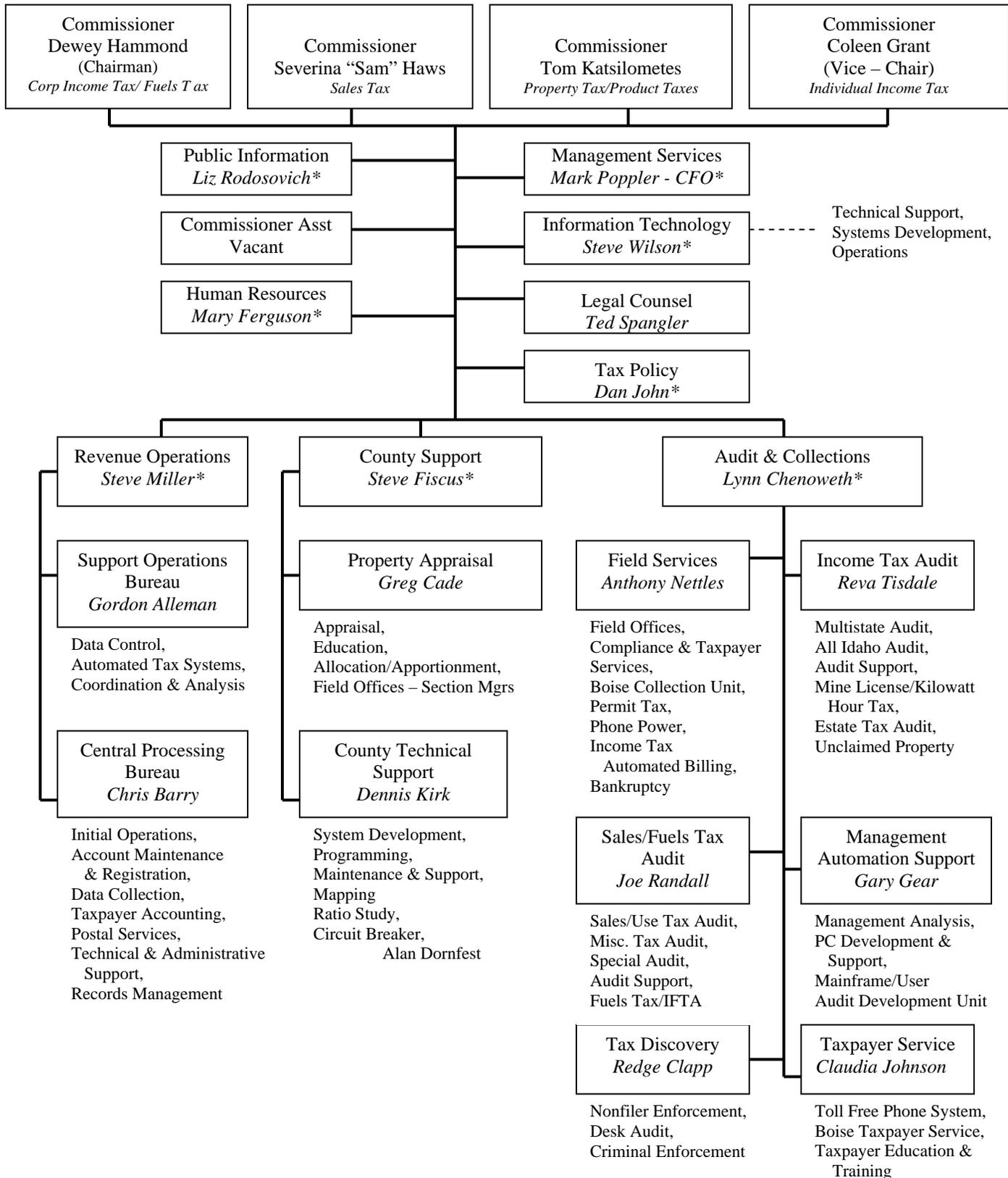
4. **The County Support Division** provides oversight and technical support in the administration of the property tax system, working to ensure fair, equitable, and accurate property taxation. The program is responsible for annually appraising all class three operating property, examining property tax levies of all taxing districts, training and assisting county elected officials, developing an assessor's manual to facilitate uniformity of appraisals, and administering the circuit breaker program.

10 percent, or 40 positions, have been funded in these capacities. General fund appropriation of \$3,074,200 for this division in FY 2007.

**Summary:**

Positions funded by JFAC for FY 2007	413.5
Total General Fund appropriation for FY 2007 is	\$24,857,600

**Organizational Chart**



\* Executive Management Team

**Core Functions/Idaho Code.  
Sources of Funds.**

	<u>FY 2006 Expenditures</u>	<u>Percent of Total</u>	<u>FY 2007 Appropriation</u>	<u>FY 2008 Request</u>
<b>1. General Fund</b>	\$24,873,800	74.7%	\$24,857,600	\$27,156,300
<p>The General Fund consists of, “moneys received into the treasury and not specially appropriated to any other fund” (§67-1205). The fund sources are: 1) individual income tax, 2) corporate income tax, 3) sales tax, 4) cigarette tax, 5) beer tax, 6) wine tax, 7) liquor surcharge, 8) kilowatt hour tax, 9) mine license tax, 10) Treasurer’s interest on investments of certain idle state funds, 11) court fees and fines, 12) insurance premium tax, 13) sale of alcoholic beverage licenses, 14) unclaimed property, 15) articles of incorporation and uniform commercial code filing fees, 16) estate and transfer tax, and 17) other miscellaneous sources from various agency receipts.</p>				
<b>2. Administration Services for Transportation</b>	\$3,753,600	11.3%	3,631,400	\$3,576,800
<p>The State Tax Commission retains funds from gasoline tax and special fuels tax receipts equal to the cost of collecting, administering, and enforcing the gasoline tax requirements. However, the amount cannot exceed the amount authorized to be expended by the legislature (gasoline: §63-2402 and §63-2405; special fuels: §63-2416 - §63-2417).</p>				
<b>3. Multistate Tax Compact</b>	\$1,694,900	5.1%	1,740,400	\$1,816,100
<p>Moneys collected as direct result of audits conducted by the Multistate Tax Commission (on behalf of the state of Idaho) shall be paid by the State Tax Commission into the Multistate Tax Compact Fund. The Multistate Tax Compact was formed to determine the tax liability of multistate taxpayers, promote uniformity or compatibility in tax systems, and facilitate taxpayer convenience and compliance in the filing of tax returns and avoid double taxation across states §63-3709).</p>				
<b>4. Abandoned Property Trust - Unclaimed</b>	\$846,500	2.5%	829,000	\$851,400
<p>The Unclaimed Property Fund receives money from:</p> <ol style="list-style-type: none"> <li>1. Certain banking accounts.</li> <li>2. Certain unclaimed funds that are owned and unpaid by life insurance companies for fifteen years.</li> <li>3. Certain deposits and refunds payable by utilities for more than fifteen years.</li> <li>4. Certain investments shares, funds, and interests.</li> </ol> <p>The State Tax Commission is required to maintain a record of the name and last known address of each person thought to own the property. The record is to be made available for public inspection at all reasonable business hours (§14-517).</p>				
<b>5. Seminars and Publications Fund</b>	\$110,400	0.3%	175,500	\$169,700
<p>Fees, education purposes sales, tax regulations and printed material, fees for copies, supplies, bad check charges, postage reimbursement, sales of maps, unclaimed property lists, etc. Sales are primarily to the public.</p>				
<b>6. Administration and Accounting Fund</b>	\$330,300	1.0%	236,200	\$169,700
<p>The State Tax Commission is directed to retain funds for the Commission’s cost of collecting and administering the moneys of certain trust funds. For the following trust funds the annual amount is three thousand dollars (\$3,000) or twenty percent (20%, whichever is less (§63-3067A&amp;B(d)):</p> <ol style="list-style-type: none"> <li>1. The Fish and Game Trust Fund (0051)</li> <li>2. The Children’s Trust Fund (0483)</li> </ol> <p>On other taxes, the State Tax Commission is authorized to retain an amount of money equal to the cost of collecting and administering them. The amount retained can not exceed the amount authorized to be expended by appropriation by the Legislature. Those taxes are:</p> <ol style="list-style-type: none"> <li>1. Idaho Travel and Convention Tax (0212) (§67-4718)</li> <li>2. Illegal Drug Tax (0281) (63-4209)</li> <li>3. Boise Auditorium District (0630) (§67-4917C)</li> <li>4. Petroleum Clean Water Trust Fund (0130) (§41-4909)</li> <li>5. Local Option Sales Tax (0630) (§63-2605)</li> </ol>				
<b>7. Economic Recovery Fund</b>	\$1,709,400	5.1%	1,172,200	\$ -0-
<p>The Tax Commission receives intermittent grants from the federal government for project-specific work.</p>				
<b>Total</b>	\$33,318,800	100.0%	\$32,642,300	\$33,824,700

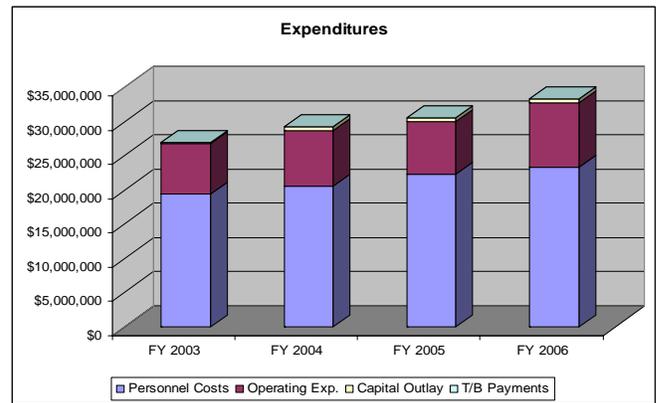
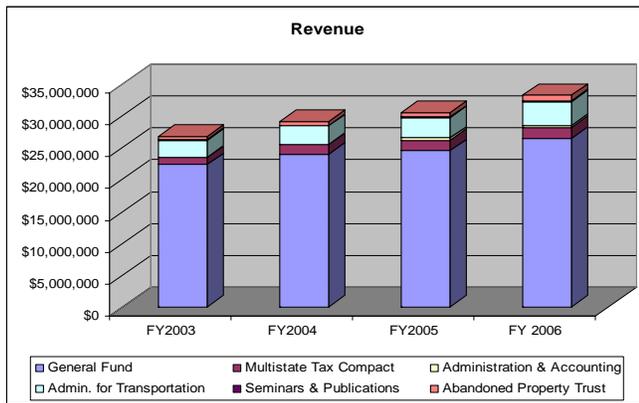
# Tax Commission, Idaho State

## Revenue and Expenditures:

Revenue	FY 2003	FY 2004	FY 2005	FY 2006
General Fund + Economic Recovery Fund				
Recovery Fund	\$22,409,300	\$24,008,000	\$24,615,800	\$26,583,100
Multistate Tax Compact	\$1,108,600	\$1,525,900	\$1,621,800	\$1,694,900
Administration & Accounting	\$108,500	\$104,300	\$394,000	\$330,300
Admin. for Transportation	\$2,611,000	\$2,845,600	\$3,164,100	\$3,753,600
Seminars & Publications	\$137,600	\$131,900	\$123,100	\$110,400
Abandoned Property Trust	\$485,000	\$603,500	\$647,000	\$846,500
<b>Total</b>	<b>\$26,860,000</b>	<b>\$29,219,200</b>	<b>\$30,565,800</b>	<b>\$33,318,800</b>

Expenditure	FY 2003	FY 2004	FY 2005	FY 2006
Personnel Costs	\$19,335,000	\$20,598,300	\$22,261,900	\$23,332,500
Operating Expenditures	\$7,363,900	\$8,084,000	\$7,722,100	\$9,423,600
Capital Outlay	\$161,100	\$536,900	\$581,800	\$562,700
Trustee/Benefit Payments	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$26,860,000</b>	<b>\$29,219,200</b>	<b>\$30,565,800</b>	<b>\$33,318,800</b>



## Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2003	FY 2004	FY 2005	FY 2006
% of Revenue Received Electronically	44.8%	46.6%	47.2%	47.0%
Tax Returns Filed Electronically	212,486	258,295	310,089	344,664
Tax Returns Processed	1,981,073	2,046,170	2,117,250	2,203,846
Revenues from Audits	\$33.32 million	\$37.41 million	\$31.83 million	\$43.42 million
Revenues from Collections	\$87.11 million	\$98.86 million	\$98.42 million	122.34 million
STC Cost Per Tax Dollar Received	1.05 cents	1.01 cents	0.96 cents	0.94 cents
Walk-in customers during tax drive	8,533	9,768	11,670	11,583
Calls from taxpayers during tax drive	140,896	126,422	132,674	119,579
Refund status inquiries on website	23,788	28,859	56,504	56,435

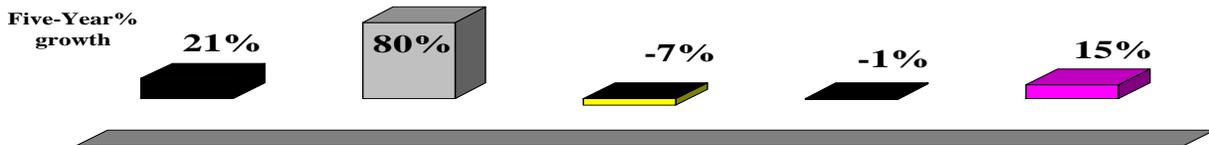
**Performance Highlights:**

## Overall Activity Levels in 2005

Telephone calls requesting service.....	259,549
Average wait for service.....	20 seconds
E-mails from tax practitioners.....	4,176
User sessions on Web site.....	1,015,537
Walk-in customers .....	24,420
Tax returns processed .....	2,153,040
Total money deposited .....	\$2,905,371,185
Refunds paid .....	\$167,357,366
Number of refunds.....	437,230

## Idaho Tax Commission

Fiscal Year	Voluntary Compliance	Audit & Collections	STC Cost Per Tax Dollar	Number of Employees*	Returns Processed
2001	\$2,365,151,112	\$ 91,992,927	1.01	376	1,909,186
2002	\$2,092,097,256	\$114,065,879	1.15	376	1,886,437
2003	\$2,154,350,239	\$120,433,902	1.05	377	1,981,073
2004	\$2,425,394,312	\$136,267,007	1.01	372	2,046,170
2005	\$2,722,262,271	\$130,253,514	0.96	372	2,117,250
2006	\$2,864,221,113	\$165,761,547	0.94	372	2,203,846

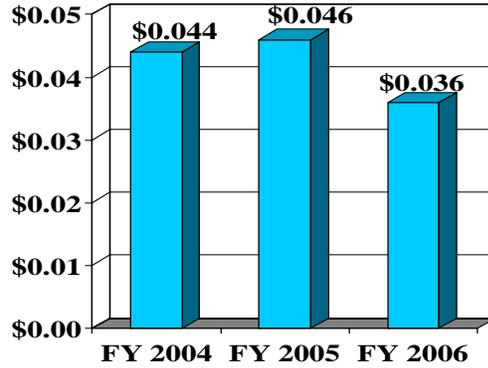


\* Total full-time employees minus county support division.

## All - In Cost to Collect

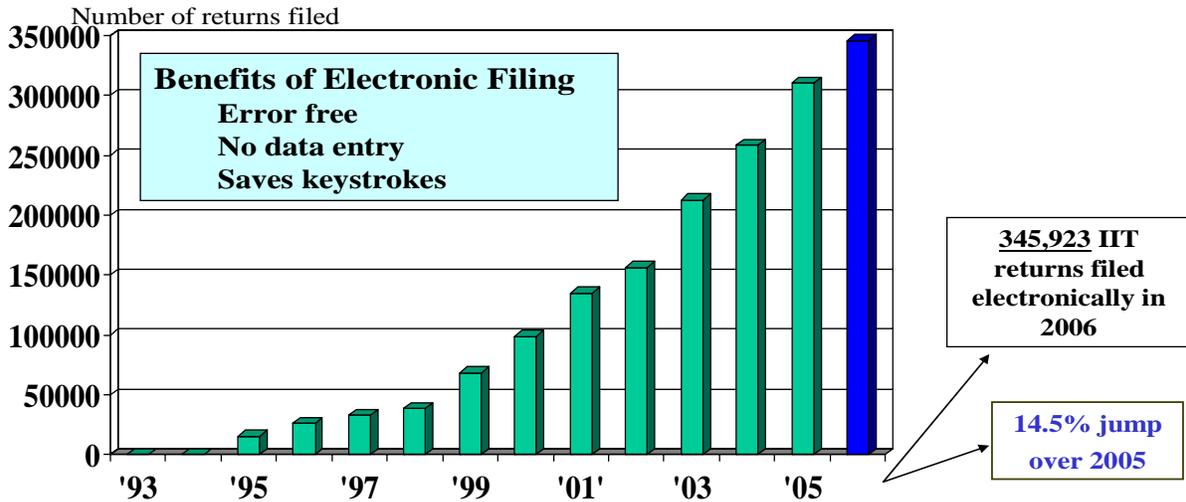
<b>FY 2004 –</b>		
Personnel	\$3,836,400	
Operating	\$ 427,000	
Capital Outlay	\$ 90,600	
<b>Total</b>	<b>\$4,354,000</b>	<b>\$98,855,462</b>
<b>FY 2005-</b>		
Personnel	\$4,091,800	
Operating	\$ 391,000	
Capital Outlay	\$ 85,000	
<b>Total</b>	<b>\$4,567,800</b>	<b>\$98,417,260</b>
<b>FY 2006 –</b>		
Personnel	\$4,007,700	
Operating	\$ 392,400	
Capital Outlay	\$ -0-	
<b>Total</b>	<b>\$4,400,100</b>	<b>\$122,343,532</b>

Cost per Dollar - Cents



115,000 collection cases resolved in last fiscal year.

## Electronically Filed Income Tax Returns



**Part II – Performance Measures**

<b>Performance Measure</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Benchmark</b>
1. Percentage of income tax refunds not processed within 60 day limit	0.6%	0.8%	1.1%	1.1%	Less than 1.0%
2. Percentage of E-filed individual income tax returns	37.2%	44.8%	52.1%	56.0%	55.0%
3. Percentage of E-payments	44.8%	46.6%	47.2%	47.0%	Attain 50% of receipts
4. Number of E-mail Web subscriptions to the Tax Commission Web Site	N/A	N/A	N/A	700	Target for FY 2007 is 1500
5. Average cost of collection bureau per collection case closed	\$49.08	\$47.41	\$46.85	\$38.28	\$37.13 Target
6. Average cost of audit bureau per audit case closed	N/A	\$720.50	\$579.00	\$495.70	\$480.00 Target
7. Call center queue time	27 seconds	23 seconds	20 seconds	18 seconds	15 – 20 seconds

**Performance Measure Explanatory Note:**

1. Current year individual income tax returns requesting refunds must be processed within 60 days of Commission receipt or interest will apply by Idaho Statute.
2. Percentage of individual tax returns filed electronically in relation to total tax returns received.
3. Dollars received electronically in relation to total receipts.
4. Number of subscriptions for automatic updates from the Tax Commission Web Site.
5. Average cost within the Tax Commission of the collection bureau expressed in terms of collection cases resolved per year.
6. Average cost within the Tax Commission of the audit bureau expressed in terms of audit cases concluded per year.
7. Average length of time before a phone call is connected to a live body.

**For More Information Contact**

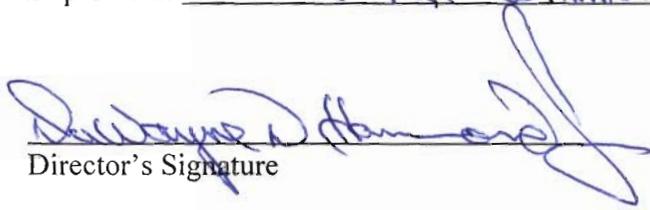
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***Director Attestation for Agency Profile***

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In accordance with *Idaho Code* 67-1904, I certify the data provided in the Agency Profile has been internally assessed for accuracy, and, to the best of my knowledge, is deemed to be accurate.

Department: State Tax Commission

  
Director's Signature

8-25-06  
Date

Please return to:

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