

**Part 1 – Agency Profile**

**Agency Overview**

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 72.15 positions, have been funded in these capacities.  
 General fund appropriation of \$7,986,900 for this division in FY 2009.

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 226.35 positions, have been funded in these capacities.  
 General fund appropriation of \$12,208,400 for this division in FY 2009.

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 2,292,000 tax returns – representing nearly \$3.6 billion - were processed in this division.

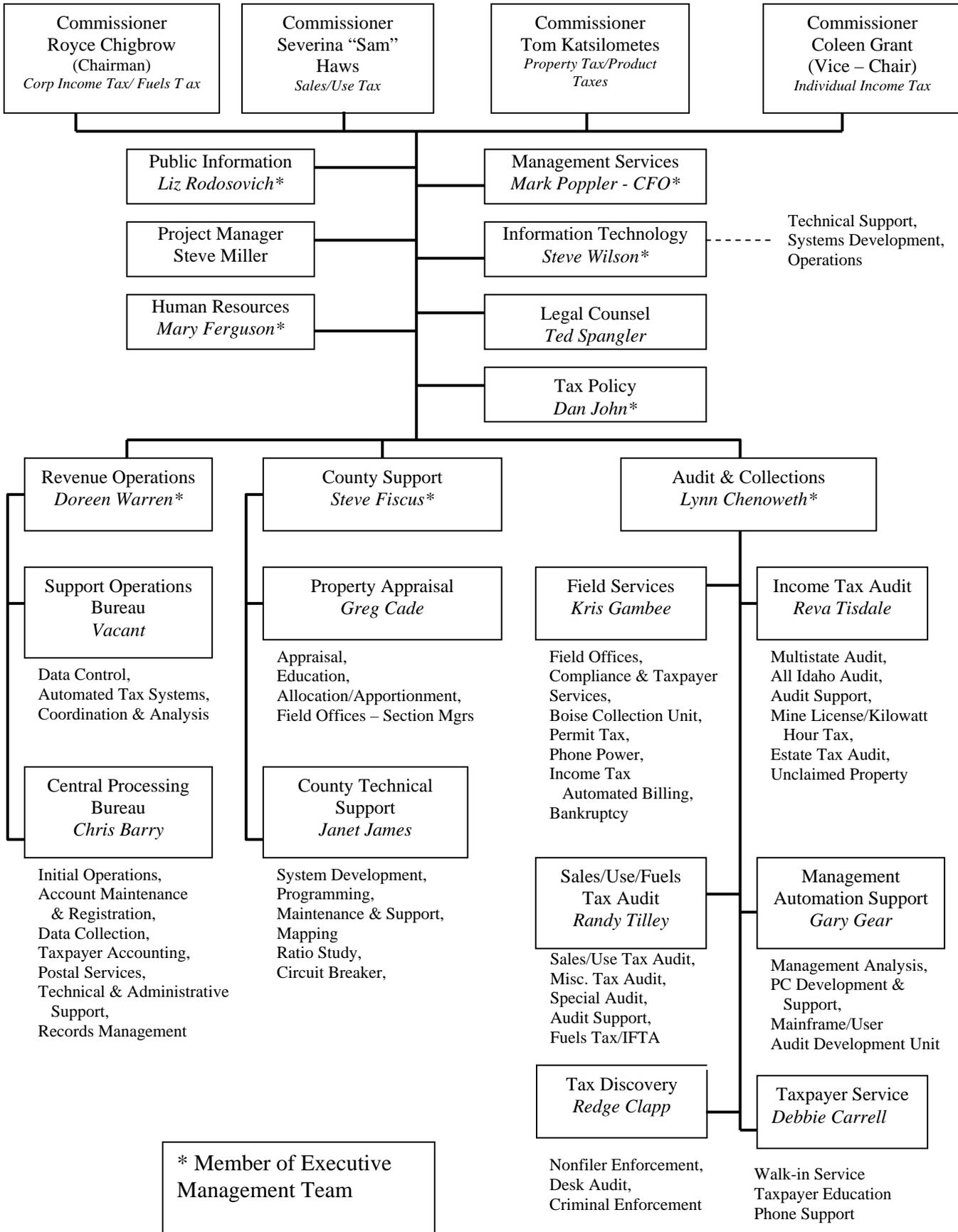
18 percent, or 75 positions, have been funded in these capacities.  
 General fund appropriation of \$4,646,000 for this division in FY 2009.

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 \$3,562,600 for this division in FY 2009.

**Summary:**

Positions funded by JFAC for FY 2009	413.5
Total General Fund appropriation for FY 2009 is	\$28,403,900



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

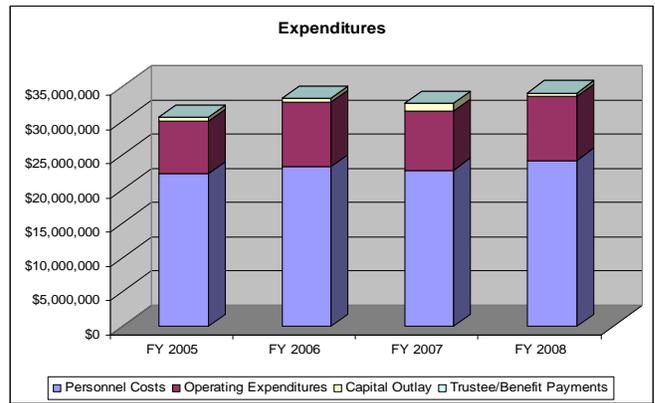
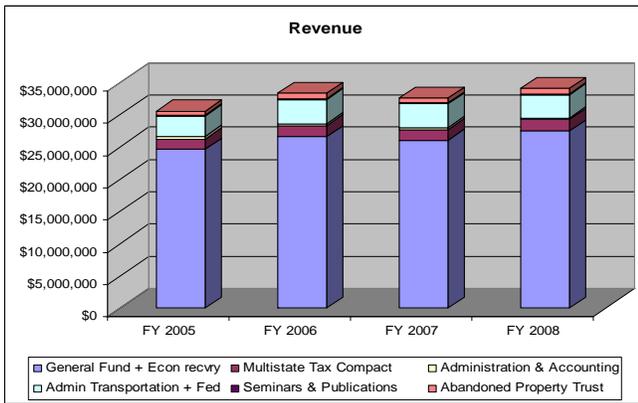
	FY 2008 Expenditures	Percent of Total	FY 2009 Appropriation	FY 2010 Request
<b>1. General Fund</b>	\$27,478,300	80.7%	\$28,403,900	\$32,813,300
The General Fund consists of, "moneys received into the treasury and not specially appropriated to any other fund" (§67-1205). The fund sources are: 1) individual 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.				
<b>2. Administration Services for Transportation</b>	\$3,598,900	10.6%	3,669,500	\$4,121,200
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). Spending from any fuels related Federal Grants are also included here.				
<b>3. Multistate Tax Compact</b>	\$1,787,700	5.2%	1,855,300	\$2,142,100
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).				
<b>4. Abandoned Property Trust - Unclaimed</b>	\$801,500	2.4%	864,200	\$972,800
The Unclaimed Property Fund receives money from:				
<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>				
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).				
<b>5. Seminars and Publications Fund</b>	\$144,700	0.4%	151,200	\$154,800
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.				
<b>6. Administration and Accounting Fund</b>	\$253,700	1.0%	255,000	\$266,700
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&B(d)):				
<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> <li>3. Idaho Guard and Reserve Family Support Fund (0349)</li> <li>4. American Red Cross (0630-02)</li> <li>5. Special Olympics (0630-02)</li> <li>6. Veterans Support Fund (0213)</li> </ol>				
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:				
<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>	\$0	0.0%	\$ 0	\$ -0-
<b>Total</b>	\$34,064,800	100.0%	\$35,199,100	\$40,470,900

**Revenue and Expenditures:**

Revenue	FY 2005	FY 2006	FY 2007	FY 2008
General Fund + Econ recrvy	\$24,615,800	\$26,583,100	\$26,011,700	\$27,478,300
Multistate Tax Compact	\$1,621,800	\$1,694,900	\$1,719,000	\$1,787,700
Administration & Accounting	\$394,000	\$330,300	\$232,600	\$253,700
Admin Transportation + Fed	\$3,164,100	\$3,753,600	\$3,701,100	\$3,598,900
Seminars & Publications	\$123,100	\$110,400	\$158,500	\$144,700
Abandoned Property Trust	\$647,000	\$846,500	\$772,800	\$801,500
<b>Total</b>	<b>\$30,565,800</b>	<b>\$33,318,800</b>	<b>\$32,595,700</b>	<b>\$34,064,800</b>

Expenditure	FY 2005	FY 2006	FY 2007	FY 2008
Personnel Costs	\$22,261,900	\$23,332,500	\$22,783,900	\$24,229,900
Operating Expenditures	\$7,722,100	\$9,423,600	\$8,599,200	\$9,398,000
Capital Outlay	\$581,800	\$562,700	\$1,212,600	\$436,900
Trustee/Benefit Payments	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$30,565,800</b>	<b>\$33,318,800</b>	<b>\$32,595,700</b>	<b>\$34,064,800</b>



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

Cases Managed and/or Key Services Provided	FY 2005	FY 2006	FY 2007	FY 2008
% of Revenue Received Electronically	47.2%	47.0%	47.8%	49.4%
Tax Returns Filed Electronically	310,089	344,664	385,581	436,016
Tax Returns Processed	2,117,250	2,203,846	2,179,502	2,292,000
Revenues from Audits	\$31.83 million	\$43.42 million	\$49.86 million	\$55.68 million
Revenues from Collections	\$98.42 million	122.34 million	\$112.6 million	\$141.63 million
STC Cost Per Tax Dollar Received	0.96 cents	0.94 cents	0.84 cents	0.83 cents
Walk-in customers during tax drive	11,670	11,583	11,861	12,726
Calls from taxpayers during tax drive	132,674	119,579	116,306	126,405
Refund status inquiries on website	56,504	56,435	86,587	68,160

**Part II – Performance Measures**

Performance Measure	2005	2006	2007	2008	Benchmark
1. Percentage of current year income tax refunds not processed within 60 day limit	1.1%	1.1%	4.7%	3.5%	Less than 1.0%
2. Percentage of E-filed individual income tax returns	52.1%	56.0%	62.0%	65.0%	55.0%
3. Percentage of E-payments	47.2%	47.0%	47.8%	49.4%	Attain 50% of receipts
4. Number of E-mail Web subscriptions to the Tax Commission Web Site	N/A	700	1623	2179	Target for FY 2009 is 3400
5. Average cost of collection bureau per collection case closed	\$46.85	\$38.28	\$35.55	\$35.44	\$35.00 Target
6. Average cost of audit bureau per audit case closed	\$579.00	\$495.70	\$392.96	\$420.96	\$410.00 Target
7. Call center queue time	20 seconds	18 seconds	23 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**

Royce Chigbrow, Chairman  
Tax Commission, Idaho State  
800 Park Blvd  
PO Box 36  
Boise, ID 83722  
Phone: (208) 334-7500  
E-mail: [rchigbrow@tax.idaho.gov](mailto:rchigbrow@tax.idaho.gov)