

Part 1 – Agency Profile

Agency Overview

EXPLANATION OF DIVISIONS IN AGENCY

1. **General Services Division** consists of: Commissioners, Legal, Tax Policy, Human Resources, Information Technology, Management Services, Taxpayer Services/Communications, and newly formed Strategic Development Services. This organizational unit provides for centralized management, policy development, legal, personnel, fiscal and computer services, and outreach and service for taxpayers.

17 percent, or 74.15 positions, have been authorized in these capacities.
General fund appropriation of \$6,710,800 for this division in FY 2012.

2. **The Audit & Collections Division** operates from the administrative office in Boise and five field office locations (Lewiston, Coeur D’Alene, Twin Falls, Idaho Falls, and Pocatello). The division is responsible for collecting delinquent taxes and conducts audits on 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. The administration of Idaho's unclaimed property was transferred to the State Treasury in FY2011.

57 percent, or 254.35 positions, have been authorized in these capacities.
General fund appropriation of \$14,548,200 for this division in FY 2012.

3. **The Revenue Operations Division** maintains the taxpayer database, processes all returns and payments, initiates the deposit of money received and issues taxpayer refunds. The division: (a) registers permit holders for 17 tax types including sales, withholding, hotel/motel, motor fuels, beer, wine, cigarette and tobacco taxes; (b) ensures that all individuals and licensed businesses have access to proper tax forms for reporting; (c) processes revenue and refund documents submitted by taxpayers; and (d) maintains an imaging system used to streamline the processing and storing of tax documents. In the last fiscal year, over 2.2 million tax transactions – representing over \$3.1 billion in revenues and over \$300 million in income tax refunds- were processed in this division.

18 percent, or 79 positions, have been authorized in these capacities.
General fund appropriation of \$4,630,900 for this division in FY 2012.

4. **The Property Tax Division** (formerly called County Support) provides oversight in the administration of the property tax system. The division 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. Property taxes generated over \$1.7 billion of revenue to local government units in calendar 2011.

8 percent, or 37 positions, have been authorized in these capacities.
General fund appropriation of \$2,694,400 for this division in FY 2012.

Summary:

Positions authorized by JFAC for FY 2012	444.5
Total General Fund appropriation for FY 2012 is	\$28,584,300

Core Functions/Idaho Code	FY 2011 Expenditures	Percent of Total	FY 2012 Appropriation	FY 2013 Request
1. General Fund	\$25,810,700	81.1%	\$28,584,300	\$33,806,000
<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>				
2. Administration Services for Transportation	\$3,626,000	11.4%	\$3,696,000	\$4,119,400
<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 fuels 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.</p>				
3. Multistate Tax Compact	\$1,796,100	5.6%	\$1,866,500	\$2,345,200
<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>				
4. Abandoned Property Trust - Unclaimed	\$0	0.0%	\$0	\$0
<p>The Unclaimed Property Fund receives money from:</p> <ol style="list-style-type: none"> 1. Certain banking accounts. 2. Certain unclaimed funds that are owned and unpaid by life insurance companies for fifteen years. 3. Certain deposits and refunds payable by utilities for more than fifteen years. 4. Certain investments shares, funds, and interests. <p>The State 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). Responsibility for this function transferred to the State Treasury at the beginning of FY2011. While the Tax Commission still collects this revenue, costs associated with collections are now included in the Administration and Accounting Fund described below.</p>				
5. Seminars and Publications Fund	\$139,600	0.4%	\$171,000	\$163,300
<p>Fees to attend agency-provided property tax classes and related education purposes, sales of tax regulations and printed material, fees for copies, supplies, bad check charges, postage reimbursement, sales of maps, etc. Sales are primarily to the public.</p>				
6. Administration and Accounting Fund	\$436,900	1.4%	\$645,500	\$417,000
<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&B(d)):</p> <ol style="list-style-type: none"> 1. The Fish and Game Trust Fund (0051) 2. The Children’s Trust Fund (0483) 3. Idaho Guard and Reserve Family Support Fund (0349) 4. American Red Cross (0630-02) 5. Special Olympics (0630-02) 6. Veterans Support Fund (0213) 7. Idaho Food Bank (0630-02) <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 cannot exceed the amount authorized to be expended by appropriation by the Legislature. Those taxes are:</p> <ol style="list-style-type: none"> 1. Idaho Travel and Convention Tax (0212) (§67-4718) 2. Boise Auditorium District (0630) (§67-4917C) 				

Tax Commission, Idaho State

Performance Measurement Report

3. Petroleum Clean Water Trust Fund (0130) (\$41-4909)
4. Local Option Sales Tax (0630) (\$63-2605)
5. Transition services for Unclaimed Property Tax (0518-01)

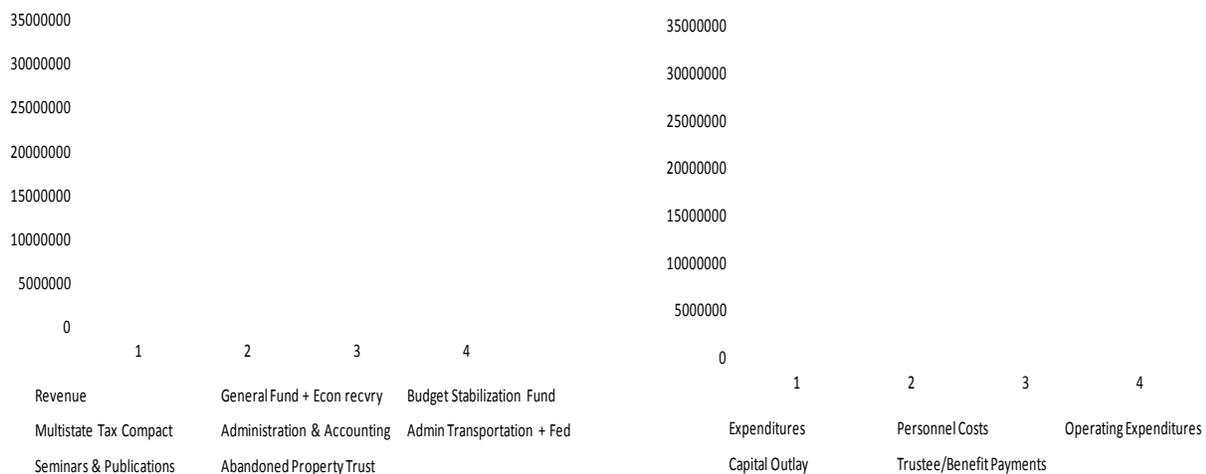
Total All Funds	\$31,809,300	100.0%	\$34,963,300	\$40,850,900
------------------------	--------------	--------	--------------	--------------

Revenue Sources and Actual Expenditures:

Revenue Sources	FY 2008	FY 2009	2010	2011
General Fund + Econ recvry	\$27,478,300	\$26,305,100	\$23,981,200	\$25,810,700
Budget Stabilization Fund			\$1,392,100	
Multistate Tax Compact	\$1,787,700	\$1,843,700	\$1,856,700	\$1,796,100
Administration & Accounting	\$253,700	\$250,300	\$257,900	\$436,900
Admin Transportation + Fed	\$3,598,900	\$3,690,000	\$3,876,300	\$3,626,000
Seminars & Publications	\$144,700	\$149,500	\$140,200	\$139,600
Abandoned Property Trust	\$801,500	\$850,000	\$911,000	\$0
Total	\$34,064,800	\$33,088,600	\$32,415,400	\$31,809,300
Actual Expenditures	FY 2008	FY 2009	2010	2011
Personnel Costs	\$24,229,900	\$24,216,100	\$23,959,000	\$23,335,700
Operating Expenditures	\$9,398,000	\$8,498,500	\$8,047,600	\$8,081,800
Capital Outlay	\$436,900	\$374,000	\$408,800	\$391,800
Trustee/Benefit Payments	\$0	\$0	\$0	\$0
Total	\$34,064,800	\$33,088,600	\$32,415,400	\$31,809,300

Revenue

Expenditures



Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2008	FY 2009	FY 2010	FY 2011
Gross Receipts (millions)	\$3,591.47	\$3,163.01	\$2,950.69	\$3,138.04
% of Revenue Received Electronically	49.4%	51.6%	53.3%	55.7%
Tax Returns Filed Electronically	436,016	457,022	491,575	543,055
Transactions Processed	2,292,000	2,220,000	2,226,000	2,260,000
Sales Tax permits issued (new)				7,262
Withholding accounts issued (new)				5,854
Revenues from Audits (millions)	\$55.68	\$44.02	\$49.65	\$58.07
Revenues from Collections (millions)	\$141.63	\$120.25	\$123.76	\$124.02
STC Cost Per Tax Dollar Received	0.83 cents	0.93 cents	0.99 cents	0.93 cents
Walk-in customers during tax drive	12,726	12,336	13,801	11,590*
Calls from taxpayers during tax drive	80,210	62,748	65,939	68,303
Refund status inquiries on website	68,160	86,084	88,311	159,355

* Note: In FY2011, the field offices were closed to walk-in traffic. This policy is reversed for FY2012 forward.

Part II – Performance Measures

Performance Measure	2007	2008	2009	2010	2011	Benchmark
1. Percentage of current year income tax refunds not processed within 60 day limit	4.7%	3.5%	0.7%	0.5%	0.7%	Less than 1.0%
2. Percentage of E-filed individual income tax returns	62.0%	65.0%	64.0%	65.7%	72.0%	80.0% by FY2015
3. Percentage of E-filed business income tax returns				16.9%	22.8%	45.0% by FY2015
4. Percentage of E-payments	47.8%	49.4%	51.6%	53.3%	55.7%	60.0% by FY2015
5. Average cost of collection bureau per collection case closed	\$35.55	\$35.44	\$40.62	\$38.99	\$49.74	≤\$40.00 Target
6. Average cost of audit bureau per audit case closed	\$392.96	\$420.96	\$418.67	\$384.83	\$400.46	≤\$410.00 Target
7. Call center queue time	23 seconds	18 seconds	30 seconds	75 seconds	130* 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. Percentage of business tax returns filed electronically in relation to total tax returns received.
4. Dollars received electronically in relation to total receipts.
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. *Tracking software is changing in FY2012. The 130 seconds for FY2011 is an estimate for the tax drive period, and reflects the need for additional manpower (addressed in the zero base budget process) during this period.

For More Information Contact

Bob Geddes, Chairman
Tax Commission, Idaho State
800 Park Blvd
PO Box 36
Boise, ID 83722
Phone: (208) 334-7500
E-mail: bob.geddes@tax.idaho.gov