

## Part 1 – Agency Profile

### Agency Overview

#### EXPLANATION OF DIVISIONS IN AGENCY

1. **General Services Division** consists of: Commissioners, Public Information, Legal, Tax Policy, Human Resources, Information Technology, 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 authorized in these capacities.  
General fund appropriation of \$6,849,200 for this division in FY 2010.

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 authorized in these capacities.  
General fund appropriation of \$11,256,000 for this division in FY 2010.

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 an image system capable of providing individuals with tax documents. In the last fiscal year, over 2,220,000 tax transactions – representing nearly \$3.2 billion - were processed in this division.

18 percent, or 75 positions, have been authorized in these capacities.  
General fund appropriation of \$4,094,500 for this division in FY 2010.

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 authorized in these capacities.  
General fund appropriation of \$2,963,700 for this division in FY 2010.

### **Summary:**

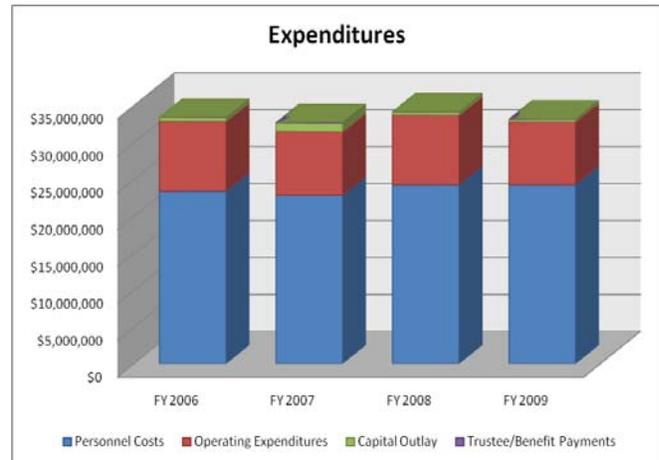
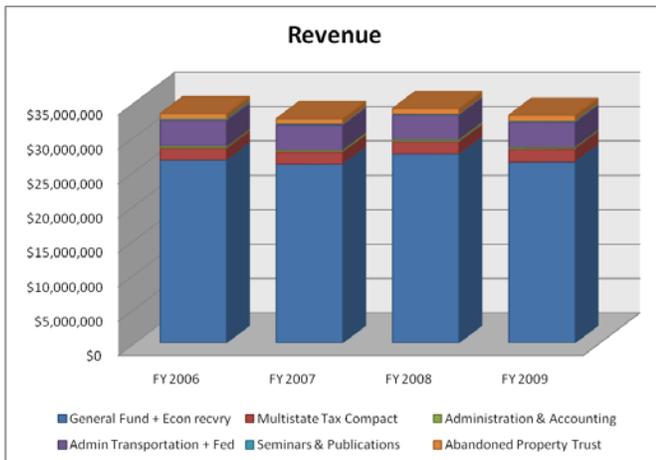
Positions authorized by JFAC for FY 2010	413.5
Total General Fund appropriation for FY 2010 is	\$25,163,400



<b>Core Functions/Idaho Code</b>	<b>FY 2009 Expenditures</b>	<b>Percent of Total</b>	<b>FY 2010 Appropriation</b>	<b>FY 2011 Request</b>
<b>1. General Fund</b>	\$26,305,100	79.5%	\$25,163,400	\$26,322,600
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>	\$3,690,000	11.2%	\$3,823,200	\$3,706,600
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.				
<b>3. Multistate Tax Compact</b>	\$1,843,700	5.6%	\$1,871,900	\$1,848,300
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>	\$850,000	2.6%	\$913,700	\$879,300
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>	\$149,500	0.4%	\$154,500	\$166,200
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>	\$250,300	0.8%	\$258,500	\$259,800
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 cannot 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 All Funds</b>	\$33,088,600	100.0%	\$32,185,200	\$33,182,800

**Revenue Sources and Actual Expenditures:**

Revenue Sources	FY 2006	FY 2007	FY 2008	FY 2009
General Fund + Econ rcvry	\$26,583,100	\$26,011,700	\$27,478,300	\$26,305,100
Multistate Tax Compact	\$1,694,900	\$1,719,000	\$1,787,700	\$1,843,700
Administration & Accounting	\$330,300	\$232,600	\$253,700	\$250,300
Admin Transportation + Fed	\$3,753,600	\$3,701,100	\$3,598,900	\$3,690,000
Seminars & Publications	\$110,400	\$158,500	\$144,700	\$149,500
Abandoned Property Trust	\$846,500	\$772,800	\$801,500	\$850,000
<b>Total</b>	<b>\$33,318,800</b>	<b>\$32,595,700</b>	<b>\$34,064,800</b>	<b>\$33,088,600</b>
Actual Expenditures	FY 2006	FY 2007	FY 2008	FY 2009
Personnel Costs	\$23,332,500	\$22,783,900	\$24,229,900	\$24,216,100
Operating Expenditures	\$9,423,600	\$8,599,200	\$9,398,000	\$8,498,500
Capital Outlay	\$562,700	\$1,212,600	\$436,900	\$374,000
Trustee/Benefit Payments	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$33,318,800</b>	<b>\$32,595,700</b>	<b>\$34,064,800</b>	<b>\$33,088,600</b>



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

Cases Managed and/or Key Services Provided	FY 2006	FY 2007	FY 2008	FY 2009
% of Revenue Received Electronically	47.0%	47.8%	49.4%	51.6%
Tax Returns Filed Electronically	344,664	385,581	436,016	457,022
Transactions Processed	2,203,846	2,179,502	2,292,000	2,220,000
Revenues from Audits	\$43.42 million	\$49.86 million	\$55.68 million	\$44.02 million
Revenues from Collections	122.34 million	\$112.6 million	\$141.63 million	\$120.25 million
STC Cost Per Tax Dollar Received	0.94 cents	0.84 cents	0.83 cents	0.93 cents
Walk-in customers during tax drive	11,583	11,861	12,726	12,336
Calls from taxpayers during tax drive	119,579	116,306	126,405	108,118
Refund status inquiries on website	56,435	86,587	68,160	86,084

**Part II – Performance Measures**

Performance Measure	2005	2006	2007	2008	2009	Benchmark
1. Percentage of current year income tax refunds not processed within 60 day limit	1.1%	1.1%	4.7%	3.5%	0.7%	Less than 1.0%
2. Percentage of E-filed individual income tax returns	52.1%	56.0%	62.0%	65.0%	64.0%	55.0%
3. Percentage of E-payments	47.2%	47.0%	47.8%	49.4%	51.6%	Attain 50% of receipts
4. Number of E-mail Web subscriptions to the Tax Commission Web Site	N/A	700	1623	2179	2981	Target for FY 2009 is 3400
5. Average cost of collection bureau per collection case closed	\$46.85	\$38.28	\$35.55	\$35.44	\$40.62	\$40.00 Target
6. Average cost of audit bureau per audit case closed	\$579.00	\$495.70	\$392.96	\$420.96	\$418.67	\$410.00 Target
7. Call center queue time	20 seconds	18 seconds	23 seconds	18 seconds	30 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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