

Part I – 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, and Communications (formerly Public Information Office). The duties of the Strategic Development Services department have been absorbed by other programs. This division provides for centralized management, policy development, legal, personnel, fiscal and computer services, and communication and outreach services for taxpayers.

15 percent, or 67.65 positions, have been authorized in these capacities.
General fund appropriation of \$11,648,900 for this division in FY 2014.

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

59 percent, or 269.35 positions, have been authorized in these capacities.
General fund appropriation of \$14,332,400 for this division in FY 2014.

In practice in FY2014, and formalized for budget purposes in FY2015, management of the Audit side of this largest division is now separated from management of the Collection functions. The two divisions going forward will provide the same high level of service and functionality to the state and taxpayers, but allow for more concentrated internal focus on the special strengths and challenges of the two groups.

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 2.3 million tax transactions – representing over \$3.4 billion in revenues and over \$300 million in income tax refunds- were processed in this division.

18 percent, or 81 positions, have been authorized in these capacities.
General fund appropriation of \$5,016,800 for this division in FY 2014.

4. **The Property Tax Division** 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 2013.

8 percent, or 37 positions, have been authorized in these capacities.
General fund appropriation of \$2,982,600 for this division in FY 2014.

Summary:

Positions authorized by JFAC for FY 2014	455.0
Total General Fund appropriation for FY 2014 is	\$33,980,700

Core Functions/Idaho Code	FY 2013 Expenditures	Percent of Total	FY 2014 Appropriation	FY 2015 Request
1. General Fund	\$29,412,300	82.5%	\$33,980,700	\$31,185,500
<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	\$3,863,600	10.9%	\$4,398,200	\$4,098,800
<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 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	\$2,000,400	5.6%	\$2,527,000	\$2,352,000
<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. Seminars and Publications Fund	\$121,600	0.3%	\$163,300	\$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>				
5. Administration and Accounting Fund	\$251,400	0.7%	\$452,000	\$445,600
<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) 3. Petroleum Clean Water Trust Fund (0130) (§41-4909) 4. Local Option Sales Tax (0630) (§63-2605), including City of Ketchum beginning in FY2014 <p>A new fee on Prepaid Wireless Services (§31-4809) directs the Tax Commission to retain 2% as an admin fee.</p>				
Total All Funds	\$35,649,300	100.0%	\$41,521,200	\$38,245,200

Revenue Sources and Actual Expenditures:

Revenue Sources	2010	2011	FY 2012	FY 2013
General Fund	\$23,981,200	\$25,810,700	\$28,596,000	\$29,412,300
Budget Stabilization Fund	\$1,392,100			
Multistate Tax Compact	\$1,856,700	\$1,796,100	\$1,964,100	\$2,000,400
Administration & Accounting	\$257,900	\$436,900	\$361,800	\$251,400
Admin Transportation + Fed	\$3,876,300	\$3,626,000	\$3,781,400	\$3,863,600
Seminars & Publications	\$140,200	\$139,600	\$125,900	\$121,600
Abandoned Property Trust	\$911,000	\$0	\$0	\$0
Total	\$32,415,400	\$31,809,300	\$34,829,200	\$35,649,300
Actual Expenditures	2010	2011	FY 2012	FY 2013
Personnel Costs	\$23,959,000	\$23,335,700	\$25,467,400	\$26,597,300
Operating Expenditures	\$8,047,600	\$8,081,800	\$8,633,900	\$8,654,800
Capital Outlay	\$408,800	\$391,800	\$727,900	\$397,200
Trustee/Benefit Payments	\$0	\$0	\$0	\$0
Total	\$32,415,400	\$31,809,300	\$34,829,200	\$35,649,300

Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2010	FY 2011	FY 2012	FY 2013
Gross Receipts (millions)	\$2,950.69	\$3,138.04	\$3,261.38	\$3,464.04
% of Revenue Received Electronically	53.3%	55.7%	57.3%	57.9%
Tax Returns Filed Electronically	491,575	543,055	567,737	587,132
Transactions Processed	2,226,000	2,260,000	2,315,600	2,350,200
Sales Tax permits issued (new)		7,262	5,977	5,677
Withholding accounts issued (new)		5,854	4,909	5,895
Revenues from Audits (millions)	\$49.65	\$58.07	\$47.45	\$74.70
Revenues from Collections (millions)	\$123.76	\$124.02	\$104.92	\$105.62
STC Cost Per Tax Dollar Received	1.10 cents	1.01 cents	1.07 cents	1.03 cents
Walk-in customers during tax drive	13,801	11,590	14,629	13,539
Calls from taxpayers during tax drive	65,939	68,303	47,199	64,096
Refund status inquiries on website	88,311	191,037	275,854	265,633

Part II – Performance Measures

Performance Measure	2010	2011	2012	2013	Benchmark
1. Percentage of current year income tax refunds not processed within 60 day limit	0.5%	0.7%	0.3%	0.6%	Less than 1.0%
2. Percentage of E-filed individual income tax returns	65.7%	72.0%	74.0%	76.0%	80.0% by FY2015
3. Percentage of E-filed business income tax returns	16.9%	22.8%	41.3%	50.7%	60.0% by FY2015
4. Percentage of E-payments	53.3%	55.7%	57.3%	57.9%	60.0% by FY2015
5. Actual number of collection cases closed in fiscal year	118,450	102,245	98,391	100,115	100,000 Target
6. Actual number of audits performed in fiscal year	24,723	24,646	26,874	20,684	25,000 Target
7. Call center queue time during tax drive	75 seconds	130 seconds	216 seconds	127 seconds	Less than 60 seconds

For More Information Contact

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