

Part I – Agency Profile

Agency Overview

EXPLANATION OF DIVISIONS IN AGENCY

1. **General Services Division** consists of: Commissioners, Legal, Tax Appeals, Human Resources, Information Technology, Management Services, and newly created Taxpayer Resources (combining Communications, Tax Policy, and Taxpayer Services). This division provides for centralized management, internal policy development, taxpayer appeals, legal, personnel, fiscal and computer services, and communication and outreach services for taxpayers.

15 percent, or 68.65 positions, have been authorized in these capacities.

General fund appropriation of \$9,509,400 for this division in FY 2017.

2. **The Audit 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 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, and increasingly mitigates identity theft and fraud issues.

32 percent, or 142.35 positions, have been authorized in these capacities.

General fund appropriation of \$8,329,800 for this division in FY 2017.

3. **The Collections Division** operates from the administrative office in Boise and both works from, and oversees, the five field office locations. The division is responsible for collecting delinquent taxes for all tax types. The employees providing front-line taxpayer services at the counters and over the phone are being transferred into the newly formed Taxpayer Resources group described in the General Services Division above.

27 percent, or 121.00 positions, have been authorized in these capacities.

General fund appropriation of \$7,958,300 for this division in FY 2017.

4. **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 2.4 million tax transactions – representing over \$4.0 billion in revenues and over \$400 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 \$5,792,700 for this division in FY 2017.

5. **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 \$1.8 billion of revenue to local government units in calendar 2015.

8 percent, or 38 positions, have been authorized in these capacities.

General fund appropriation of \$3,572,400 for this division in FY 2017.

Summary:

Positions authorized by JFAC for FY 2017	451.0
Total General Fund appropriation for FY 2017 is	\$35,162,600

Core Functions/Idaho Code

Core Functions/Idaho Code	FY 2016 Expenditures	Percent of Total	FY 2017 Appropriation	FY 2018 Request
1. General Fund	\$32,065,800	83.0%	\$35,162,600	\$35,542,200
<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	\$4,140,900	10.7%	\$4,480,800	\$4,477,900
<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	\$2,084,200	5.4%	\$2,608,900	\$2,641,600
<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	\$156,200	0.4%	\$185,300	\$185,300
<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	\$174,700	0.5%	\$225,800	\$227,300
<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) 5. 2% fee on Prepaid Wireless Services (§31-4809) 				
Total All Funds	\$38,621,800	100.0%	\$42,663,400	\$43,074,300

Revenue and Expenditures

Revenue	FY 2013	FY 2014	FY 2015	FY 2016
General Fund	\$29,412,300	\$33,895,700	\$30,891,900	\$32,065,800
Budget Stabilization Fund				
Multistate Tax Compact	\$2,000,400	\$2,468,100	\$2,108,400	\$2,084,200
Administration & Accounting	\$251,400	\$399,800	\$233,900	\$174,700
Admin Transportation + Fed	\$3,863,600	\$4,321,000	\$4,026,500	\$4,140,900
Seminars & Publications	\$121,600	\$142,800	\$155,200	\$156,200
Abandoned Property Trust	\$0	\$0	\$0	\$0
Total	\$35,649,300	\$41,227,400	\$37,415,900	\$38,621,800
Expenditures	FY 2013	FY 2014	FY 2015	FY 2016
Personnel Costs	\$26,597,300	\$27,148,300	\$28,215,200	\$28,860,800
Operating Expenditures	\$8,654,800	\$13,314,800	\$8,526,300	\$9,015,000
Capital Outlay	\$397,200	\$764,300	\$674,400	\$746,000
Trustee/Benefit Payments	\$0	\$0	\$0	\$0
Total	\$35,649,300	\$41,227,400	\$37,415,900	\$38,621,800

Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2013	FY 2014	FY 2015	FY 2016
Gross Receipts (millions)	\$3,464.04	\$3,564.82	\$3,836.76	\$4,075.24
% of Revenue Received Electronically	57.9%	59.6%	60.9%	64.7%
Income Tax Returns Filed Electronically	587,132	615,575	694,609	731,298
Transactions Processed	2,350,200	2,390,183	2,414,737	2,483,961
Sales Tax permits issued (new)	5,677	5,145	5,429	5,109
Withholding accounts issued (new)	5,895	5,645	6,580	6,451
Revenues from Audits (millions)	\$74.70	\$53.60	\$45.10	\$40.22
Revenues from Collections (millions)	\$105.62	\$107.11	\$112.40	\$117.75
Collection cases closed in year	100,115	94,455	90,662	98,994
Number of Audits performed	20,684	19,442	18,327	18,493
STC Cost Per Tax Dollar Received	1.03 cents	1.02 cents	0.98 cents	0.95 cents
Number of Fraud Refunds Stopped	425	950	1,422	724
Known Fraud Refunds Not Caught	9	8	15	8
Dollars of Fraud Refunds Stopped	\$421,180	\$1,227,096	\$2,094,269	\$1,054,934
Dollars of Known Fraud Refunds Not Stopped	\$1,820	\$6,828	\$13,884	\$4,907
Walk-in customers during tax drive	13,539	14,295	14,766	15,229
Calls from taxpayers during tax drive	64,096	67,180	77,571	76,443
Call center queue time during tax drive	127 seconds	79 seconds	154 seconds	141 seconds
Refund status inquiries on website	192,697	221,120	244,840	345,559

Part II – Performance Measures

Performance Measure		FY 2013	FY 2014	FY 2015	FY 2016	Current Year
Implement Methods of Providing Customer Service and Education to Enhance Voluntary Compliance with Idaho Tax Laws						
1. Percentage of current year income tax refunds not processed within 60 day limit	actual	0.6%	0.2%	1.0%	1.0%	-----
	benchmark	Less than 1.0%				
2. Percentage of confirmed fraudulent refund payments stopped by agency	actual	98.0%	99.2%	99.0%	99.3%	-----
	benchmark	99.0%	99.0%	99.0%	99.0%	99.0%
3. Percentage of E-filed individual income tax returns	actual	76.0%	78.0%	79.7%	81.7%	-----
	benchmark	85.0% by FY2016	85.0% by FY2016	85.0% by FY2016	85.0% by FY2016	85.0% by FY2018
4. Percentage of E-filed business income tax returns	actual	50.7%	55.5%	60.2%	64.0%	-----
	benchmark	80.0% by FY2016	80.0% by FY2016	80.0% by FY2016	80.0% by FY2016	80.0% by FY2018
5. Percentage of E-payments	actual	57.9%	59.6%	60.9%	64.7%	-----
	benchmark	60.0% by FY2015	60.0% by FY2015	60.0% by FY2015	60.0% by FY2015	66.0% by FY2017
6. Actual number of 'Where's my refund?' calls to TPS	actual	N/A	N/A	9,249	11,553	-----
	benchmark	N/A	N/A	N/A	New	Reduce by 10%
Administer Tax Law and Develop Rules and Policies that Promote Fairness, Consistency, Compliance, Security, and Public Confidence						
7. Percentage of Appeals cases resolved within guidelines by tax type	actual	N/A	N/A	N/A	N/A	-----
	benchmark	N/A	N/A	N/A	New	90%
Seek and Implement Efficient Operations within the Agency to Support our Mission						
8. Percentage of total staff time that is spent in their primary roles	actual	N/A	N/A	N/A	N/A	-----
	benchmark	N/A	N/A	N/A	New	80%

For More Information Contact

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