

**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.

17 percent, or 79.65 positions, have been authorized in these capacities.

General fund appropriation of \$12,356,800 for this division in FY 2019.

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 147.35 positions, have been authorized in these capacities.

General fund appropriation of \$8,678,500 for this division in FY 2019.

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 division is also responsible for voluntary compliance and education of the Temporary Sellers Permit program. The employees provide front-line taxpayer services at the counters and over the phone in the five field offices.

25 percent, or 113.00 positions, have been authorized in these capacities.

General fund appropriation of \$7,453,900 for this division in FY 2019.

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 2.5 million tax transactions – representing over \$4.0 billion in revenues and over \$400 million in income tax refunds- were processed in this division.

17 percent, or 80 positions, have been authorized in these capacities.

General fund appropriation of \$5,975,600 for this division in FY 2019.

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 2016.

9 percent, or 39 positions, have been authorized in these capacities.

General fund appropriation of \$3,689,800 for this division in FY 2019.

**Summary:**

Positions authorized by JFAC for FY 2019	459.0
Total General Fund appropriation for FY 2019 is	\$38,154,600

**Core Functions/Idaho Code**

Core Functions/Idaho Code	FY 2018 Expenditures	Percent of Total	FY 2019 Appropriation	FY 2020 Request
<b>1. General Fund</b>	\$35,821,400	83.00%	\$38,154,600	\$37,259,100
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>	\$4,509,400	10.45%	\$4,503,900	\$4,615,700
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>	\$2,432,200	5.64%	\$2,632,000	\$2,844,700
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. Seminars and Publications Fund</b>	\$181,600	0.42%	\$186,800	\$206,800
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.				
<b>5. Administration and Accounting Fund</b>	\$212,200	0.49%	\$272,900	\$212,300
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> <li>7. Idaho Food Bank (0630-02)</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. Boise Auditorium District (0630) (§67-4917C)</li> <li>3. Petroleum Clean Water Trust Fund (0130) (§41-4909)</li> <li>4. Local Option Sales Tax (0630) (§63-2605)</li> <li>5. 2% fee on Prepaid Wireless Services (§31-4809)</li> </ol>				
<b>Total All Funds</b>	\$43,156,800	100.00%	\$45,750,200	\$45,138,600

**Revenue and Expenditures**

<b>Revenue</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Fund (appropriation)	\$30,962,200	\$32,175,500	\$37,162,600	\$37,798,300
Budget Stabilization Fund				
Multistate Tax Compact (appropriation)	\$2,355,600	\$2,356,900	\$2,608,900	2,660,500
Administration & Accounting	\$228,600	\$174,600	\$175,100	224,400
Admin Transportation + Fed	\$4,079,200	\$4,140,700	\$4,472,800	4,510,100
Seminars & Publications	\$158,700	\$169,800	\$179,900	210,300
Abandoned Property Trust	\$0	\$0	\$0	0
<b>Total</b>	<b>\$37,784,300</b>	<b>\$39,017,500</b>	<b>\$44,599,300</b>	<b>\$45,381,200</b>
<b>Expenditures by fund</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Fund	\$30,891,900	\$32,065,800	\$35,066,100	\$35,821,400
Budget Stabilization Fund				
Multistate Tax Compact	\$2,108,400	\$2,084,200	\$2,409,100	2,432,200
Administration & Accounting	\$233,900	\$174,700	\$195,800	212,200
Admin Transportation + Fed	\$4,026,500	\$4,140,900	\$4,416,900	4,509,400
Seminars & Publications	\$155,200	\$156,200	\$163,600	181,600
Abandoned Property Trust	\$0	\$0	\$0	0
<b>Total</b>	<b>\$37,415,900</b>	<b>\$38,621,800</b>	<b>\$42,251,500</b>	<b>\$43,156,800</b>
<b>Expenditures by object</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Personnel Costs	\$28,215,200	\$28,860,800	\$31,053,900	\$31,731,700
Operating Expenditures	\$8,526,300	\$9,015,000	\$10,490,500	\$10,739,200
Capital Outlay	\$674,400	\$746,000	\$707,100	\$685,900
Trustee/Benefit Payments	\$0	\$0	\$0	0
<b>Total</b>	<b>\$37,415,900</b>	<b>\$38,621,800</b>	<b>\$42,251,500</b>	<b>\$43,156,800</b>

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

<b>Cases Managed and/or Key Services Provided</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Gross Receipts (millions)	\$3,836.76	\$4,075.24	\$4,352.27	\$4,732.80
% of Revenue Received Electronically	60.9%	64.7%	66.3%	67.8%
Income Tax Returns Filed Electronically	694,609	731,298	763,606	796,705
% of Electronically Filed Individual Income Tax returns	79.7%	81.7%	82.3%	83.0%
% of Electronically Filed Business Income Tax Returns	60.2%	64.0%	67.1%	69.4%
Transactions Processed	2,414,737	2,483,961	2,531,120	2,679,738
Sales Tax permits issued (new)	5,429	5,109	6,453	6,622
Withholding accounts issued (new)	6,580	6,451	7,815	8,731
Revenues from Audits (millions)	\$45.10	\$40.22	\$66.80	\$50.52
Revenues from Collections (millions)	\$112.40	\$117.75	\$112.91	\$126.88
Collection cases closed in year	90,662	98,994	104,563	108,446
Number of Audits performed	18,327	18,493	18,778	22,089
STC Cost Per Tax Dollar Received	0.98 cents	0.95 cents	0.97 cents	0.91 cents
% of current year refunds not processed within 60 day limit	1.0%	1.0%	0.7%	3.2%
Number of Fraud Refunds Stopped	1,422	724	314	151
Known Fraud Refunds Not Caught	15	8	0	1
% of confirmed fraudulent refund payments stopped by agency	99.0%	99.3%	100.0%	99.3%
Dollars of Fraud Refunds Stopped	\$2,094,269	\$1,054,934	\$524,742	\$172,461

<b>Cases Managed and/or Key Services Provided</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Dollars of Known Fraud Refunds Not Stopped	\$13,884	\$4,907	\$0	\$1,142
Walk-in customers during tax drive	14,766	15,229	17,006	13,967
Calls from taxpayers during tax drive	77,571	76,443	67,029	70,016
Call center queue time during tax drive	154 seconds	141 seconds	n/a	208 seconds
Refund status inquiries on website (revised)	303,430	359,718	380,229	437,962

**Part II – Performance Measures**

<b>Performance Measure</b>		<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Implement Methods of Providing Customer Service and Education to Enhance Voluntary Compliance with Idaho Tax Laws</b>						
1. Actual number of ‘Where’s my refund?’ calls to TPS	actual	9,249	11,553	7,900	7,294	-----
	target	N/A	New	Reduce by 10%	Reduce by 10%	Reduce by 10%
2. Percent of Gross Collected Revenue not submitted voluntarily and on time	actual	4.11%	3.88%	4.13%	3.75%	-----
	target	Less than 5.0%				
<b>Administer Tax Law and Develop Rules and Policies that Promote Fairness, Consistency, Compliance, Security, and Public Confidence</b>						
3. Percentage of Appeals cases resolved within 2 years of filing	actual	N/A	N/A	88%	87%	-----
	target	N/A	New	90%	90%	90%
<b>Seek and Implement Efficient Operations within the Agency to Support our Mission</b>						
4. Number of transactions per Revenue Operations employee	actual	30,566	31,050	31,248	33,083	-----
	target	29,510	30,400	30,860	31,320	31,790
5. Percent increase in transactions per Revenue Operations employee over base year FY2014	actual	3.6%	5.2%	5.9%	12.1%	-----
	target	1.5%	3.0%	4.6%	6.1%	7.7%

**For More Information Contact**

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