

Part I – Agency Profile

Agency Overview

EXPLANATION OF DIVISIONS IN AGENCY

1. **General Services Division** consists of: Commissioners, Legal, Tax Appeals, Human Resources, Integration Services, Management Services, and Taxpayer Resources (consisting of Communications, Tax Policy, and Taxpayer Services). This division provides for centralized management, internal policy development, taxpayer appeals, legal, personnel, fiscal and communication and outreach services for taxpayers. Computer services are now provided by the consolidated ITS (Information Technology Services) group.

15 percent, or 64.65 positions, have been authorized in these capacities.

General fund appropriation of \$11,626,800 for this division in FY 2020.

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 oversees efforts to minimize identity theft and fraud issues.

33 percent, or 149.35 positions, have been authorized in these capacities.

General fund appropriation of \$8,951,400 for this division in FY 2020.

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 also 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 \$7,807,400 for this division in FY 2020.

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 2.7 million tax transactions – representing over \$4.6 billion in revenues and over \$350 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 \$5,860,000 for this division in FY 2020.

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 \$1.9 billion of revenue to local government units in calendar 2018.

9 percent, or 40 positions, have been authorized in these capacities.

General fund appropriation of \$3,846,600 for this division in FY 2020.

Summary:

Positions authorized by JFAC for FY 2020	448.0
Total General Fund appropriation for FY 2020 is	\$38,092,200

Core Functions/Idaho Code

Core Functions/Idaho Code	FY 2019 Expenditures	Percent of Total	FY 2020 Appropriation	FY 2021 Request
1. General Fund	\$37,677,900	84.81%	\$38,092,200	\$38,567,800
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.				
2. Administration Services for Transportation	\$4,102,800	9.24%	\$4,651,100	\$4,885,600
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.				
3. Multistate Tax Compact	\$2,368,800	5.33%	\$2,833,600	\$2,941,100
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).				
4. Seminars and Publications Fund	\$185,100	0.42%	\$226,800	\$226,800
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.				
5. Administration and Accounting Fund	\$92,000	0.21%	\$211,900	\$214,000
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"> 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) 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"> 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	\$44,426,600	100.0%	\$46,015,600	\$46,835,500

Revenue and Expenditures

Revenue	FY 2016	FY 2017	FY 2018	FY 2019
General Fund (appropriation)	\$32,175,500	\$37,162,600	\$37,798,300	\$38,667,800
Budget Stabilization Fund				
Multistate Tax Compact (appropriation)	\$2,356,900	\$2,608,900	2,660,500	2,408,900
Administration & Accounting	\$174,600	\$175,100	224,400	168,000
Admin Transportation + Fed	\$4,140,700	\$4,472,800	4,510,100	4,500,400
Seminars & Publications	\$169,800	\$179,900	210,300	219,800
Total	\$39,017,500	\$44,599,300	\$45,381,200	\$45,964,900
Expenditures by fund	FY 2016	FY 2017	FY 2018	FY 2019
General Fund	\$32,065,800	\$35,066,100	\$35,821,400	\$37,677,900
Budget Stabilization Fund				
Multistate Tax Compact	\$2,084,200	\$2,409,100	2,432,200	2,368,800
Administration & Accounting	\$174,700	\$195,800	212,200	92,000
Admin Transportation + Fed	\$4,140,900	\$4,416,900	4,509,400	4,102,800
Seminars & Publications	\$156,200	\$163,600	181,600	185,100
Total	\$38,621,800	\$42,251,500	\$43,156,800	\$44,426,600
Expenditures by object	FY 2016	FY 2017	FY 2018	FY 2019
Personnel Costs	\$28,860,800	\$31,053,900	\$31,731,700	\$31,777,500
Operating Expenditures	\$9,015,000	\$10,490,500	\$10,739,200	\$11,237,900
Capital Outlay	\$746,000	\$707,100	\$685,900	\$1,411,200
Trustee/Benefit Payments	\$0	\$0	0	0
Total	\$38,621,800	\$42,251,500	\$43,156,800	\$44,426,600

Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2016	FY 2017	FY 2018	FY 2019
Gross Receipts (millions)	\$4,075.24	\$4,352.27	\$4,732.80	\$4,670.36
% of Revenue Received Electronically	64.7%	66.3%	67.8%	69.3%
Income Tax Returns Filed Electronically	731,298	763,606	796,705	830,529
% of Electronically Filed Individual Income Tax returns	81.7%	82.3%	83.0%	84.0%
% of Electronically Filed Business Income Tax Returns	64.0%	67.1%	69.4%	73.1%
Transactions Processed	2,483,961	2,531,120	2,679,738	2,843,603
Sales Tax permits issued (new)	5,109	6,453	6,622	8,247
Withholding accounts issued (new)	6,451	7,815	8,731	9,604
Revenues from Audits (millions)	\$40.22	\$66.80	\$50.52	\$42.16
Revenues from Collections (millions)	\$117.75	\$112.91	\$126.88	\$138.69
Collection cases closed in year	98,994	104,563	108,446	110,133
Number of Audits performed	18,493	18,778	22,089	19,532
STC Cost Per Tax Dollar Received	0.95 cents	0.97 cents	0.91 cents	0.95 cents
% of current year refunds not processed within 60 day limit	1.0%	0.7%	3.2%	0.4%
Number of Fraud Refunds Stopped	724	314	151	72
Known Fraud Refunds Not Caught	8	0	1	0
% of confirmed fraudulent refund payments stopped by agency	99.3%	100.0%	99.3%	100.0%
Dollars of Fraud Refunds Stopped	\$1,054,934	\$524,742	\$172,461	\$49,516

Cases Managed and/or Key Services Provided	FY 2016	FY 2017	FY 2018	FY 2019
Dollars of Known Fraud Refunds Not Stopped	\$4,907	\$0	\$1,142	\$0
Walk-in customers during tax drive	15,229	17,006	13,967	14,006
Calls from taxpayers during tax drive	76,443	67,029	70,016	82,790
Call center queue time during tax drive	141 seconds	n/a	208 seconds	301 seconds
Refund status inquiries on website (revised)	359,718	380,229	437,962	408,809

Licensing Freedom Act

Agencies who participate in licensure must report on the number of applicants denied licensure or license renewal and the number of disciplinary actions taken against license holders.

	FY 2016	FY 2017	FY 2018	FY 2019
FUELS – MOTOR FUEL DISTRIBUTOR				
Total Number of Licenses				179
Number of New Applicants Denied Licensure				
Number of Applicants Refused Renewal of a License				0
Number of Complaints Against Licensees				
Number of Final Disciplinary Actions Against Licensees				
FUELS – GASEOUS FUELS DISTRIBUTOR				
Total Number of Licenses				10
Number of New Applicants Denied Licensure				
Number of Applicants Refused Renewal of a License				
Number of Complaints Against Licensees				
Number of Final Disciplinary Actions Against Licensees				
FUELS –LIMITED DISTRIBUTOR				
Total Number of Licenses				8
Number of New Applicants Denied Licensure				
Number of Applicants Refused Renewal of a License				
Number of Complaints Against Licensees				
Number of Final Disciplinary Actions Against Licensees				

Red Tape Reduction Act

Each agency shall incorporate into its strategic plan a summary of how it will implement the Red Tape Reduction Act, including any associated goals, objectives, tasks, or performance targets. This information may be included as an addendum.

	As of July 1, 2019
Number of Chapters	12
Number of Words	287,777
Number of Restrictions	3,428

Part II – Performance Measures

Old Performance Measures						
Performance Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Implement Methods of Providing Customer Service and Education to Enhance Voluntary Compliance with Idaho Tax Laws						
1. Actual number of 'Where's my refund?' calls to TPS	actual	11,553	7,900	7,294	2,878	-----
	target	New	Reduce by 10%	Reduce by 10%	Reduce by 10%	
2. Percent of Gross Collected Revenue not submitted voluntarily and on time	actual	3.88%	4.13%	3.75%	3.87%	-----
	target	Less than 5.0%	Less than 5.0%	Less than 5.0%	Less than 5.0%	
Administer Tax Law and Develop Rules and Policies that Promote Fairness, Consistency, Compliance, Security, and Public Confidence						
3. Percentage of Appeals cases resolved within 2 years of filing	actual	N/A	88%	87%	93%	-----
	target	New	90%	90%	90%	
Promote Efficiency						
4. Percent increase in transactions per Revenue Operations employee over base year FY2014	actual	5.2%	5.9%	12.1%	20.5%	-----
	target	3.0%	4.6%	6.1%	7.7%	

New Performance Measures						
Performance Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Demonstrate Financial Stewardship						
1. Measure cost to collect \$1 of revenue.	actual	0.95 cents	0.97 cents	0.91 cents	0.95 cents	-----
	target	.95 cents	.94 cents	.93 cents	.92 cents	.91 cents
Drive Stakeholder Support						
2. Develop and measure elected officials' relationships ¹	actual				New	-----
	target		.	.	.	Annually by tax Year 2020
3. Develop and measure taxpayer relationships ¹	actual				New	-----
	target		.	.	.	Annually by tax Year 2020
4. Develop and measure professional relationships ¹	actual				New	-----
	target		.	.	.	Annually by tax Year 2020
Promote Efficiency						
5. Number of transactions per Revenue Operations employee	actual	31,050	31,248	33,083	35,545	-----
	target	30,400	30,860	31,320	31,790	32,270
Empower Great People						
6. Implement a "voice of the employee" survey	actual				New	-----
	target		.	.	.	90% response within 2 years
Secure Confidential Information						
7. Job specific security training	actual				New	-----
	target		.	.	.	2 new within 1 year

Performance Measure Explanatory Notes

Note 1: Performance measures 2, 3, and 4 are expanded for clarity

For More Information Contact

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