

Part I – Agency Profile

Agency Overview

EXPLANATION OF DIVISIONS IN AGENCY

1. **General Services Division** consists of: Commissioners, Legal, Tax Administration (formerly Tax Policy), Human Resources, Information Technology, Management Services, and Communications. 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 66.65 positions, have been authorized in these capacities.

General fund appropriation of \$7,803,300 for this division in FY 2016.

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 141.35 positions, have been authorized in these capacities.

General fund appropriation of \$7,764,400 for this division in FY 2016.

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, and for providing front-line taxpayer services at the counters and over the phone.

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

General fund appropriation of \$7,477,800 for this division in FY 2016.

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 2.3 million tax transactions – representing over \$3.8 billion in revenues and over \$350 million in income tax refunds- were processed in this division.

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

General fund appropriation of \$5,774,000 for this division in FY 2016.

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 2014.

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

General fund appropriation of \$3,356,000 for this division in FY 2016.

Summary:

Positions authorized by JFAC for FY 2016	447.0
Total General Fund appropriation for FY 2016 is	\$32,175,500

Core Functions/Idaho Code	FY 2015 Expenditures	Percent of Total	FY 2016 Appropriation	FY 2017 Request
1. General Fund	\$30,891,900	82.6%	\$32,175,500	\$35,033,700
<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	\$4,026,500	10.8%	\$4,182,900	\$4,427,500
<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	\$2,108,400	5.6%	\$2,356,900	\$2,473,000
<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	\$155,200	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	\$233,900	0.6%	\$224,000	\$225,800
<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	\$37,415,900	100.0%	\$39,124,600	\$42,345,300

Revenue and Expenditures

Revenue	FY 2012	FY 2013	FY 2014	FY 2015
General Fund	\$28,596,000	\$29,412,300	\$33,895,700	\$30,891,900
Budget Stabilization Fund				
Multistate Tax Compact	\$1,964,100	\$2,000,400	\$2,468,100	\$2,108,400
Administration & Accounting	\$361,800	\$251,400	\$399,800	\$233,900
Admin Transportation + Fed	\$3,781,400	\$3,863,600	\$4,321,000	\$4,026,500
Seminars & Publications	\$125,900	\$121,600	\$142,800	\$155,200
Abandoned Property Trust	\$0	\$0	\$0	\$0
Total	\$34,829,200	\$35,649,300	\$41,227,400	\$37,415,900
Expenditures	FY 2012	FY 2013	FY 2014	FY 2015
Personnel Costs	\$25,467,400	\$26,597,300	\$27,148,300	\$28,215,200
Operating Expenditures	\$8,633,900	\$8,654,800	\$13,314,800	\$8,526,300
Capital Outlay	\$727,900	\$397,200	\$764,300	\$674,400
Trustee/Benefit Payments	\$0	\$0	\$0	\$0
Total	\$34,829,200	\$35,649,300	\$41,227,400	\$37,415,900

Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2012	FY 2013	FY 2014	FY 2015
Gross Receipts (millions)	\$3,261.38	\$3,464.04	\$3,564.82	\$3,836.76
% of Revenue Received Electronically	57.3%	57.9%	59.6%	60.9%
Tax Returns Filed Electronically	567,737	587,132	615,575	694,609
Transactions Processed	2,315,600	2,350,200	2,390,183	2,414,737
Sales Tax permits issued (new)	5,977	5,677	5,145	5,429
Withholding accounts issued (new)	4,909	5,895	5,645	6,580
Revenues from Audits (millions)	\$47.45	\$74.70	\$53.60	\$45.10
Revenues from Collections (millions)	\$104.92	\$105.62	\$107.11	\$112.40
STC Cost Per Tax Dollar Received	1.07 cents	1.03 cents	1.02 cents	0.98 cents
Number of Fraud Refunds Stopped	139	425	950	1,422
Known Fraud Refunds Not Caught	0	9	8	15
Dollars of Fraud Refunds Stopped	\$664,000	\$421,180	\$1,227,096	\$2,094,269
Dollars of Known Fraud Refunds Not Stopped	\$0	\$1,820	\$6,828	\$13,884
Walk-in customers during tax drive	14,629	13,539	14,295	14,766
Calls from taxpayers during tax drive	47,199	64,096	67,180	77,571
Refund status inquiries on website	275,854	192,697	221,120	244,840

Part II – Performance Measures

Performance Measure	FY 2012	FY 2013	FY 2014	FY 2015	Benchmark
1. Percentage of current year income tax refunds not processed within 60 day limit	0.3%	0.6%	0.2%	1.0%	Less than 1.0%
2. Percentage of confirmed fraudulent refund payments stopped by agency	100.0%	98.0%	99.2%	99.0%	99.0%
3. Percentage of E-filed individual income tax returns	74.0%	76.0%	78.0%	79.7%	90.0% by FY2016
4. Percentage of E-filed business income tax returns	41.3%	50.7%	55.5%	60.2%	80.0% by FY2016
5. Percentage of E-payments	57.3%	57.9%	59.6%	60.9%	60.0% by FY2015
6. Actual number of collection cases closed in fiscal year	98,391	100,115	94,455	90,662	100,000 Target
7. Actual number of audits performed in fiscal year	26,874	20,684	19,442	18,327	20,000 Target
8. Call center queue time during tax drive	216 seconds	127 seconds	79 seconds	154 seconds	Less than 60 seconds

For More Information Contact

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