

# IDAHO

## State Tax Commission

**Strategic Plan 2022 – 2026**

## Message from the Commissioners:

It's our employees. The Idaho State Tax Commission continues to exceed expectations because of our dedicated employees. This year's strategic plan continues our employee-centered strategic theme. We understand that our success depends on the success of our employees.

In fiscal year 2021, we saw improvement in our employee engagement survey scores. This was no accident. The agency has made employee engagement part of our purpose-driven culture. We provided three supervisory trainings during the year because we know that our managers are critical to employee engagement. We ramped up our employee events, including a photo contest to display the winning photos in our conference rooms. And we revised our onboarding process to help us retain new employees.

New challenges tested the Tax Commission this past year – from returning our workforce back to the office to adjusting to another delayed tax deadline. Through it all, our work consistently aligned with our Vision, Values, and Mission as we persevered.

As part of fiscal year 2022, we're administering Governor Little's income tax rebate program passed by the Idaho Legislature. We're also focusing on all aspects of taxpayer services, such as reducing call wait times, answering tax questions faster, and improving the speed of our appeals resolution process.

We'll be working with our GenTax® software provider to host GenTax® at their secure facility later in the year. This move provides the Tax Commission with a fully redundant backup system that will allow us to recover quickly from any unforeseen catastrophic system issues, in addition to minimizing maintenance and equipment replacement costs.

Our values of *fairness, accountability, integrity, and respect* provide a solid foundation for the Tax Commission to meet whatever challenges lay ahead. We look forward to working harder and smarter for the citizens of the great state of Idaho.



Chairman Jeff McCray, Commissioner Tom Katsilometes, Commissioner Janet Moyle, Commissioner Jared Zwycart

## OUR VISION

Great People. Helping you. Serving Idaho.

## OUR MISSION

Benefit the people of Idaho with courteous customer service and education by providing fair, efficient, and effective revenue and tax administration.

## OUR VALUES

**Fairness**

**Accountability**

**Integrity**

**Respect**

### Agency Overview, Divisions, and Core Functions

The Idaho State Tax Commission consists of five primary divisions, each of which contribute to the overall success of the agency. Over the last three years, all divisions have banded together to create the ensuing Strategic Plan that grows with our needs and processes.

**The General Services Division** consists of Commissioners, Legal, Tax Appeals, Human Resources, Management Services (Accounting, Procurement, Project Management, GenTax Development/Support), and Taxpayer Resources (consisting of Communications, Tax Research, and Taxpayer Services). They provide for centralized management, internal policy development, taxpayer appeals, legal, personnel, fiscal, communication, and taxpayer outreach services.

☞ Associated with Goals 1, 2, and 3

**The Audit Division** operates from the administrative office in Boise and in 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. They conduct discovery and enforcement efforts directed at nonfilers and oversee efforts to minimize identity theft and fraud issues.

☞ Associated with Goals 1, 2, and 3

**The Collection 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 Seller’s Permit program. The employees also provide front-line taxpayer services at the counters and over the phone in the five field offices.

☞ Associated with Goals 1, 2, and 3

**The Revenue Operations Division** maintains the taxpayer database, processes all tax returns and payments, initiates the deposit of money received, and issues taxpayer refunds. The division registers permit holders for 17 tax types including sales, withholding, hotel/motel, motor fuels, beer, wine, cigarette and tobacco taxes; ensures that all individuals and licensed businesses have access to proper tax forms for reporting; processes revenue and refund documents submitted by taxpayers; and maintains an imaging system used to streamline the processing and storing of tax documents. In the last fiscal year, the Tax Commission processed almost \$5 billion in receipts; most through this division.

☞ Associated with Goals 1, 2, and 3

**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 Property Tax Reduction (Circuit Breaker) program. Property taxes generated \$1.931 billion of revenue to local government units in calendar year 2020.

☞ Associated with Goals 1, 2, and 3

The goals and objectives of the agency are reflected on the following pages.

### ❖ Goal 1: Be a Team of Great People

- ▶ Objective: Retain, develop, and recruit great people
  - Performance Measure: Conduct Gallup Survey to measure employee engagement (target 34%)<sup>1</sup>

Performance Targets	By	Target
Employee engagement metric	Human Resources	34%
% of reviews beyond due date/month	Human Resources	<=5%
Actual personnel dollars to total budget per pay period (average)	Management Services	\$10,000

### ❖ Goal 2: Effectively Serve our Customers

- ▶ Objective: Improve customer interactions
  - Performance Measure: TAP Survey response score (target 85%)<sup>2</sup>

Performance Targets	By	Target
TPS average call hold times	Taxpayer Resources	2:00 minutes
TPS call abandonment rate	Taxpayer Resources	8.0%
Number of social media interactions	Taxpayer Resources	100,000

### ❖ Goal 3: Increase Agency Efficiency

- ▶ Objective: Continually improve processes using all available tools
  - Performance Measure: Increase productivity per audit and collection case by reducing time spent on each case

Performance Targets	By	Target
Labor hours worked per collection	Collections	1.80 hours <sup>3</sup>
Labor hours worked per closed audit	Audit	14.50 <sup>3</sup>

<sup>1</sup> The agency is targeting an increase to 34% of engaged employees in FY 22, as management has deemed it a challenging but realistic target.

<sup>2</sup> The 85% target is based on industry standards for web-based satisfaction surveys. The survey began in December 2020

<sup>3</sup> The ability to close audits and collections based on personnel and technology tools, with some enhancements to business processes. Leadership has evaluated the FY 22 target metrics to continue to be challenging but realistic.

## External Factors:

### **WORKFORCE TRANSITIONS AND COMPETITIVE EMPLOYMENT MARKET**

As our workforce continues to age, the increase in potential retirees poses a continual challenge in transition planning and knowledge transfer. We're hiring younger employees, but many are with the Tax Commission for shorter durations because the pay is too low. Salary ranges for critically skilled employees are still far below market rates.

### **ECONOMIC CONDITIONS**

Taxpayers are experiencing lower income levels due to the pandemic. This makes it harder for them to pay their taxes.

### **POPULATION GROWTH**

The state of Idaho continues to be a destination for retirees and maintaining current department service levels with existing resources will continue to be a challenge. The population in Canyon County continues to increase making the potential need for an additional field office within the next four years still a concern.