

Part I – Agency Profile

Agency Overview

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

- 18.64 percent, or 82 positions, have been authorized in these capacities.
- General fund appropriation of \$13,792,700 for this division in FY 2024.

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.

- 31.14 percent, or 137 positions, have been authorized in these capacities.
- General fund appropriation of \$9,594,700 for this division in FY 2024.

3. **The Compliance 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.

- 23.86 percent, or 105 positions, have been authorized in these capacities.
- General fund appropriation of \$10,231,000 for this division in FY 2024.

4. **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 \$7.4 billion in receipts; most through this division.

- 16.36 percent, or 72 positions, have been authorized in these capacities.
- General fund appropriation of \$7,445,700 for this division in FY 2024.

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 Property Tax Reduction (Circuit Breaker) program. Property taxes generated \$2.257 billion of revenue to local government units in calendar 2022.

- 10 percent, or 44 positions, have been authorized in these capacities.
- General fund appropriation of \$4,287,000 for this division in FY 2024.

Core Functions/Idaho Code

Core Functions/Idaho Code	FY 2023 Expenditures	Percent of Total	FY 2024 Appropriation	FY 2025 Request
1. General Fund	\$39,829,192	98%	\$45,351,100	\$44,864,240
The General Fund consists of, “monies 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	\$5,011,364	96%	\$5,414,300	\$5,588,027
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	\$3,035,689	98%	\$3,253,800	\$3,294,070
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	\$217,979	95%	\$248,900	\$277,400
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	\$141,685	64%	\$226,700	\$230,752
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) 				
6. Idaho’s ARPA Fund	\$178,253	94%	\$0	\$0
In FY 2023, the State Tax Commission received \$189,500 from the American Rescue Plan Act. These funds were used to install broadband IT equipment at the Commission to improve remote communications with Idaho taxpayers.				
Total All Funds	\$48,414,163	98%	\$54,494,800	\$54,254,489

Revenue and Expenditures

Revenue	FY 2020	FY 2021	FY 2022	FY 2023
General Fund (appropriation)	\$37,669,500	\$36,664,800	\$37,874,800	\$40,417,100
Multistate Tax Compact (appropriation)	\$2,830,200	\$2,919,600	\$2,974,800	\$3,110,400
Administration & Accounting	\$197,300	\$193,700	\$189,500	\$220,600
Admin Transportation + Fed Seminars & Publications	\$4,170,700	\$4,805,100	\$5,060,400	\$5,236,700
CARES Act Fund	\$218,200	\$157,900	\$288,900	\$228,300
Rebate Fund (Statutory Transfers In)	\$300,406,000	\$667,300	\$0	\$0
ARPA (appropriation)	\$0	\$0	\$570,000,000	\$500,000,000
Total	\$345,491,900	\$45,408,400	\$616,388,400	\$549,402,600
Expenditures by fund	FY 2020	FY 2021	FY 2022	FY 2023
General Fund	\$37,280,600	\$34,743,600	\$37,178,800	\$39,829,192
Multistate Tax Compact	\$2,569,500	\$2,804,300	\$2,907,600	\$3,035,689
Administration & Accounting	\$118,400	\$171,900	\$133,400	\$141,685
Admin Transportation + Fed Seminars & Publications	\$4,185,400	\$4,612,500	\$4,892,900	\$5,011,363
CARES Act Fund	\$195,500	\$182,200	\$197,000	\$217,979
Rebate	\$56,837,700	\$52,766,900	\$300	\$0
ARPA	\$0	\$0	\$409,250,500	\$644,238,295
Total	\$101,187,700	\$95,281,400	\$454,560,500	\$692,652,456
Expenditures by object	FY 2020	FY 2021	FY 2022	FY 2023
Personnel Costs	\$30,740,300	\$30,176,700	\$32,286,900	\$34,855,853
Operating Expenditures	\$13,264,600	\$12,235,100	\$12,725,200	\$13,274,797
Capital Outlay	\$524,200	\$176,300	\$297,600	\$283,513
Trustee/Benefit Payments	\$56,658,000	\$52,693,300	\$409,250,800	\$505,495,130
Total	\$101,187,700	\$95,281,400	\$454,560,500	\$553,909,293

Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2020	FY 2021	FY 2022	FY 2023
Gross Receipts (millions)	\$4,990.55	\$6,128.46	\$7,430.76	\$7,440.95
% of Revenue Received Electronically	71.51%	74.92%	76.21%	78.58%
Income Tax Returns Filed Electronically	843,766	883,019	966,189	893,129
% of Electronically Filed Individual Income Tax returns	86.0%	87.0%	88.4%	92%
% of Electronically Filed Business Income Tax Returns	77.1%	79%	89.17%	86%
Transactions Processed	2,918,811	3,360,941	4,412,360	4,011,449
Sales Tax permits issued	8,374	12,641	10,649	14,221

Cases Managed and/or Key Services Provided	FY 2020	FY 2021	FY 2022	FY 2023
Withholding accounts issued	9,822	11,391	15,945	13,442
Revenues from Audits (millions)	\$57.87	\$54.42	\$54.86	\$70.51
Revenues from Collections (millions)	\$145.16	\$181.65	\$249.07	\$218.06
Collection cases closed in year	113,018	118,699	142,294	126,357
Number of Audits performed	20,209	16,280	19,263	16,063
STC Cost Per Tax Dollar Received	0.89 of one cent	0.70 of one cent	0.62 of one cent	0.65 of one cent
% of current year refunds not processed within 60-day limit	3.1%	2.71%	6.7%	3.98%
Number of Fraud Refunds Stopped	360	320	1,892	4,827
Known Fraud Refunds Not Caught	4	12	2	44
% of confirmed fraudulent refund payments stopped by agency	98.89%	96.25%	99.89%	99.08%
Dollars of Fraud Refunds Stopped	\$51,382,913	\$3,417,911	\$3,145,653	\$30,730,765
Dollars of Known Fraud Refunds Not Stopped	\$5,422	\$1,194	\$200	\$37,675
Walk-in customers during tax drive	1,314	4,300	3,946	3,915
Calls from taxpayers during tax drive	44,588	51,160	87,001	89,957
Call center queue time during tax drive	380 seconds	528 seconds	806 seconds	1,050 seconds
Refund status inquiries on website (revised)	347,666	274,943	322,267	377,613

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 2020	FY 2021	FY 2022	FY 2023
FUELS – MOTOR FUEL DISTRIBUTOR				
Total Number of Licenses	176	188	168	190
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
FUELS – GASEOUS FUELS DISTRIBUTOR				
Total Number of Licenses	10	10	11	8
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
FUELS – LIMITED DISTRIBUTOR				
Total Number of Licenses	8	6	7	6
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0

Part II – Performance Measures

Old Performance Measures						
Performance Measure		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
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	6,613	-----	-----	-----	-----
	target	Reduce by 10%	-----	-----	-----	-----
2. Percent of Gross Collected Revenue not submitted voluntarily and on time	actual	4.07%	-----	-----	-----	-----
	target	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	97%	-----	-----	-----	-----
	target	90%	-----	-----	-----	-----
Promote Efficiency						
4. Percent increase in transactions per Revenue Operations employee over base year FY 2014	actual	20.6%	-----	-----	-----	-----
	target	9.4%	-----	-----	-----	-----
Demonstrate Financial Stewardship						
5. Measure cost to collect \$1 of revenue.	actual	0.89 of one cent	-----	-----	-----	-----
	target	.91 of one cent	-----	-----	-----	-----
Drive Stakeholder Support						
6. Develop and measure elected officials' confidence in the Tax Commission	actual	37%	-----	-----	-----	-----
	target	-----	-----	-----	-----	-----
7. Develop and measure taxpayer confidence in the Tax Commission	actual	30%	-----	-----	-----	-----
	target	-----	-----	-----	-----	-----
8. Develop and measure tax-professional confidence in the Tax Commission	actual	52%	-----	-----	-----	-----
	target	-----	-----	-----	-----	-----
Promote Efficiency						
9. Number of transactions per Revenue Operations employee	actual	36,034	-----	-----	-----	-----
	target	32,270	-----	-----	-----	-----
Empower Great People						
10. Implement a "voice of the employee" survey (Goal changed – See #1 below)	actual	25%	-----	-----	-----	-----
	target	-----	-----	-----	-----	-----
Increase Agency Efficiency						
11. Labor Hours Worked per Closed Audit	actual	14.98	17.68	14.46	16.23	
	target	-----	14.50 hrs.	14.50 hrs.	14.50 hrs.	
12. Labor Hours Worked per Collection	actual	1.88 hrs.	1.40	1.30	1.56	
	target	-----	1.80 hrs.	1.80 hrs.	1.80 hrs.	

New Performance Measures						
Performance Measure		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Be a Team of Great People						
1. Annual Gallup Survey of Employee Engagement	actual	25%	31%	32%	38%	
	target	-----	27%	34%	37%	65.1%
Effectively Serve our Customers						
2. TAP Survey Response Score	actual	-----	90%	90%	90%	
	target	-----	70%	85%	85%	95%
Continuous Improvement						
3. Operational Excellence – percent of implementation complete						
						66%
4. Annual Plan – percent of projects completed (Total on Annual Plan)						
						85%

Performance Measure Explanatory Notes

Old Performance Measures 1-12 in Part II will no longer be tracked. For metrics 6-8 and 10, no target was established as FY 20 data was an initial survey to establish a baseline for future targets. Metrics 11 and 12 were replaced in FY 24 with metrics to track continuous improvement.

The annual Gallup survey reflects the number of actual engaged employees. The agency is targeting a 76% increase (37% to 65.1%) of engaged employees in FY 24 as management has deemed it a challenging but realistic target.

Taxpayer Access Point (TAP) is a secure portal that allows taxpayers to electronically file returns, pay taxes, and review their account. The website will initiate a survey after a user has completed their business. The 95% target is based on industry standards for web-based satisfaction surveys. The survey began in December 2020.

In FY 24, the agency introduced a new continuous improvement performance measure with two metrics. Operational Excellence is all about documenting, measuring, reporting, and improving continually in the service of our taxpayers. Two metrics will be used to track the performance indices: percentage of Operational Excellence implementation throughout the agency and the percentage of projects completed from the annual plan.

For More Information Contact

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Director Attestation for Performance Report

In accordance with *Idaho Code 67-1904*, I certify the data provided in the Performance Report has been internally assessed for accuracy, and, to the best of my knowledge, is deemed to be accurate.

Department: *State Tax Commission*


Director's Signature

8/31/23
Date

Please return to:

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