

Part I – Agency Profile

Agency Overview

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

- 20.00 percent, or 88 positions, have been authorized in these capacities.
- General fund appropriation of \$16,046,100 for this division in FY 2025.

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.

- 30.22 percent, or 133 positions, have been authorized in these capacities.
- General fund appropriation of \$8,561,500 for this division in FY 2025.

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 \$9,547,600 for this division in FY 2025.

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 \$7.5 billion in receipts; most through this division.

- 16.36 percent, or 72 positions, have been authorized in these capacities.
- General fund appropriation of \$5,731,500 for this division in FY 2025.

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. After \$314 million in property tax relief was distributed, property taxes generated \$1.946 billion of revenue to local government units in calendar year 2023.

- 9.55 percent, or 42 positions, have been authorized in these capacities.
- General fund appropriation of \$4,364,800 for this division in FY 2025.

Core Functions/Idaho Code

Core Functions/Idaho Code	FY 2024 Expenditures	Percent of Total	FY 2025 Appropriation	FY 2026 Request
1. General Fund	43,648,917.30	96.25	44,251,500	45,361,279
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	5,148,918.89	95.10	5,504,000	5,688,022
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	3,107,193.04	95.49	3,266,200	3,272,670
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	206,933.89	83.14	277,400	413,900
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	80,065.37	35.32	228,000	317,734
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)): 1) The Fish and Game Trust Fund (16100), 2) The Children's Trust Fund (48300), 3) Idaho Guard and Reserve Family Support Fund, 4) American Red Cross (63002), 5) Special Olympics (63002), 6) Veterans Support Fund (21300), 7) Idaho Food Bank (63002), Opportunity Scholarship Program (40300).				
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: 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	6,900	3.64	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.				
7. Public Defense Fund	36,000,000	100	0	0
In FY 2024, the State Tax Commission was appropriated \$36,000,000 to be expended for trustee and benefit payments for the period July 1, 2023, through June 30, 2024 for the purpose of public defense at the county level of government.				
Total All Funds	88,192,028.49	97.46	53,527,100	55,054,605

Revenue and Expenditures

Revenue	FY 2021	FY 2022	FY 2023	FY 2024
General Fund (appropriation)	\$36,664,800	\$37,874,800	\$40,417,100	\$45,351,100
Multistate Tax Compact (appropriation)	\$2,919,600	\$2,974,800	\$3,110,400	\$3,253,800
Administration & Accounting	\$193,700	\$189,500	\$220,600	\$226,700
Admin Transportation + Fed Seminars & Publications	\$4,805,100	\$5,060,400	\$5,236,700	\$5,414,300
CARES Act Fund	\$157,900	\$288,900	\$228,300	\$248,900
Rebate Fund (Statutory Transfers In)	\$667,300	\$0	\$0	\$0
ARPA (appropriation)	\$0	\$570,000,000	\$500,000,000	\$0
Public Defense Fund	\$0	\$0	\$189,500	\$0
	\$0	\$0	\$0	\$36,000,000
Total	\$45,408,400	\$616,388,400	\$549,402,600	\$90,494,800
Expenditures by fund	FY 2021	FY 2022	FY 2023	FY 2024
General Fund	\$34,743,600	\$37,178,800	\$39,829,192	\$43,648,917.30
Multistate Tax Compact	\$2,804,300	\$2,907,600	\$3,035,689	\$3,107,193.04
Administration & Accounting	\$171,900	\$133,400	\$141,685	\$80,065.37
Admin Transportation + Fed Seminars & Publications	\$4,612,500	\$4,892,900	\$5,011,363	\$5,148,918.89
CARES Act Fund	\$182,200	\$197,000	\$217,979	\$206,933.89
Rebate	\$52,766,900	\$300	\$0	\$0
ARPA	\$0	\$409,250,500	\$644,238,295	\$6,900
Public Defense Fund	\$0	\$0	\$178,253	\$0
	\$0	\$0	\$0	\$36,000,000
Total	\$95,281,400	\$454,560,500	\$692,652,456	\$88,198,928.49
Expenditures by object	FY 2021	FY 2022	FY 2023	FY 2024
Personnel Costs	\$30,176,700	\$32,286,900	\$34,855,853	\$36,498,266.44
Operating Expenditures	\$12,235,100	\$12,725,200	\$13,274,797	\$15,291,317.20
Capital Outlay	\$176,300	\$297,600	\$283,513	\$402,444.85
Trustee/Benefit Payments	\$52,693,300	\$409,250,800	\$505,495,130	\$36,000,000
Total	\$95,281,400	\$454,560,500	\$553,909,293	\$88,192,028.49

Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2021	FY 2022	FY 2023	FY 2024
Gross Receipts (millions)	\$6,128.46	\$7,430.76	\$7,440.95	7,533,925
% of Revenue Received Electronically	74.92%	76.21%	78.58%	81%
Income Tax Returns Filed Electronically	883,019	966,189	893,129	1,051,117
% of Electronically Filed Individual Income Tax returns	87.0%	88.4%	92%	90.61%
% of Electronically Filed Business Income Tax Returns	79%	89.17%	86%	86.96%
Transactions Processed	3,360,941	4,412,360	4,011,449	3,295,923
Sales Tax permits issued	12,641	10,649	14,221	9,981

Cases Managed and/or Key Services Provided	FY 2021	FY 2022	FY 2023	FY 2024
Withholding accounts issued	11,391	15,945	13,442	12,802
Revenues from Audits (millions)	\$54.42	\$54.86	\$70.51	\$69.44
Revenues from Collections (millions)	\$181.65	\$249.07	\$218.06	\$228.28
Collection cases closed in year	118,699	142,294	126,357	161,625
Number of Audits performed	16,280	19,263	16,063	17,879
STC Cost Per Tax Dollar Received	0.70 of one cent	0.62 of one cent	0.65 of one cent	0.65 of one cent
% of current year refunds not processed within 60-day limit	2.71%	6.7%	3.98%	1.60%
Number of Fraud Refunds Stopped	320	1,892	4,827	1,310
Known Fraud Refunds Not Caught	12	2	44	0
% of confirmed fraudulent refund payments stopped by agency	96.25%	99.89%	99.08%	100%
Dollars of Fraud Refunds Stopped	\$3,417,911	\$3,145,653	\$30,730,765	\$1,834,112
Dollars of Known Fraud Refunds Not Stopped	\$1,194	\$200	\$37,675	\$0
Walk-in customers during tax drive	4,300	3,946	3,915	4,466
Calls from taxpayers during tax drive	51,160	87,001	89,957	64,637
Call center queue time during tax drive	528 seconds	806 seconds	1,050 seconds	869 seconds
Refund status inquiries on website (revised)	274,943	322,267	377,613	319,660

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 2021	FY 2022	FY 2023	FY 2024
FUELS – MOTOR FUEL DISTRIBUTOR				
Total Number of Licenses	188	168	190	171
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	11	8	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	6	7	6	5
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 2021	FY 2022	FY 2023	FY 2024	FY 2025
1. Labor Hours Worked per Closed Audit	actual	17.68	14.46	16.23	14.69	
	target	14.50 hrs.	14.50 hrs.	14.50 hrs.	14.50 hrs.	
2. Labor Hours Worked per Collection	actual	1.40	1.30	1.56	-----	-----
	target	1.80 hrs.	1.80 hrs.	1.80 hrs.	-----	-----

New Performance Measures						
Performance Measure		FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Be a Team of Great People						
1. Annual Survey of Employee Engagement	actual	31%	32%	38%	0%	
	target	27%	34%	37%	65.1%	3.75
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%	
5. Storage solutions for Standard Operating Procedures						
						20%

Performance Measure Explanatory Notes

Old Performance Measures Metrics 1 and 2 were replaced in FY 2024 with metrics to track continuous improvement. New metrics were identified for continuous improvement in FY25. As such, old performance measures metrics 1 and 2 will not be tracked going forward.

The annual survey of employee engagement reflected the number of actual engaged employees. The agency targeted a 76% increase (37% to 65.1%) of engaged employees in FY 2024 as management deemed it a challenging but realistic target. The state changed survey providers in June 2024; therefore, no further Gallup results will be reported. The new platform will be Qualtrics, who uses a different measurement methodology. Note the markedly lowered target reflects the output of Qualtrics.

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 2024, the agency introduced a new continuous improvement performance measure. Operational Excellence is all about documenting, measuring, reporting, and improving continually in the service of our taxpayers. Three metrics will be used to track the performance indices: percentage of Operational Excellence implementation throughout the agency, the percentage of projects completed from the annual plan, and the progress toward storage of the standard operating procedures for employees’ ease of access.

For More Information Contact

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