

# IDAHO

## State Tax Commission

**Strategic Plan 2023 – 2027**

## Message from the Commissioners:

Customer service is at the heart of our strategic focus for the next four years. Our customers – both internal and external – drive our mission, vision, and values. We continue to focus on the same critical success factors, but with an ongoing review to make sure they’re still relevant to our being an organization that is continuously improving customer service.

We reworked and shortened our mission statement because we wanted employees to be able to easily remember it, and we wanted taxpayers to easily recognize our purpose.

**Benefit Idaho through courteous customer service, education, and fair tax administration.**

While we continue to stay the course in many ways, we’ve added a new critical success factor to our strategic approach for the coming years: We must leverage technology to improve efficiency.

To meet the level of customer service our taxpayers expect, we’ll have to make each interaction as simple and effective as possible. That means being able to do more with technology tools and complementing their use with the personal interactions Idahoans have come to expect. People are not just numbers to us.

We also continue to prioritize flexibility to handle the needs of the policymakers whose decisions benefit taxpayers. Tax Commission staff were able to begin processing rebates almost immediately following this year’s tax deadline of April 18. At the printing of this report, we’ve issued 607,451 rebates totaling \$205,768,603 to Idahoans under the rebate program championed through Governor Little’s Leading Idaho plan and passed quickly by the Legislature.

We’re also continuing programs such as income tax curbside service in Boise and providing our field offices with the resources they need to serve customers around the state.

2023 and beyond we’re going to see new advances in our abilities to serve internal and external customers. We’re strategically focused and will continue to be: Great people. Helping you. Serving Idaho.



*Chairman  
Jeff McCray*



*Commissioner  
Tom Katsilometes*



*Commissioner  
Janet Moyle*



*Commissioner  
Jared Zwyygart*

## OUR VISION

Great People. Helping you. Serving Idaho.

## OUR MISSION

Benefit Idaho through courteous customer service, education, and fair 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 four 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 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 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 \$7.3 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 \$2.113 billion of revenue to local government units in calendar year 2021.

☞ 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 37%)<sup>1</sup>

Performance Targets	By	Target
Employee engagement metric	Human Resources	37%
Retention and turnover measure	Human Resources	<=10%
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%
Percentage of IBRs processed within 7 days <sup>3</sup>	Revenue Operations	95%

### ❖ 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>4</sup>
Labor hours worked per closed audit	Audit	14.50 <sup>4</sup>

<sup>1</sup> The agency is targeting an increase to 37% of engaged employees in FY 23, 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 percentage of Idaho Business Registrations (IBRs) processed within 7 days is for FY 23; 95% target is realistic and achievable.

<sup>4</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 23 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.

### **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.