

IDAHO STATE TAX COMMISSION

COMMISSIONERS' OPEN MEETING MINUTES OF MEETING MARCH 1, 2016

In attendance: Commissioners Ken A. Roberts, Tom Katsilometes, Richard W. Jackson, and Elliot S. Werk; Michael Chakarun, Debbie Coulson, Valerie Dilley, Renee Eymann, Scott Grothe, Roxanne Lopez, Robin O'Neill, Mark Poppler, Mike Teller, Randy Tilley, Doreen Warren; Rick Anderson, Cynthia Adrian, Rod Brevig, Glenda Smith, Don Williams; George Brown, David Young; Don Anderson, Randy French, Ryan Hansen, Doris Ritchie, Clorice Terrell, Taunya Brown, Susan Foster, Angela Jones.

Guest: Kay Christensen.

Public Session.

Commissioner Richard W. Jackson convened the open meeting and welcomed all those in attendance.

Presentation of Certificates of Service.

Roxanne Lopez, Human Resources Officer, acknowledged the employees receiving a Certificate of Service. Roxanne stated how much their combined total of 75 years of state service was appreciated.

The Certificate of Service recipients in attendance were: Randy French, Program Specialist (Revenue Operations Division), and Ryan Hansen, Tax Auditor 2 (Audit Division), and Doris Ritchie, Account Collection Specialist (Collection Division), and Glenda Smith, Principal Financial Specialist (Management Services), and Clorice Terrell, Financial Technician (Collection Division) for 5 years of state service; Taunya Brown, IT Systems Analyst (Information Technology), and Susan Foster, Taxpayer Services Specialist (Collection Division), and Angela Jones, Tax Compliance Technician (Collection Division), for 10 years of state service.

The Certificate of Service recipients not in attendance were: Matthew Virgil, Tax Property Appraisal Section Manager (Property Tax Division), and Dawn Best, Tax Compliance Technician (Collection Division), for 10 years of state service. They will receive their certificates at a later time.

The commissioners expressed their congratulations to all the recipients and said how the recipients' combined total of 75 years of dedicated state service was commendable and how the everyday work they do is valued and appreciated.

Business Requiring Vote of the Commission.

Minutes: Open Meetings – February 9, 2016.

Commissioner Elliot S. Werk requested the minutes of the open meeting held on February 9, 2016, be amended by adding Commissioner Tom Katsilometes in the attendance. Chairman Ken A. Roberts moved that the minutes of the open meeting held on February 9, 2016, as amended be approved. Commissioner Werk seconded. There were no more comments or amendments. All voted in the affirmative and the minutes of the open meeting held on February 9, 2016, were approved.

Minutes: Open Meetings – February 24, 2016.

Chairman Roberts moved that the minutes of the open meeting held on February 24, 2016, be approved. Commissioner Katsilometes seconded. There were no comments or amendments. All voted in the affirmative and the minutes of the open meeting held on February 24, 2016, were approved.

There was no more business requiring a vote of the Commission.

Administrative Reports.

Revenue Operations, Doreen Warren.

Doreen Warren, Revenue Operations Division Administrator, reported that tax season was in full swing. Revenue Operations (RO) has received 287,453 electronically filed and 32,695 paper filed individual income tax returns. The number of e-filed returns has increased and the number of paper returns has decreased over last year. The agency has paid 114,359 refunds totaling \$62,572,281. In addition to the returns RO handles for account information, 50 percent of the paper and 20 percent of the electronic returns stop for manual review due to a business review edit.

RO has also seen a dramatic increase in the number of electronically filed employer reconciliation returns. So far this year, RO received over 18,000 of the 63,000 accounts. The due date was yesterday, so a more detailed report will be provided next month.

The International Fuel Tax Agreement (IFTA) renewal season is wrapping up. RO sent 3,268 renewals for 2016 and received 1,298 renewals by TAP, up from 1,096 last year. RO anticipates canceling 170 IFTA accounts for non-renewal. This compares to 234 accounts RO canceled last year.

Audit Division, Randy Tilley.

Randy Tilley, Audit Division Administrator, reported that as of Friday, February 26, the Audit Division has confirmed 114 fraudulent returns (27 traditional fraud and 87 identity theft), with requested refunds of \$205,593 (\$16,532 fraud and \$189,061 identity theft). We have sent out nearly 9,000 letters to taxpayers requesting identity verification, the majority of which were identity quiz letters. Of those taxpayers taking the quiz online, approximately 84 percent have passed which is above expectations.

Income tax auditors are providing information to foreign students on how to properly prepare income tax returns. Kevin Solomon, La Var Jolley, Bruce Young, and Aaron Butikofer assisted over 220 students at Brigham Young University – Idaho last week. La Var will join Mike Li and Charmaine Capri in assisting Boise State University students tonight, and La Var, Aaron, and Kevin will meet with students at Idaho State University in Pocatello later this week.

In sales tax, Mark Stones has been working with Tax Policy, Legal, and Commissioner Werk to update information for automobile dealers on how to calculate bad debt refund requests. This information should be posted on the agency website in the very near future.

Chairman Roberts asked if there were plans to reach out to the University of Idaho. Randy noted that the auditors had just expanded to the other universities, but at this time, there were no plans to provide the training to the University of Idaho.

There were no more questions.

There were no more administrative reports.

Reports on Rules Committees.

[Income Tax, Administration & Enforcement, Kilowatt, Mine License Rules – Committee Chair, Cynthia Adrian.](#)

Cynthia Adrian, Income Tax, Administration & Enforcement, Kilowatt, and Mine License Rules Committee Chair, reported that since all the Income Tax Administration Rules have been approved for this legislative session, the committee is now evaluating legislation to see if there are any more rules impacted.

There were no questions.

[Motor and Special Fuels Tax Rules – Committee Chair, Don Williams.](#)

Don Williams, the Motor and Special Fuels Tax Rules Committee Chair, though present noted there was no Motor and Special Fuels Tax Rules Committee report.

There were no questions.

[Sales & Use Tax Administrative Rules – Audit Division Administrator, Randy Tilley.](#)

Randy Tilley, Audit Division Administrator, on behalf of Doug Harrie, the Sales & Use Tax Administrative Rules Committee Interim Chair, reported that the rules committee met on February 18, 2016, and discussed the legislation being worked on this legislative session. The next rules committee meeting is on March 17, 2016.

There were no questions.

[Property Tax Rules – Committee Chair, Alan Dornfest.](#)

Alan Dornfest, Property Tax Rules Committee Chair, was absent and there was no Property Tax Rules Committee report.

There were no more rules committee reports.

Other Business.

There was no other business.

Public Comments.

Commissioner Jackson asked if the guests in attendance had any comments.

There were no public comments.

Recess.

Commissioner Jackson recessed the Public Session for five minutes to reconvene for the commissioners to meet with the Commission's legal counsel.

Reconvene Meeting.

Commissioner Jackson reconvened the open meeting.

Executive Session.

Commissioner Katsilometes moved to go into the Executive Session with its legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party, in addition to discuss matters which are exempt pursuant to Idaho Code § 74-206(1)(b). Commissioner Elliot Werk seconded. A roll call vote was taken by Valerie Dilley, Executive Administrative Assistant. Commissioners Roberts, Katsilometes, Jackson, and Werk all voted in favor and the motion passed.

The Commission met in executive session with its legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party, in addition to discuss matters which are exempt pursuant to Idaho Code § 74-206(1)(b). No matters requiring a vote of the Commission resulted from the executive session.

Public Session.

Commissioner Jackson declared the Executive Session ended and returned to the public session.

There being no further business, the meeting adjourned.

Valerie J. Dilley
Secretary

Richard W. Jackson
Chair