IDAHO STATE TAX COMMISSION
COMMISSIONERS’ OPEN MEETING
MINUTES OF MEETING JULY 8, 2020

In attendance: Commissioners Janet Moyle, Tom Harris, Elliot Werk; John Bernasconi, Chad Curtis (FAST Enterprises), Phil Skinner, legal externs Taylor Stone and Tongkyu Lee, Nick Landry, Rhamona Grabenstein, Mark Warbis, Tom Shaner, Chris Barry, Pamela Waters, Mike Chakarun, George Brown, Meredith Hodgson and Maria Young. The following individuals participated in the meeting via Microsoft Teams: Commissioner Tom Katsilometes, Cynthia Adrian, Jerott Rudd, and Becky Ihli joined the meeting via Microsoft Teams.

Guests: David Hahn, Division of Financial Management; Miguel Legaretta, Associated Taxpayers of Idaho; and Laura Lantz, Executive Director, Idaho Society of Certified Public Accountants (via teleconference)

Public Session
Commissioner Moyle called the meeting to order and welcomed all those in attendance, whether in the room, on the phone, or joining via Microsoft Teams.

Recognition of Certificates of Service
Commissioner Moyle acknowledged the employees receiving Certificates of Service.
Maria Reauveau Smith, Technical Records Specialist 2, Revenue Operations/Account Registration Maintenance, 5 years; James (Jay) Kesting, Taxpayer Services Representative, Taxpayer Resources/Taxpayer Services, 5 years; Ronnie Winks, Tax Compliance Technician, Collection Division/Field Collection Bureau, 5 years; Zach Wilson, Tax Audit Manager, Audit Division/Income Tax Audit, 10 years; Nathan Williamson, Tax Auditor 3, Audit Division/Pocatello Field Office, 10 years; Rebecca Ewing, Program Specialist, Collection Division/Boise Field Office, 15 years; Janet Vinsonhaler, Technical Records Specialist 1, Collection Division/Central Collection Bureau, 20 years; Danielle Barney, Tax Compliance Officer 2, Collection Division/Idaho Falls Field Office, 20 years; Meriam Shaw, Tax Auditor 3, Audit Division/Sales Tax Audit, 20 years; Tawnya Eldredge Carpender, Tax Audit Manager, Audit Division/Tax Discovery Bureau, 25 years; Sandra (Sandy) Bowens, Software Engineer III, Property Tax/Technical Support, 30 years; Mark Stones, Tax Bureau Chief, Audit Division/Sales Tax Audit, 30 years; Kevin Voss, Purchasing Agent, Administration/Management Services, 35 years; Paul Chugg, Tax Auditor 3, Audit Division/Idaho Falls Field Office, 40 years.

The following employees retired in May 2020:
Shawna Wilke, Tax Compliance Technician, Collection Division/Boise Field Office, 10 years; Gary Houde, Senior Research Analyst, Property Tax/Policy, 35 years.

The combined years of service total 315. The Commission appreciates the commitment of these employees and all their years of service.

Ms. Rhamona Grabenstein, Human Resource Officer, noted that certificates will be presented to these employees individually. If Commissioners are available, they are welcome to accompany the Executive Leadership member for the presentation. The notices will also be posted to the internal website in order to these employees them while still respecting social distancing.

Business requiring a vote of the Commission
Minutes: Open Business Meeting – March 4, 2020
Commissioner Katsilometes moved to approve the minutes of the Open Business Meeting held on March 4, 2020. Commissioner Werk seconded the motion. There was no discussion; all
commissioners voted aye and the minutes of the Open Business Meeting held March 4, 2020 were approved.

Resolution 20-02: 2021 Property Tax Reduction Brackets
Ms. Pamela Waters, Property Tax Reduction Coordinator, presented Resolution 20-02 for the Commission’s review. This is the new re-calculated property tax reduction bracket for 2021. There was an almost 2% increase from the previous year. The increase for the maximum income for 2021 will be $31,900. Commissioner Werk commented that he believes the amount of relief someone can receive has not changed substantially in many years. Ms. Waters agreed saying it was designed to be flat and to go up in relation to the Social Security cost of living increase. These amounts are up almost $700 over last year, which is significant. The brackets themselves are roughly the same; property taxes have increased significantly faster than the cost of living. She said the last time this was reviewed by the legislature was 2006.

Commissioner Katsilometes moved to approve Resolution 20-02: 2021 Property Tax Reduction Brackets. Commissioner Harris seconded the motion. All commissioners voted aye and Resolution 20-02: 2021 Property Tax Reduction Brackets was approved.

Administrative Reports
John Bernasconi, Idaho State Tax Commission Chief Operating Officer
Mr. Bernasconi reported that Chief Operating Officer is a new title and role for him. His focus is operational efficiency, organizational structure, and transparency, aligning with the agency’s Strategic Plan. The Executive Team and Commissioners are working on the strategic plan, an annual process to align the vision and mission to goals, critical success factors, and ultimately action items that are used to meet the goals. He believes the agency is well-positioned for success; the Executive Team is dedicated, and the Tax Commission employs a large group of professional, productive staff members focused on serving the taxpayers of Idaho. He is excited for this opportunity.

Commissioner Moyle welcomed Mr. Bernasconi to the new position.

Mike Chakarun, Tax Appeals Manager
Mr. Chakarun presented an update on the Appeals Process and reported the year-end status of cases in appeals.

Appeals Process Update
When the Tax Commission determines there is a deficiency in tax, the taxpayer has a right to protest and obtain a redetermination of the deficiency. The Tax Commission made a significant change in the process by which these appeals are reviewed this past spring. This change improves openness and transparency in the appeals process by broadening the decision-making ability. This new process covers all protest resolutions, including settlement agreements where the amount in dispute is under $50,000. Settlement agreements $50,000 and higher follow the procedures outlined in Idaho Code section 63-3048 and Administration and Enforcement Rule 501.

The four Tax Commissioners now sit as an appellate body at monthly public Appeals Resolution Meetings to decide the resolution of protests. Prior to this change, one Commissioner with oversight of a specific tax type had sole responsibility over how cases were resolved within that tax type.

The initial work is still completed as it was before; the oversight commissioner and the tax appeals specialist review the redetermination request and discuss potential resolutions. That potential resolution (and that of staff, if there is disagreement) is logged into the case file. That file is then reviewed by the three non-oversight commissioners. The non-oversight commissioners can listen to the audio recording of the informal hearing (that can also be released to the taxpayer, at their request), they can speak with the appeals specialist, and they can speak with a deputy attorney general, if they have questions. Idaho’s Open Meeting Law does not allow Tax Commissioners to
deliberate case resolutions in private; therefore, no two commissioners can meet to discuss the
resolution of any case prior to the open public Appeals Resolution Meeting.

Once the three non-oversight commissioners have reviewed a case, it is scheduled for an
Appeals Resolution Meeting. No public comment is permitted at Appeals Resolution Meetings.
Taxpayers with dockets on the agenda have already been given ample time during the appeals
process to plead their case and to provide any information to support their position.

At the Appeals Resolution Meeting, the oversight commissioner introduces the case, citing
only the docket number and providing a brief overview of the case. The oversight commissioner will
also state their recommendation (and that of staff, if different) and ask for a motion to decide the
case. If any non-oversight commissioner has questions that require discussion of the taxpayer’s
return or tax information, the Commissioners must vote to convene an executive session to address
the question. This prevents any disclosure of a taxpayer’s confidential information. Commissioners
and staff consider the penalties for divulging tax information under Idaho Code section 63-3076 very
seriously. An oversight commissioner cannot vote on the outcome of a case; all cases are decided by
a majority vote of the three non-oversight commissioners. After the meeting adjourns, the decision is
finalized and sent to the taxpayer.

**Year-End Status of Cases in Appeals**

As of June 30, there were 387 cases in inventory with an average age of 210 days. By
comparison, the fiscal year began with 268 cases with an average age of 234 days. The year ended
with more cases, but they were younger. There are 332 cases less than one year old (85.8%); 52
between 1 – 2 years old (13.4%); and 3 that are more than two years old (0.8%).

Of the 387 cases, 100 decisions have been issued and those are currently pending the 91-day
period when the petitioner may appeal to the Board of Tax Appeals or to district court. After the 91-
day period, these cases may be closed. The average age of these cases is 302 days.

The 287 active cases average 177 days. At the start of the year, the active case count was
221 with an average age of 211 days. Staff are working through the inventory faster.

In fiscal year 2020, staff closed 366 cases with an average age of 291 days per case. 97% of
those cases were closed within two years after transfer to Appeals. Last year, they closed 332 cases
with an average age of 356 days. Staff closed more cases in less time in FY2020 than they did in
FY2019.

Mr. Chakarun recognized the Appeals staff: Jim Gunter, Alan Pack, Lisa Palmer, Frank
Pinkney, David Bettencourt, and Meredith Hodgson for the work they have done this last year. It
was quite a year: they moved from Park to Chinden, there was unexpected staff turnover, there was a
significant change to the appeals process during the year and now they are dealing with a global
pandemic. They still closed more cases this year than last and caught up most of the old inventory.

**George Brown, Property Tax Division Administrator**

Mr. Brown provided an update of the Property Tax Division. He manages several bureaus
within his division. The Property Tax Appraisals Bureau handles appraisals of operating property,
such as utilities and railroads; the Policy Bureau, who among other things, oversees the taxing district
budget and levy process and the development of property tax rules; the Technical Support Bureau,
which helps with most of the programming involved with budget and levy for the 44 counties in
Idaho; the Education Director that organizes and oversees our education program, and the Property
Tax Reduction group, managed by Ms. Waters, that audits all of the property tax reduction
applications. Property Tax is busy at this time of year because appraisals are coming in and the
values are being set in the counties and for the state Tax Commission appraised utilities. The appeals
period ends July 31 for utilities, so the property tax appraisal bureau is in negotiations with many
companies; they directly appraise about 400 companies.
The education program includes a summer and winter school, as required by statute. It is one
of the largest schools in the West. There are generally about 300 – 350 people attending to maintain
the required certifications. There are 2 types of certifications: certified appraisers and certified
cadastral specialists (mapping). There are currently approximately 254 Appraisers and 44 Cadastral
Mapping Specialists. 13 individuals maintain both certifications. Local courses are provided
throughout the state when there is a large group requiring certification. Summer school will be held
in Boise in July. Given COVID-19 there was some concern about hosting the school, but there is a
large demand. Social distancing requirements will be met, and several online courses are available.
There are nine courses located throughout the state scheduled July through October. These are
tentative pending local COVID conditions and restrictions. Classes depend on the demand. Some
counties are completely locked down, while others have no change from normal operations.

Mr. Brown and the Policy Bureau have been working on the CARES Act, the Governor’s
public service initiative. The Governor has made money available to counties for public services
(police, fire, etc.) that were increased due to COVID-19. The Technical Support Bureau has been
deply involved because they provide programming for all 44 counties to incorporate any funds
received outside the normal budget process into their computer systems.

The Technical Support Bureau has also been working on conversions to the in-house
program used to provide services to the counties. Right now, of the 44 counties, there are three
counties with independent programming and eight or nine with separate vendors that provide
programming. For the remainder, the Property Tax Technical Support Bureau provides the
programming in two formats, using either a commercial system or an in-house system that is housed
on old AS/400 machines (which use outdated technology and are very expensive to replace). The
AS/400 machines were first put into service in 1986. As those machines reach end of life, those
counties rise to the top of the list for the UADWeb conversion. There are two conversions this year:
Nez Perce County will be live on UADWeb in early August and Cassia County is in beta testing and
expected to be live in September. UADWeb can be housed on a standard server.

The Geographic Information Systems (GIS) department is working on developing e-learning
opportunities. They just released their first online class covering Taxing Districts and Code Areas;
how taxing districts and code areas are set up. With COVID-19 restrictions, this allows them to
continue training without having to bring people into the building.

Ms. Waters’ Property Tax Reduction division is processing about the same number of
applications this year as they did last year, with only half as many people. Ms. Waters and two
others are processing roughly 30,000 applications.

Commissioner Harris asked about the county participation in the CARES Act. Mr. Brown
replied that there is about $188 million that will be pushed through the counties as property tax
replacement. The county’s budgets will be reduced, based on the city’s and county’s needs, and that
amount will result in a lower levy rate for taxpayers. He anticipates about 50% county participation.
Even if the county elects not to participate, if there is a city within the county that chooses to
participate, the county will still have to do all the work because all the budget and levy work is done
at the county level.

Commissioner Werk asked about the value added to the counties, cities, and ultimately the
taxpayers, for all the services provided by the State Property Tax Division. Mr. Brown said it is
difficult to estimate this value in Property Tax, but he estimates that half of the counties, especially
the smaller ones, rely on State Property Tax Division employees to do their daily jobs. Division
value could potentially total in the millions of dollars of cost savings for local government.
Commissioner Katsilometes said they can measure productivity, what the Property Tax Division is
producing, by the lowered numbers of complaints received by the Governor’s office and legislators.
The better Property Tax does their job, the fewer complaints are received. It isn’t necessarily and
only measured in dollars. Mr. Brown said that while monetarily it is hard to measure, a good
percentage of counties could not function and could not hire those services out due to the cost.
Commissioner Katsilometes asked about the numbers of students in the assessor’s program and asked how many are trained annually. Mr. Brown stated that between the summer and winter courses, they generally have approximately 700 participants. The classes are varied between the winter and summer courses; this year there will be fewer, about 200 participants, for summer classes.

Commissioner Katsilometes asked Mr. Brown to talk about his recent visit to Latah County. Mr. Brown said Property Tax Administrative Rule 120 requires the Tax Commission to investigate the operations of county assessor’s offices upon receipt of a written complaint. A complaint was received, Property Tax evaluated the complaint and deemed an investigation was warranted. A preliminary report was issued, comments were taken, and a final report was issued. Property Tax then coordinated the presentation to the county commission in an open meeting and Mr. Brown traveled to Latah County with Kolby Reddish, Deputy Attorney General. Upon arrival, the commissioners refused to hear the report. Commissioner Katsilometes commented that this is just a part what Property Tax must manage.

Commissioner Moyle asked for an update on Bannock County. Mr. Brown said things are normal in Bannock County; they have a normal number of appeals. It was actually incredible how few complaints they had this year, which is a testament to the work that the Property Tax Division and the new assessor in Bannock County accomplished this year. Last year was extremely hard for the new assessor, and this year, they have turned things around and have been communicating well with the taxpayers. They have done a good job. Commissioner Katsilometes said it really is a tribute to Trudy Charles, Property Tax Technical Support for Bannock County.

Chris Barry, Interim Revenue Operations Administrator

Mr. Barry reported he is in charge of refunds, remittances, and returns. Revenue Operations continues to process Rebound Idaho applications. They have received 6,000 small business applications, and 4,500 applications from self-employed individuals. There are several hundred waiting to be processed. Phases I, II, and III end on July 17th, and Phase IV starts next week.

When the tax drive was initially planned, 730,000 individual income tax returns were expected. The numbers of tax returns filed began to decrease in early March due to COVID-19, the State due date was changed to June 15, and the plan was revised to receive 710,000 electronic returns by June 30; 710,461 were actually received. The forecast for paper return receipts was revised to 110,000 and as of June 30 109,065 returns had been received. The IRS changed their due date to July 15, and Revenue Operations expects to have another 25,000 – 30,000 returns filed in July and another 40,000 – 50,000 returns by October. There are 25,000 individual income tax returns in various stages of filing and processing and there are still temporary employees working in Revenue Operations.

Revenue Operations has processed 228 trays (approximately 800 – 1,000 vouchers per tray) of payments with either a voucher or check. That compares to 289 trays last year, but there is a new program that allows direct debit when filing a tax return replacing the need for paper checks. Amusement device tags renewals, due by July 1, have also been processed.

Revenue Operations has contacted over 3,000 taxpayers who have not yet cashed their 2019 refund checks. Uncashed checks eventually go into Unclaimed Property, but staff were able to send about 1,000 of those checks to their owners. The remainder either did not respond or did not have a claim to the money.

Mr. Barry mentioned a letter he received from a taxpayer. The writer admitted not liking to pay taxes but wanted to thank Tax Commission employees for doing their jobs.

Commissioner Werk asked that Mr. Barry pass on to his staff how much the Commissioners appreciate them and all the work that happens in Revenue Operations.

Mr. Barry thanked the ELT for keeping people safe during this time.

Mark Warbis, Public Information Director
Mr. Warbis said his group has also been busy; no one has ever had a year quite like this. There is an administrative change to the title of one business unit within Taxpayer Resources. The Tax Policy Group will now be the Tax Research Group, to better reflect what those individuals actually do. They do not develop policy. They research the implications of policy choices and other difficult tax questions and respond to taxpayers and stakeholders appropriately. The Tax Research Manager has completed the Commissioner’s initial review of Legislative Ideas. There were over 20 ideas submitted, eight were approved by the Commissioners to move forward and those have been pre-screened by DFM and the Governor’s staff. Those eight are now being submitted to DFM for final review. Those ideas not chosen by the Commissioners will be included in a report to the Governor and the legislature, so they are aware of some of the tax administration issues being faced that did not rise to the level of being prioritized for statutory changes at the legislature.

The Tax Commission has 12 rules in process before the 2021 Legislature. Only one will be negotiated – the Beer and Wine rule that is being changed due to a recent executive order. Governor Little ordered agencies to make permanent all suspensions of regulations due to COVID-19. For the Tax Commission, the only impact is the authority under rule to witness the destruction of beer and wine spoilage and the form required to be submitted before the destruction. It is a relatively late start for a negotiated rule, but the process is under way and the outcome is supported by the Governor’s order.

The volume of calls to the Taxpayer Services unit is up more than 27% from last year. Many of those calls were about the COVID-19-related Rebound Idaho small business grants and the Return to Work employee bonus programs in which the Tax Commission has played a leading role. Mr. Warbis provided an executive summary detailing activity for the call center over the last week. They are working to address the issues contributing to a decline in the percentage of calls that TPS has been able to handle, which is well below their target.

The Website Analysis Report (WAR) indicates a continued growth in the use of the Tax Commission website. As expected, there was a significant spike in visits on June 15; they expect another spike in October. Work continues on the migration of the Tax Commission website from the existing Cold Fusion environment to the latest standard called WordPress. They hope to have that completed by the end of calendar year 2020, barring complications or the need to make extensive, time-consuming content changes or updates to the website within the existing format. Once completed, the user interface will be greatly improved, and they can begin to work on updates to the content.

The Taxpayer Resource Unit Education and Outreach team has been creating signage and short videos for employees returning to the Boise office on how to reduce the risk of spreading or contracting COVID-19. They are also compiling a “Where’s My Refund” slideshow for the website and another for Tax Commission employees about the agency’s emergency procedures.

Trainee Sherry Briscoe has been working from home with representatives of the U.S. Department of Labor, the IRS, the Industrial Commission, the Small Business Administration and others to continue providing webinar classes on Tax and Business 101 for the Self-Employed, Business Basics for small businesses with employees, and Strengthening Your Business. These classes are reaching hundreds of people throughout Idaho every month, and additional sessions are scheduled through September 9. These are all virtual classes.

Income tax expert Cynthia Adrian will be a presenter July 15 on a ZOOM training call for area realtors on the taxpayer requirements and tax implications of the First Time Homebuyer Savings Account law that the Legislature passed earlier this year.

On July 28 and 30, the Tax Commission will participate as the Idaho Society of CPAs presents its “virtual Spring Update” to tax professionals throughout the state. It will be at the ISCPAs Shoreline Drive offices in Boise and will provide an opportunity to talk with tax practitioners all over Idaho about changes to tax laws and our processes, as well as fielding their questions and hearing their concerns.
Nick Landry, Financial Executive Officer

Mr. Landry reported that Management Services and IT have recently merged. He and his team are closing out fiscal year 2020; he expects those revenue numbers to be available this afternoon. Mr. Landry is also beginning the budget development of fiscal year 2022 that is due to DFM by August 28. For the Governor’s Rebound Initiative, there is $125.1 million; $100 million for the Rebound Bonus; and $25 million for the Rebound Grant for Small Businesses.

Mr. Landry discussed the FAST contract: the total contract value for fiscal year 2021 will be $3.31 million. It is a 5-year contract, with a 5-year extension for a total of 10 years. There are many similarities to the previous contract. The Level 3 Maintenance and the Batch Monitoring are included under the FAST LLC contract. The FAST-Hosted Services will be included in the FAST LLC contract, but will be treated as an option that can be exercised during the life of the contract. One major difference is that there will be a separate contract for fraud; the current scope will be restated in the new agreement and will be an “opt-in” option. The Office of Risk Management has thoroughly reviewed the contract and they are very comfortable with the level of coverage. The contract is currently with the Division of Purchasing who actually signs the contract with FAST. The current contract expired June 30, but there is an extension through July 31, so it’s expected to be signed soon.

Commissioner Werk asked about what is going on in IT. Mr. Landry said the developers and operations staff will be co-located and there will be a project management team and two more developers are being hired. FRED will start in August and testing for the GenTax update to version 12 starts by July 13. FRED is what Revenue Operations calls the process used to update the systems for any legislative changes that may have been made since last year.

Commissioner Harris said he is impressed with the work FAST has done and the support they have provided the Tax Commission. He appreciates everything they have done during the COVID crisis. They have been very helpful in making the Tax Commission a better agency. Commissioner Werk added that the Tax Commission is now the “can do” agency. FAST has been an integral part of making that possible and asked that Mr. Curtis relay that to all his staff. Mr. Curtis said it has been a privilege working with the Idaho State Tax Commission. He feels this is a really good partnership. It has been a difficult year for many people. Commissioner Moyle said FAST has gone above and beyond. FAST has stepped up and helped and she noted that were GenTax integrated into other state agencies, even more could be accomplished. Mr. Curtis said they will continue to improve. Version 12 is the next version upgrade for GenTax, and it will have additional technology that can be leveraged. The plan is to have that in place before the end of the calendar year.

Rhamona Grabenstein, Human Resources Officer

Ms. Grabenstein reported that the HR Division, under Mr. Bernasconi’s direction, began aligning people and positions to better support the agency’s strategic and organizational goals. IT and Management Services both support the entire agency, as does the IT developer group; therefore, moving IT under Management Services is a better alignment. As part of this process, some vacant positions have been repurposed to better fit the needs of the agency. Currently there are 21 positions in recruitment. There had been a number of vacant positions held open in order to meet some of the budget reset obligations, so going into the next fiscal year, and looking at how to make better use of our resources, some of those positions will be repurposed and hiring will resume. There are still 27 vacancies being held open.

There are 10 – 14 employees that are currently assisting the Department of Labor to help with the backlog of unemployment claims. The Tax Commission is happy to assist another state agency. Tax Commission employees are being relied upon to handle multiple tasks and are stepping up: Kudos to all the employees and colleagues in the room.
In a previous meeting, Ms. Grabenstein had explained that IRS Publication 1075 requires federal background checks for all employees. The Tax Commission has always conducted background checks on employees; however, the approval to conduct federal background investigations had to be approved through the legislature. The Boise office has now completed submissions on all employees. The Idaho State Police helped facilitate two major fingerprinting sessions held in the Boise office. The next step is to ensure the field offices are all completed.

The HR Division continues to answer questions about how the agency is responding to COVID-19 and bringing people back into the workplace. The Executive Leadership Team followed the Governor’s reopening plan for Idaho stating that we would bring everyone back to work by July 6, instead of working remotely in a continuing operating agreement. The Governor’s plan also said that people at high risk and people with medical conditions should be allowed to continue to telecommute, if possible. The Tax Commission accepted doctor’s notes and verification that those situations exist, and currently, there are about 45 employees on the continuing operations telecommute agreement. The Idaho Division of Human Resources (DHR) posted the “Return to Work and Stay Healthy guide” on their website and the Tax Commission was already implementing many of those recommendations. Later today, a message will be released that explains more to employees; HR has been inundated with questions, with the positive cases rising in Idaho, about what will happen if someone tests positive at the Tax Commission and how that will be handled.

Ms. Grabenstein shared that one of the overarching goals of the current strategic planning process is that we will be a team of great people. She is excited because many of the action items are human resource related. Some of those action items and the associated goals will reinvigorate the employee engagement efforts that were begun earlier this year. Unfortunately, COVID-19 caused the postponement of employee engagement plans. She had previously talked about engagement and the brainstorming sessions that were being held, but she was unable to follow through with her commitment to get information back out to the employees that management had listened and developed a plan. Through the strategic planning process, the Team is looking at ways to reinvigorate employee engagement, to keep the engagement levels we had and build to higher engagement levels. Part of the employee engagement brainstorming sessions revealed that training was needed in leadership and development, so a leadership series is beginning July 15. Twenty-five managers and supervisors have been selected to be champions and they will go through this 6-month leadership series. They will build skills and obtain information to build a leadership series for other leaders within the Tax Commission. Those initial 25 will lead others.

Ms. Grabenstein said she learned after coming to the Tax Commission, that employees didn’t seem to understand the corrective action process. Even our leaders didn’t seem to quite understand the levels of the disciplinary process or the progressive corrective action process. So that employees know what to expect and leaders are consistent in the delivery of how they improve performance, training was developed and will be offered to employees and supervisors.

Commissioner Harris asked if the positions that are being refitted are on the collection team, saying that this is a revenue-generating agency and there are many taxpayers that owe money. Even now, with the dates changing and all the confusion, many people are sending in their return without payment. There will be even more receivables outstanding that could take another 2 – 3 years to recoup. Ms. Grabenstein said approximately half (11) of the 21 positions currently in recruitment are in collections.

Mr. Bernasconi said he appreciated Ms. Grabenstein mentioning the Audit division’s involvement with the Idaho Department of Labor. That has helped to illustrate the way FAST has helped other agencies. FAST was consulting with the Department of Labor and mentioned that other states had reached out to the Tax Division and asked for auditors to help process unemployment claims, because auditors can quickly step in and start reviewing complex claims and move them through the process faster. IDOL then reached out to the Tax Commission, realizing the benefit, and Ms. Wind (Audit Division Manager) selected six (6) auditors. IDOL noted the auditors’
proficiency and gave them more difficult cases. It has been a tremendous partnership. Many thanks to FAST for bringing an idea forward.

**Reports on Rules Committees**
Tom Shaner, Tax Research Manager, noted Mr. Warbis already covered the majority of the Rules topic.

There is a general moratorium on rulemaking. The Tax Commission has requested to update rules pertaining to four different tax types, a total of 12 rules, based on exceptions that are required by statute changes, and the one exception of the Beer and Wine rule mentioned by Mr. Warbis. The beer inventory destruction was presented to the Governor’s office by those in the industry. The Tax Commission had the option of requiring a tax auditor to observe any destruction of inventory. That was not always insisted upon, so there was flexibility already, but they have reinforced that and can now just provide documentation, without auditors having to be present. Because of COVID, beer distributors expected many summer events to be canceled and so had beer stockpiled for various festivals, fairs, and things that will do unused. Per Idaho Administrative Rule, only a certain amount can be disposed of at any one time, because putting too much alcohol down the drain will overwhelm the sewer system and sterilize the sewer treatment plant. Since they needed to spread disposal over time, they didn’t want to have to contact a tax auditor to be present every time they disposed of product. That is the only rule that requires any public meetings, and those will be set up on Microsoft teams. It is a relatively small group of industry representatives that are interested, and it was their idea. The other rules are required to respond to changes in the law.

Mr. Shaner noted there will be far less rulemaking due to the moratorium this year.

**Other Business**
There was no other business.

**Public Comment**
Miguel Legaretta and Laura Lantz noted it is nice to be able to call into the meeting.

**Executive Session**
Commissioner Harris moved to go into Executive Session with legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party. Maria Young, Management Assistant took a roll call vote: Commissioners Moyle, Werk, Katsilometes and Harris 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. No matters requiring a vote of the Commission resulted from the Executive Session.

**Public Comments**
There were no public comments.

Commissioner Moyle noted the next business meeting is scheduled for September 2, 2020. There being no further business, Commissioner Moyle adjourned the meeting.