

**COMMISSIONERS' OPEN MEETING  
MINUTES OF MEETING HELD DECEMBER 7, 2011**

In attendance: Commissioners Robert Geddes, Tom Katsilometes, David Langhorst, and Richard Jackson; Valerie Dilley, Dan John, Roxanne Lopez, Steve Miller, Robin O'Neill, Mark Poppler, Liz Rodosovich, Ted Spangler, Bill von Tagen, Randy Tilley, Doreen Warren; George Brown, Janet James, Chelsea Kidney, Carl Olsson, Corey Riley, Erick Shaner, Phil Skinner; Connie Dixon, Glenyce Hug, Joe Ricks, Leah Shaw, Rod Shown.

**Public Session.**

Chairman Geddes, Chair, convened the meeting.

**Presentation of Certificates of Service.**

Roxanne Lopez acknowledged the employees that were receiving Certificates of Service and stated how much all of their work efforts were appreciated.

Roxanne, with the Commissioners, presented certificates to: Connie Dixon, Financial Technician in Fuels Tax Audit (Audit/Collections), Leah Shaw, Technical Records Specialist 1 in Central Collections (Audit/Collections), and Joe Ricks, Program Specialist-Automated in Electronic Data (Revenue Operations) for 5 years of service; Mark Poppler, Financial Officer (Management Services) for 10 years of service; Rod Shown, Taxpayer Services Specialists in Taxpayer Services (Audit/Collections); and Glenyce Hug, Human Resource Associate (Human Resources) for 15 years of service.

The Certificate of Service for absent recipient Krystal Skinkle, Tax Auditor 3 in the Coeur D'Alene Field Office (Audit/Collections) for 10 years of service, will be presented later by Lee Wassmuth.

Roxanne personally thanked Glenyce for her dedication not only to the Human Resource Department, but to the organization where she has been very instrumental.

Chairman Geddes thanked the recipients for their 60 years of service and the great work they have done in serving the public well and doing what they were called upon to do. The Commissioners thanked them for their contribution to the Idaho State Tax Commission, and noted how their years of service and efforts were commendable and appreciated.

**Administrative Reports.**

Tax Drive Recruitment and Selection – Roxanne Lopez, Human Resources.

Roxanne noted that this week Human Resources (HR) kicked off recruitment for the upcoming tax drive season. This year's approach is automated, which is completely different from previous years. The Division of Human Resources has established an official class code for the Temporary Tax Drive and published it on their website. Individuals interested in the temporary tax drive positions will now apply and test online, receive a score, and get their name certified to a hiring list.

HR will be able to easily access candidates' background and exam responses all online. Automating the temporary tax drive process consistent with the process for classified positions will result in a more efficient process. This automation will significantly reduce the number of hours and resources previously dedicated by HR and Revenue Operations (RO) to manually review and process over 300-400 applications each tax season. Roxanne thanked Doreen Warren, Chris Barry, Karen Davis, Robert Padilla, Kristen Witt, Glenyce, and Division of Human Resources team for

their partnership, contribution and support in making this amazing new concept in Idaho state government a reality.

The IT Information Services Manager interviews are scheduled during the weeks of December 12 and December 19. HR reported in November that 11 job announcements were published, 9 as department promotional and 2 as open competitive, 4 employees received a promotional appointment, and 7 new employees were appointed to the agency.

Compliance Initiative Update – Randy Tilley, Audit/Collections.

Randy Tilley presented an Update on the Compliance Initiative. Randy noted at the end of November, 2011, Tax Compliance Efforts were \$63,608,465 and costs were \$7,326,395. The two components were: 1) Base recoveries were \$60,475,566 and costs were \$6,973,316; 2) Phase 3 Governor's Compliance recoveries were \$3,132,899 and costs were \$353,079.

The recovery goals were based on projected annual recoveries. The Governor has established benchmarks as follows: 1st Quarter (\$756,800), 2nd Quarter (\$1,995,200), 3rd Quarter (\$3,646,400), 4th Quarter (\$6,880,000).

Randy noted that although the benchmarks set were exceeded, as expected, the return on investment has leveled off and has come down as compared to prior years. The level of vacancies in Phone Power and Compliance and the delays with background checks were identified as a couple of issues that have impacted recoveries.

Update on UCP Transfer to Treasury – Mark Poppler, Management Services.

Mark submitted the proposed FY2013 Budget Request for the Unclaimed Property fund. Mark noted that the Legislation in FY2010 (2010 session) provided for the transfer of the Unclaimed Property (UCP) function from the State Tax Commission to the State Treasurer (HB680). Eight employees and their related budget were transferred from ISTC to the Treasury, effective with the start of FY2011 (July 1, 2010).

The UCP function continued to use the GenTax software, and returns and payments continued to be processed by the ISTC Revenue Operations division with an MOU governed access and scope. The Treasury has been looking at alternate software solutions and has now selected the Wagers system, which is used by most States for UCP functions.

A group of ISTC employees, led by Carol Nettles, has been working with Treasury and UCP staff to arrange the switchover. The last day for ISTC to accept payments, returns, or claims, is December 21, 2011. Processing by ISTC will end on January 3, 2012, and GenTax jobs will be disabled. All images, attachments, and letters for UCP accounts will be transmitted to Treasury by January 5, 2012. UCP employees will have limited access to GenTax history until June 30, 2012. The process for collections against UCP accounts will be subject to interagency negotiation in the future.

There were no more administrative reports.

Commissioner Langhorst discussed the open meeting protocols and the commissioners' emphasis to be as public as can be. This will include stating in the minutes when staff will meet with stakeholders at the Rules Committee meetings.

## **Business Requiring Vote of the Commission.**

### Minutes.

Commissioner Katsilometes moved that the minutes of the Open Meeting held on November 2, 2011, be approved. Commissioner Jackson moved that the minutes be amended by replacing “not” on the second page with “no” and removing “since”. Commissioner Langhorst seconded that the minutes be approved with these two amendments. All voted in the affirmative, and the minutes were approved.

Commissioner Katsilometes moved that the minutes of the Open Meeting held on November 9, 2011, be approved and Commissioner Jackson seconded. All voted in the affirmative, and the minutes were approved.

### Tax Season 2012 Refund Standard.

Doreen Warren recommended the Tax Season 2012 Refund Standard, noting it was basically the same as last year. Doreen read the summary and presented her recommendation on how Revenue Operations will process refunds for taxpayers.

To ensure fairness and consistency for all taxpayers, Accounting and TPS propose to maintain the same refund policy established for tax processing year 2011. The agency commits to meet the following processing timeline for current year original returns:

For e-filed returns for existing Idaho taxpayers with no review items on the return: Refunds will be paid within 4 weeks from the date filed. For e-filed returns for new Idaho taxpayers or with review items on the return: Refunds will be paid within 7 weeks. For paper-filed returns: Refunds will be paid within 10 weeks from the date filed if filed prior to the due date. Returns received on the due date or later will be processed within 60 days in accordance with Idaho rule.

The one exception to the processing timeline will be for Form 24 grocery credit refunds received in early January. Form 24s are mailed in mid-December and approximately one quarter of the taxpayers return the completed forms within a couple of weeks. Form 24s received prior to January 6 will be imaged and keyed and ready to be processed on the first day the processing system is available (scheduled for January 6, 2012). With Commission approval, the policy will take effect on January 17, 2012.

Discussion followed on whether the recommendation was an agency policy or an agency standard. Ted Spangler, Legal/Policy Consultant, addressed the differences between policies, rules, and standards. The proposed refund standard, for the sake of being consistent in the message, was determined significant and should be memorialized by a vote in the open meeting.

Commissioner Langhorst moved and Commissioner Jackson seconded that the Refund Standard for 2012 be adopted and accepted. There was no further discussion. The Commissioners all voted in the affirmative, and the Refund Standard 2012 was adopted.

## **Public Comments.**

There were no more public comments.

## **Other.**

Liz Rodosovich, Public Information Officer, noted the Tax Commission's Annual Meeting had come and gone, with positive feedback and a follow-up debriefing session that highlighted a few things to improve upon next year—most notably, the registration process. Attendance hit an all-time high, with about 93 RSVPs from stakeholders, in addition to staff who attended the meeting. Liz thanked the Public Information Office (PIO) staff, Strategic Development Services (SDS), the presenters, and all who made the event so successful.

The PIO is helping organize the Joint Finance Appropriations Committee (JFAC) tour of the agency on December 15. There is a meeting scheduled in the afternoon to provide a status report for tour participants.

A quarterly meeting with the IRS was held on Tuesday, with discussion centered on tax drive issues, especially the Volunteer Income Tax Assistance (VITA) program. The next quarterly meeting is scheduled for February 7.

In the past month, the PIO has received a handful of media inquiries, all from print reporters, on topics including: the maximum tax counties can levy sales tax on a college fund-raiser, the appraisal of the Arrowrock power plant, and income tax exemptions.

PIO is finalizing a new Military page for the website, which should be added next week, and staff will be working this month to make sure Web information is updated for the tax drive.

Chairman Geddes commented there was a good turnout at the Annual Meeting and Liz and the Public Information staff did an excellent job on structuring the meeting in conjunction with the Idaho Society of Certified Public Accountants (ISCPA) and Associated Taxpayers of Idaho (ATI).

Doreen asked about the agency's policy on the training for employees who volunteered for the VITA program. Further discussion on the policy was deferred to the next the Executive Leadership Team (ELT) meeting and was requested as an agenda item.

Janet James, Property Tax (PT) in Steve Fiscus' absence noted there was a Property Tax Rules Committee meeting on November 29 and the next meeting was set for January 5, 2012.

Randy Tilley noted giving a presentation at a local Junior High school to encourage students to consider higher education to receive better employment.

Bill von Tagen presented This Day in History.

This Day in History, December 7:

1941 – Pearl Harbor Day, the Day of Infamy when the Japanese bombed Pearl Harbor

1917 – The U.S. declared war on Austria.

1941 – The U.S. sank the first Japanese submarine.

1945 – The microwave oven was patented.

1949 – The Nationalist Chinese flee to Taiwan.

1975 – Apollo 17, the last manned trip to the moon, launched.

#1 Song, December 7

1941 – “Chattanooga Choo Choo” by Harry Warren (music) and Mack Gordon (lyrics)  
and recorded by Glenn Miller and his orchestra.

**Recess.**

Chairman Geddes recessed the Public Session for 10 minutes to reconvene with the Commission's legal counsel.

**Reconvene Meeting.**

Chairman Geddes reconvened the open meeting.

Commissioner Katsilometes moved to amend the agenda to change the time for the Executive Session from 10:30 a.m. to 10:15 a.m. Commissioner Jackson seconded. All voted in favor and the motion to amend the agenda passed.

**Executive Session.** Commissioner Katsilometes moved and Commissioner Jackson seconded that the Commission meet in executive session with its legal counsel pursuant to Idaho Code § 67-2345(1)(f) to discuss the current status of litigation to which the Commission is a party. Commissioners Geddes, Katsilometes, Langhorst, and Jackson voted in favor by roll call. No matters requiring a vote of the Commission resulted from the executive session.

There being no further business, Chairman Geddes declared the Executive Session was ended and the meeting adjourned.

Valerie Dilley  
Secretary

Robert L. Geddes  
Chairman