

MESSAGE FROM THE COMMISSIONERS

The Tax Commission is dedicated to helping taxpayers understand and follow the tax laws. We want to make it easy for them to voluntarily file and pay their taxes.

In fiscal year 2018, our major focus is to provide taxpayers with enhanced customer service. This includes offering education and training to new businesses and industry-specific companies. It also involves completing the rollout of upgraded property tax assessment software to help counties and property owners.

Enhanced customer service also means using technology to respond to our customers' needs. For example, we're working on a Quick Pay service that will allow taxpayers to pay taxes online without having to create an account or pay a convenience fee. And an upcoming change to our Taxpayer Access Point (TAP) – the system where taxpayers file, pay, and maintain their accounts online – will provide users a more streamlined experience based on independent usability studies.

Our plans include upgrading our tax processing system (GenTax®) to a newer version that will make us more efficient and help ensure that taxpayer information is as secure as possible. We anticipate that moving our Boise office will be time- and resource-intensive. However, it will give us an opportunity to design more effective work spaces and improve our operations.

This year we're using the Tax Administration Diagnostic Assessment Tool (TADAT) to measure our success in getting taxpayers to voluntarily file and pay their taxes. This internationally recognized tool provides standards to measure performance in most tax administration functions and processes. We're confident that the hard work and dedication of our employees will help us achieve our strategic plan goals.





Commissioner Elliot S. Werk, Commissioner Richard W. Jackson, Commissioner Tom Katsilometes, Chairman Ken A. Roberts

OUR VISION

The Tax Commission achieves voluntary compliance with Idaho's tax laws through innovative customer service, courteous professional conduct, effective education, and fairness in tax administration.

OUR MISSION

To administer the state's tax laws in a fair, timely, and cost-effective manner to benefit all Idaho citizens.

OUR VALUES

Accomplishment, Credibility, Dependability, Enjoyment, Fairness, Integrity, Quality, Respect, Teamwork



Goal I:

Implement methods of providing customer service and education to enhance voluntary compliance with Idaho tax laws.

OBJECTIVES:

- IA Enhance community outreach opportunities that create new and enhanced relationships with businesses and taxpayers.
- IB Determine where taxpayer education can be implemented or improved within our customer interactions.

Goal I: Implement methods of providing customer service and education to enhance voluntary compliance with Idaho tax laws.

(IA) Enhance community outreach opportunities that create new and enhanced relationships with businesses and taxpayers.

<i>Task and Performance Measure(s)</i>	<i>By</i>	<i>Benchmarks</i>
Keep voluntary compliance at or above current high levels.	All programs	% of gross revenues collected not submitted voluntarily and on time. ¹
Establish an annual agency-wide external survey to determine areas to improve customer service. Benchmark findings.	Taxpayer Resources (partner with business units & Research Analyst)	10-2017: Establish taxpayer benchmark data that we can use to gauge customer service needs and changes. ²
Inventory cross-agency outreach efforts. Identify potential outreach opportunities. Prioritize and target marketing to key audiences.	Taxpayer Resources, with Audit, Collection, Property Tax	<ul style="list-style-type: none"> 10-01-2017: Create prioritized master list.³ 01-01-2018: Update 75% of the current outreach materials.⁴ FY2018: Coordinate five outreach opportunities.⁵
Increase the number of attendees at our agency-sponsored outreach efforts in each of our service areas.	Taxpayer Resources, with Audit, Collection	<ul style="list-style-type: none"> 10-01-2017: Update materials for consistency.⁶ FY2018: Increase the number of attendees by 25% in each region.⁷

Explanations:

¹ Based on actual compliance history. Under 5% non-voluntary is considered baseline.

² Establish base year benchmark.

³ Establish base year master list of current outreach efforts.

⁴ Based on Management's best estimate of resources.

⁵ Based on Management's best estimate of resources.

⁶ All materials should be expected to be uniform.

⁷ Based on Management's best estimate of resources.

(IB) Determine where taxpayer education can be implemented or improved within our customer interactions.

<i>Task and Performance Measure(s)</i>	<i>By</i>	<i>Benchmarks</i>
Inventory and consolidate agency educational material to centralize, standardize, and prioritize them.	Taxpayer Resources, with Audit, Collection, Property Tax	<ul style="list-style-type: none"> • 10-01-2017: Create prioritized master list.¹ • FY2018: Update 25 of our current key materials.²
Using the Plain Talk method, review and update filing instructions to improve understanding.	Taxpayer Resources, with Revenue Operations	<ul style="list-style-type: none"> • FY2018: Update individual income tax instruction booklet.³ • FY2018: Update 50 of the Request For Information letter paragraphs.⁴

Explanations:

- ¹ Establish base year master list.
- ² Based on Management's best estimate of resources.
- ³ Primary document used by taxpayers.
- ⁴ Based on Management's best estimate of resources.



Goal 2:

Administer tax law and develop rules and policies that promote fairness, consistency, compliance, security, and public confidence.

OBJECTIVES:

- 2A Identify and address noncompliance issues and create intervention strategies to increase voluntary compliance.
- 2B Ensure taxpayer data is secured and employees are provided training on evolving security practices.
- 2C Improve the appeals process to ensure that appeals will be handled in a timely, fair, and impartial way.

Goal 2: Administer tax law and develop rules and policies that promote fairness, consistency, compliance, security, and public confidence.

(2A) Determine and address noncompliance issues and create intervention strategies to increase voluntary compliance.

<i>Task and Performance Measure(s)</i>	<i>By</i>	<i>Benchmarks</i>
Increase the number of nonfiler cases reviewed and resolved using automation.	Audit	2020: 1,500 additional nonfiler leads resolved. ¹
Increase number of roadside vendors contacted by Temporary Permits Program.	Collection	10,836 permits issued in FY2017. FY2018-2022: Increase 1% each year. ²
Using the Secretary of State's <i>new business report</i>, provide education to the businesses on compliance requirements.	Collection	FY2018: 150 new businesses per month contacted. An aggregate average per compliance officer of 5.2 new business visits per month. ³

Explanations:

¹ Individual income tax nonfiler automation to occur late FY2018, working 3 years' worth of nonfiler leads instead of 4 years' worth.

² In FY2016 9,865 permits issued. Number based on officer workload capacity.

³ Compliance officer performance requirements.

(2B) Ensure taxpayer data is secured and employees are provided training on evolving security practices.

<i>Task and Performance Measure(s)</i>	<i>By</i>	<i>Benchmarks</i>
<p>Adopt the National Institute of Standards and Technology (NIST) Cybersecurity Framework to comply with Governor Otter’s Executive Order # 2017-02.</p>	<p>Information Technology, with Security Office</p>	<ul style="list-style-type: none"> • 100% of staff have completed yearly Security Awareness training.¹ • 100% of users with Elevated Administrator Security Training complete yearly training.²
<p>Manage and support GenTax® system to keep it compliant with IRS and state tax laws.</p>	<p>Information Technology</p>	<p>FY2018 (and each subsequent FY): System up and running reliably more than 99.5% of the time.³</p>

Explanations:

¹ Requirements of internal policy.

² Requirements of NIST framework and executive orders.

³ Acceptable internal level of service.

(2C) Improve the appeals process to ensure that appeals will be handled in a timely, fair, and impartial way.

<i>Task and Performance Measure(s)</i>	<i>By</i>	<i>Benchmarks</i>
Enhance appeals process efficiency and fairness by resolving cases as swiftly as possible.	Tax Appeals and Taxpayer Resources	90% of appeals cases resolved within 2 years. ¹
Enhance appeals process education using various communication channels.		10-2017: Create and publish website information on tax appeals process. ²

Explanations:

¹ Management's determination of acceptable standard.

² Reasonable date to achieve task based upon available resources.



Goal 3:

Seek and implement efficient operations within the agency to support our mission.

OBJECTIVES:

- 3A Determine where and how technology can be used to make us more efficient and effective.
- 3B Develop and implement practices to empower employees to improve the organization.

Goal 3: Seek and implement efficient operations within the agency to support our mission.

(3A) Determine where and how technology can be used to make us more efficient and effective.

<i>Task and Performance Measure(s)</i>	<i>By</i>	<i>Benchmarks</i>
Continue to improve efficiencies through expanded electronic filings and use of improved tax processing software.	Revenue Operations	Number of transactions processed per Revenue Operations employee. ¹ 1.5% increase in transactions per Revenue Operations employee. ²
Provide more efficient and user-friendly property tax administration software (UAD Web) that will allow county data to be shared easily with other agencies, businesses, and taxpayers.	Property Tax	09-2017: Install Phase 1 of new software (UAD Web) in pilot county (Boundary). ³ 12-2022: Software (UAD Web) implemented in all 22 participating counties. ⁴

Explanations:

- ¹ Based on numbers achieved in recent years. Target for FY2018 is 31,320.
- ² Measurement of increase in efficiency per year based on average number of transactions.
- ³ Reasonable date to achieve task based on available resources.
- ⁴ Reasonable date to achieve task based on available resources.

(3B) Develop and implement practices to empower employees to improve the organization.

Task and Performance Measure(s)

By

Benchmarks

Implement agency survey to determine areas for agency improvement.

Human Resources, with Research Analyst

10-2017: Implemented. Response rate 70%.¹

Explanations:

¹ Based on numbers achieved in recent years on other surveys.

EXTERNAL FACTORS

POPULATION GROWTH

Maintaining current department service levels with existing resources will continue to be a challenge as we experience high population growth in select areas of the state. Idaho is becoming a destination location for retirees.

INTERNAL REVENUE SERVICE (IRS) CUTBACKS

IRS changes in customer service – such as closed offices, limited phone services, and reduced enforcement efforts – effect the demand for services from the Tax Commission. Additionally, federal tax reform efforts may affect our forms and instructions and increase taxpayer questions.

WORKFORCE TRANSITIONS

Our workforce is aging, increasing the number of potential retirees and posing a continual challenge in transition planning and knowledge transfer. Younger workers typically have shorter lengths of employment, affecting staff turnover.

ELECTRONIC SERVICES AND EXPANDED USE OF MOBILE DEVICES

The need to automate manual processes will continue to increase. Customers will want improved access to technology to meet their expectations of anytime, anywhere, any device. In addition, taxpayers expect to interact with us using current technology that is easy and intuitive.

COMPETITION FOR EMPLOYEES WITH ESSENTIAL SKILLS

As the economy improves and our salary ranges for critical skills fall further behind market rates, we are experiencing difficulties in attracting and retaining qualified people.

COMMUNICATION AND EDUCATION WITH CHANGING TECHNOLOGY

Technological advancements in our tax processing system will require ongoing education and communication to staff and taxpayers.

IMPENDING TAX COMMISSION MOVE

The relocation of our Boise office will have an impact on the agency.

Addendum to Agency Strategic Plans:

Adoption of the NIST Cybersecurity Framework and Implementation of CIS Critical Security Controls 1 – 5

As a technology customer of the Office of the Chief Information Officer (OCIO) in the Department of Administration, we are using the cybersecurity systems and technical expertise in OCIO to fulfill requirements related to Executive Order 2017-02. Staff from OCIO briefed the NIST Core Framework, CIS Controls 1-5, and their plan for adoption of the NIST Cybersecurity Framework in a customer meeting on Feb 23, 2017. Key actions by our organization to support OCIO cybersecurity efforts are to *Identify* (NIST Core Framework first function) critical data in our systems to OCIO. Identifying sensitive data allows OCIO to address the other NIST Core Framework functions: Protect, Detect, Respond, and Recover. We will also participate in DHR and OCIO administered cybersecurity training, as awareness is a critical component of an effective cybersecurity program. As briefed by OCIO staff, implementation of the CIS Controls 1-5 will be their responsibility for the systems they operate and, as technological tools applied to the computer systems, largely invisible to us as a customer.