

# *MOVING FORWARD*



## MESSAGE FROM THE COMMISSIONERS

As we move into fiscal year 2019, the Tax Commission will continue enhancing its customer service to help taxpayers understand and follow the tax laws. This includes:

- **Expanding our educational outreach.** We're teaming up with the U. S. Small Business Administration to provide classes for small businesses on what they need to know to be successful.
- **Offering more online tools.** We recently launched a tool that allows taxpayers to upload certain information we've requested from them. We're also working on a service that sends emails to taxpayers who file through our Taxpayer Access Point (TAP) system to remind them when their tax returns are due.
- **Communicating in Plain Talk.** We're committed to using clear and simple language in our communications with taxpayers. That's why we're rewriting our tax guides and letters using Plain Talk. We want our customers to understand our guidance the first time.

Customer service also means protecting customer data. We've tightened our internal procedures to defend against cybersecurity attacks. And we'll be providing added employee education to keep security as a top priority.

Our greatest undertaking this fiscal year will be to move our Boise and Pocatello offices to new locations. The changes will allow us to lighten our load by doing some spring cleaning before each move. Also, our office layout and newly designed workspaces will allow us to work more effectively and improve our operations. By the end of the moves, we will have a more streamlined and efficient agency.





Chairman Ken A. Roberts, Commissioner Tom Katsilometes, Commissioner Elliot S. Werk, Commissioner Janet Moyle

# IDAHO

## State Tax Commission

### *Mission*

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

### *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 values:*

*Fairness. Integrity. Respect.*



## Goal 1:

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.

*Task and Performance Measure(s)*

*By*

*Benchmarks*

**Keep voluntary compliance at or above current high levels.**

All programs

% of gross revenues collected not submitted voluntarily and on time.<sup>1</sup>

**Establish an annual agencywide external survey to determine areas to improve customer service. Benchmark findings.**

Taxpayer Resources (partner with business units & Research Analyst)

1-1-2019: Establish taxpayer benchmark data that we can use to gauge customer service needs and changes.<sup>2</sup>

7-1-2019: Identify solution to implement quality assurance measures in call center.

**Inventory cross-agency outreach efforts. Identify potential outreach opportunities. Prioritize and target marketing to key audiences.**

Taxpayer Resources, with Audit, Collection, Property Tax

- 10-01-2018: Update and prioritize master list.<sup>3</sup>
- 01-01-2019: Update 50% of the current outreach materials.<sup>4</sup>
- FY2019: Coordinate five outreach opportunities.<sup>5</sup>

**Increase the number of attendees at our agency-sponsored outreach efforts in each of our service areas.**

Taxpayer Resources, with Audit, Collection

- 10-01-2018: Roll out updated materials for consistency.<sup>6</sup>
- FY2019: Increase the number of attendees by 25% in each region.<sup>7</sup>

**Explanations:**

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

<sup>2</sup> Establish base year benchmark.

<sup>3</sup> Establish base year master list of current outreach efforts.

<sup>4</sup> Based on Management's best estimate of resources.

<sup>5</sup> Based on Management's best estimate of resources.

<sup>6</sup> All materials should be expected to be uniform.

<sup>7</sup> Based on Management's best estimate of resources.

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

*Task and Performance Measure(s)*

*By*

*Benchmarks*

**Inventory and consolidate agency educational materials to centralize, standardize, and prioritize them.**

Taxpayer Resources,  
with Audit, Collection,  
Property Tax

- 10-01-2018: Finalize prioritized master list.<sup>1</sup>
- FY2019: Update another 15 of our current key materials.<sup>2</sup>

**Using the Plain Talk method, review and update filing instructions and other communications to improve understanding.**

Taxpayer Resources,  
with Revenue  
Operations

- FY2019: Continue updating individual income tax instruction booklet.<sup>3</sup>
- FY2019: Update partnership income tax instruction booklet.<sup>3</sup>
- FY2019: Update "standard responses" to taxpayer email questions.<sup>4</sup>
- FY2019: Initiate updating Tax Computation change paragraphs.

**Explanations:**

<sup>1</sup> Establish base year master list.

<sup>2</sup> Based on Management's best estimate of resources.

<sup>3</sup> Primary document used by taxpayers.

<sup>4</sup> 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) Identify 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>
<b>Increase the number of nonfiler cases reviewed and resolved using automation.</b>	Audit	2020: 1,500 additional nonfiler leads resolved. <sup>1</sup>
<b>Increase number of roadside vendors contacted by Temporary Permits Program.</b>	Collection	11,827 permits issued in FY2018. FY2019-2023: Increase 1% each year. <sup>2</sup>
<b>Using the Secretary of State's <i>new business report</i>, provide education to the businesses on compliance requirements.</b>	Collection	FY2018: 165 new businesses per month contacted. An aggregate average per compliance officer of 5.2 new business visits per month. <sup>3</sup>

**Explanations:**

<sup>1</sup> Individual income tax nonfiler automation to occur late FY2018, working 3 years' worth of nonfiler leads instead of 4 years' worth.  
<sup>2</sup> In FY2017 10,836 permits issued. Number based on officer workload capacity.  
<sup>3</sup> 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><b>Adopt the National Institute of Standards and Technology (NIST) Cybersecurity Framework to comply with Governor Otter’s Executive Order # 2017-02.</b></p>	<p>Information Technology, with Security Office</p>	<ul style="list-style-type: none"> <li>• 100% of staff have completed yearly Security Awareness training.<sup>1</sup></li> <li>• 100% of users with Elevated Administrator Security Training complete yearly training.<sup>2</sup></li> </ul>
<p><b>Manage and support GenTax® system to keep it compliant with IRS and state tax laws.</b></p>	<p>Information Technology</p>	<p>FY2019 (and each subsequent FY): System up and running reliably more than 99.5% of the time.<sup>3</sup></p>
<p><b>Acquire software that will allow the agency to perform internal phishing and other cybersecurity tests to periodically measure employee awareness and recognition of such schemes and intrusions.</b></p>	<p>Information Technology</p>	<ul style="list-style-type: none"> <li>• 100% of staff tested periodically during the year.<sup>4</sup></li> <li>• Show 50% improvement in recognition each test.<sup>5</sup></li> </ul>

**Explanations:**

<sup>1</sup> Requirements of internal policy.

<sup>2</sup> Requirements of NIST framework and executive orders.

<sup>3</sup> Acceptable internal level of service.

<sup>4</sup> Requirements of internal policy.

<sup>5</sup> Acceptable internal level of improvement.

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

*Task and Performance Measure(s)*

*By*

*Benchmarks*

**Enhance appeals process efficiency to resolve cases fairly and as swiftly as possible.**

Tax Appeals and  
Taxpayer Resources

90% of appeals cases resolved within 2 years.<sup>1</sup>

**Enhance appeals process education using various communication channels.**

Continue to publish and maintain current website information on tax appeals process.<sup>2</sup>

***Explanations:***

<sup>1</sup> *Management's determination of acceptable standard.*

<sup>2</sup> *Reasonable maintenance task based on 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>
<b>Continue to improve efficiencies through expanded electronic filings and use of improved tax processing software.</b>	Revenue Operations	Number of transactions processed per Revenue Operations employee. <sup>1</sup>  1.5% increase in transactions per Revenue Operations employee. <sup>2</sup>
<b>Provide more efficient and user-friendly property tax administration software (UAD Web) that will easily share county data with other agencies, businesses, and taxpayers.</b>	Property Tax	04-2018: Installed Phase 1 of new software (UAD Web) in Owyhee County. Two more counties scheduled to go live by Fall 2018. <sup>3</sup> 12-2023: Software (UAD Web) implemented in all 22 participating counties. <sup>4</sup>

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

**Conduct agency survey to determine areas for agency improvement.**

Human Resources, with  
Research Analyst

10-2018: Implemented. Response rate  
70%.<sup>1</sup>

***Explanations:***

<sup>1</sup> 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. Continued growth in the Canyon County area will likely result in the need to open an additional field office within the next 5 years.

### INTERNAL REVENUE SERVICE (IRS) CUTBACKS

IRS changes in customer service – such as closed offices, limited phone services, and reduced enforcement efforts – affect 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 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 MOVES

The relocation of our Boise office, as well as the field office in Pocatello, 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.