IDAHO
State Tax Commission

STRATEGIC PLAN 2017 - 2021

MESSAGE FROM THE COMMISSIONERS

The Tax Commission's vision is to achieve voluntary taxpayer compliance by providing education, outreach, and exemplary customer service. We face challenges to achieve this vision due to evolving technology, resource constraints, and changing demographics such as population growth. As we look to the future, we understand that demands for our services will continue to increase. To meet these challenges, we will continually look for ways to streamline operations, effectively use technology, and increase our efficiency.

Our ongoing quest to achieve our vision resulted in some exciting organizational and business process changes for Fiscal Year (FY) 2017.

TAXPAYER RESOURCES — CENTRALIZED, CONSISTENT, AND COORDINATED SERVICES

Most areas of the Tax Commission interact with customers; however, our Tax Policy, Communications, and Taxpayer Services business units provide the bulk of our external outreach efforts. They respond to taxpayer questions, produce our publications, provide education, ensure accurate and understandable tax forms and instructions, and much more. To modernize and coordinate the customer experience, we've combined these business units under Taxpayer Resources. Our vision for this unit is to provide taxpayers and stakeholders the right information, in the right format, through the right medium, at the right time – leading to increased voluntary compliance. Merging these customer service areas will also allow for greater efficiency and coordination in the delivery of services and more consistent information to the public and our stakeholders.

ENHANCED GENTAX MAINTENANCE

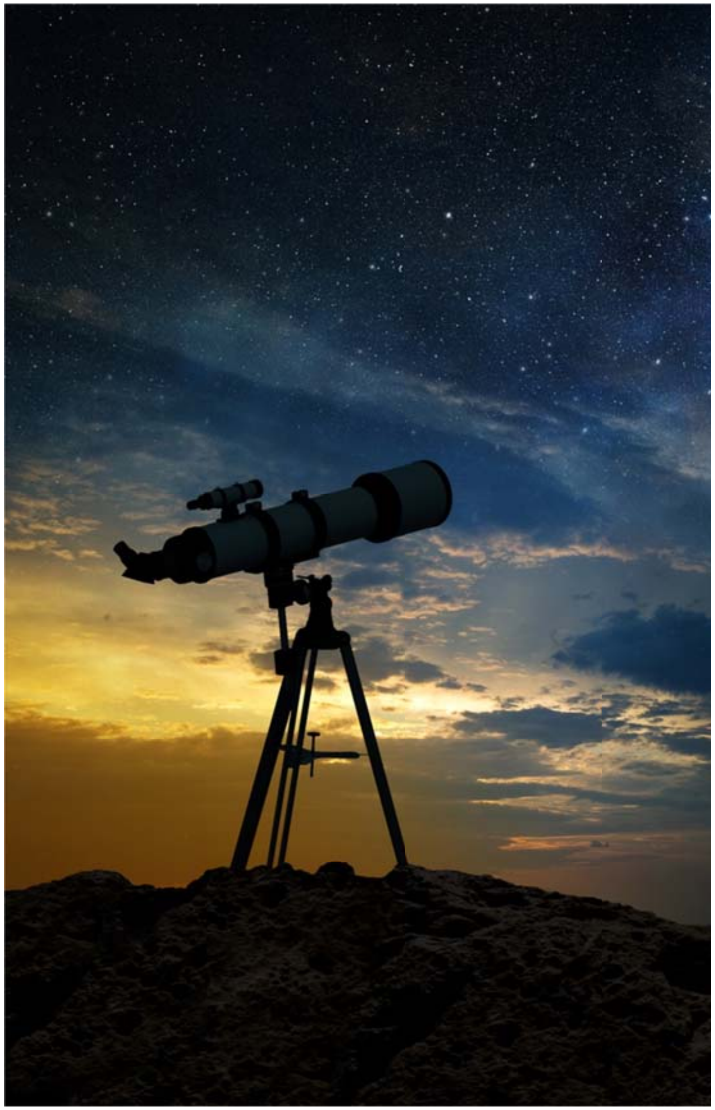
After a year of constraints on keeping our tax processing system (GenTax) up to date, the Legislature approved funding for ongoing maintenance, which includes technical updates to improve the system and fix bugs and also upgrades to newer versions of GenTax. By staying current with the latest technical updates, we'll be more efficient in processing taxes and serving taxpayers. Most importantly, ongoing maintenance will provide the agency with the latest tools to combat tax fraud and help ensure that sensitive taxpayer information is as secure as possible.

EMPLOYEES — THE KEY TO OUR SUCCESS

Our employees are the secret to our success in providing exemplary customer service. Their hard work and dedication make a difference in our outreach efforts every day. We're committed to providing them with the organization, tools, and training to help our customers meet their tax obligations.

We're confident that the changes we embrace in FY2017 will improve our ability to build strong relationships with taxpayers and stakeholders while also providing the education and support they need. This Strategic Plan provides the blueprint for the Tax Commission to confidently move forward with our first and highest priority – serving our customers to increase voluntary compliance with our tax laws.

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



OUR VISION

The Tax Commission inspires public confidence through innovative service delivery, 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 1:

IMPLEMENT METHODS OF PROVIDING CUSTOMER SERVICE AND EDUCATION TO ENHANCE VOLUNTARY COMPLIANCE WITH IDAHO TAX LAWS.

OBJECTIVES:

1A Enhance community outreach opportunities that create new and enhanced relationships with businesses and taxpayers.

1B Determine where taxpayer education can be implemented or improved within our customer interactions.

1C Modernize the organizational structure to provide centralized, consistent, and enhanced communication and education to our taxpayers and employees.

GOAL 1: IMPLEMENT METHODS OF PROVIDING CUSTOMER SERVICE AND EDUCATION TO ENHANCE VOLUNTARY COMPLIANCE WITH IDAHO TAX LAWS.

(1A) Enhance community outreach opportunities that create new and enhanced relationships with businesses and taxpayers.

Task and Performance Measure(s)	*By*	*Benchmarks*
Design and implement a communication and marketing plan to capture and coordinate agency deliverables.	Taxpayer Resources	09-30-2016: Plan completed
In alignment with the agency strategic goals and business units, create a business plan that outlines the first six month's actions and directions for the new Taxpayer Resources unit.	Taxpayer Resources	09-01-2016: Business plan 50% complete

(1B) Determine where taxpayer education can be implemented or improved within our customer interactions.

Task and Performance Measure(s)	*By*	*Benchmarks*
Evaluate the agency's communication tools, marketing strategy, and audiences to maximize educational efforts. The number of "Where's my refund?" calls.	Taxpayer Resources and Research	Reduce the annual total of the "Where's my refund?" calls by 10%. In FY2016, "Where's my refund?" calls totaled 11,553.*

**Taxpayers will be encouraged to use the Tax Commission website to obtain this information and data will be tracked.*

Create a strategy to address the readability and tone of agency letters and brochures.	Taxpayer Resources	2017: Methodology created and implemented
Analyze Phone Power (Collection) and Taxpayer Resources' efforts to improve phone interactions, training, and customer issue resolution.	Collection and Taxpayer Resources	04-2017: Analysis and recommendations provided

Task and Performance Measure(s)	*By*	*Benchmarks*
Institutionalize an annual agency-wide external survey to determine areas to improve customer service and benchmark findings.	Research and Organizational Development	12-2016: Feedback process established

(1C) Modernize the organizational structure to provide centralized, consistent, and enhanced communication and education to our taxpayers and employees.

Task and Performance Measure(s)	*By*	*Benchmarks*
Reevaluate the agency’s structure and placement of resources quarterly.	Commissioners	09-2016: Ongoing quarterly review of resources scheduled

GOAL 2:

ADMINISTER TAX LAW AND DEVELOP RULES AND POLICIES THAT PROMOTE FAIRNESS, CONSISTENCY, COMPLIANCE, SECURITY, AND PUBLIC CONFIDENCE.

OBJECTIVES:

2A Determine 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 manner.

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.

Task and Performance Measure(s)	*By*	*Benchmarks*
Federal Change Reporting: Employees are reviewing options for taxpayers to report and pay Idaho taxes when the IRS makes federal adjustments to the federal return.	Audit	03-2017: Taxpayer material available; assessment completed of how amended returns will be tracked
CP2000 Automation: Tax Discovery will be working to automate the CP2000 process. The business case analysis and review of alternatives have been completed. The project plan is currently in progress.	Audit	09-2016: Project implemented

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

Task and Performance Measure(s)	*By*	*Benchmarks*
Continue to participate in both the FTA's Cyber Security Summit and the Lt. Governor's Cyber Security Task Force, and ensure that the ISTC follows the recommendations for cyber security best practices.	Information Technology	FY2017 (and each subsequent FY): 60% of NIST top 20 recommendations met and verified
Identify potential security gaps and develop solutions to mitigate risks.	Information Technology and Security	01-2017: Penetration testing completed; recommendation for CPO completed

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

Task and Performance Measure(s)	*By*	*Benchmarks*
Develop an appeals procedure manual, establish standards of performance for each case type, and educate taxpayers, tax professionals, and ISTC employees on new appeals process. Percent of cases resolved within guidelines established for each case type (i.e., double-claimed dependent, nonfiler, individual/business income tax).	Tax Appeals	FY2017: 90% of cases resolved within established guidelines*

**Due to the variability of cases, the complexity and the volume of potential cases.*

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.

3C Detect and anticipate fraud schemes.

3D Realign agency resources to accomplish strategic goals and core mission actions.

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.

Task and Performance Measure(s)	*By*	*Benchmarks*
Provide easier access to county information by implementing the UAD software pilot in Boundary County.	Property Tax	12-2016: Pilot feedback evaluated 01-2020: UAD implemented in all 20 participating counties
Manage and support the GenTax system to keep it in compliance with IRS and state tax laws.	Information Technology	FY2017 (and each subsequent FY): System up and running reliably more than 99.5% of the time
Assess administrative productivity by ongoing research into cloud solutions such as a continuation of our successful "Force.com" workflow project and greater use of "cloud solutions."	Information Technology	01-2020: 60% of retired systems replaced
Replace the POS System with the Cashiering Manager in GenTax to manage payment transactions.	Collection	10-2016: New system in place

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

Task and Performance Measure(s)	*By*	*Benchmarks*
Implement methods for employees to provide feedback to management for organizational improvements.	Organizational Development	09-2016: 100% of employees have opportunity to provide feedback
Implement an agency survey to determine the top work concerns and address those concerns.	Human Resources	10-2016: All employees have opportunity to take survey

(3C) Detect and anticipate fraud schemes.

Task and Performance Measure(s)	*By*	*Benchmarks*
Participate in state and local forums for sharing exposed fraud schemes.	Audit and Revenue Operations	06-2017: 100% participation
Fraud Referrals and Tax Crime: Tax Discovery is reorganizing to develop a continuum of accountability for fraudulent returns, fraud referrals, and criminal investigations.	Audit	03-2017: Process implemented

(3D) Realign agency resources to accomplish strategic goals and core mission actions.

Task and Performance Measure(s)	*By*	*Benchmarks*
Prioritize division work to determine where agency resources can be shifted to meet our objectives. Percentage of total staff time that is spent in their primary roles.	Commissioners	FY2017: 80% of total staff time spent in primary role*

**Due to other work demands and agency projects.*

Set up quarterly strategy meetings to review agency goals and resources needs.	Organizational Development	FY2017: Quarterly meetings executed

EXTERNAL FACTORS

DEMOGRAPHIC IMPACTS

Maintaining current department service levels with current resources will continue to be a challenge as the population increases.

IDENTITY THEFT AND FRAUD

Additional agency resources, technology changes, and public education are required to prevent and track the misuse of taxpayer information. Verifying taxpayers' identities will continue to be a challenge.

INTERNAL REVENUE SERVICE (IRS)

IRS changes in customer service (closed offices and limited phone services) increase the phone calls and demand for services of the Tax Commission.

AGING OF TAX COMMISSION WORKFORCE

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, impacting 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.

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 people.

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