

Utah State Tax Commission

Office of the Commission

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Administration and Operations

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Mission Statement

Collect and distribute revenue for the state and local governments and equitably administer tax and assigned motor vehicle laws.

Overview

The Tax Commission currently collects and distributes over \$6 billion in state and local revenues. The primary Tax Commission responsibilities include:

- Process revenue, returns and update taxpayer information
 - Audit tax returns and other information for accuracy and compliance
 - Collect delinquent taxes
 - Assist taxpayers with compliance and resolve account issues
 - Oversee local property tax assessments and administer centrally assessed valuations
 - Register and title motor vehicles and motor carriers
 - Enforce motor vehicle laws, including vehicle fraud, stolen vehicles and regulation of the automobile sales industry
- For more information about the Tax Commission and the Office of the Commission, please visit our website at www.tax.utah.gov.

#1 Timely Service

A. Revenue Deposits

Importance: The timely collection and deposit of revenues in state accounts is critical for state investment purposes and to provide funds for government services.

Action: State guidelines require all deposits of funds within 72 hours of receipt. Our goal is to deposit funds within 24 hours of receipt and within 72 hours during peak return periods. This goal is met 98 percent of the time.

B. Income Tax Refunds

Importance: The public expects and relies on timely income tax refunds. Technological advancements including electronic filing options have reduced the time taxpayers wait to receive state income tax refunds.

Action: Timeliness of refunds generally depends on how early the taxpayer files the return. Income tax refunds are targeted to be processed within 15 days of receipt which occurs at least 90 percent of the time. Exceptions occur when there is an unusual error item. Those returns are then marked for review.

C. Citizen Telephone Assistance

Importance: Since citizens are required to file tax returns and register their vehicles, we need to provide timely and quality responses to all telephone inquiries in order to assist people in completing their transactions as well as providing assistance at office counters.

Action: The Taxpayer Services and Motor Vehicles divisions continue to make improvements in assisting the number of citizens who contact the Tax Commission by telephone. The percentage of calls handled has been maintained in recent years.

The Taxpayer Services Division is at the center of addressing and solving specific taxpayer questions. Employees provide customer service and maintain front-line contact with the public on tax issues. This division also collects delinquent taxes and encourages future compliance with tax laws.

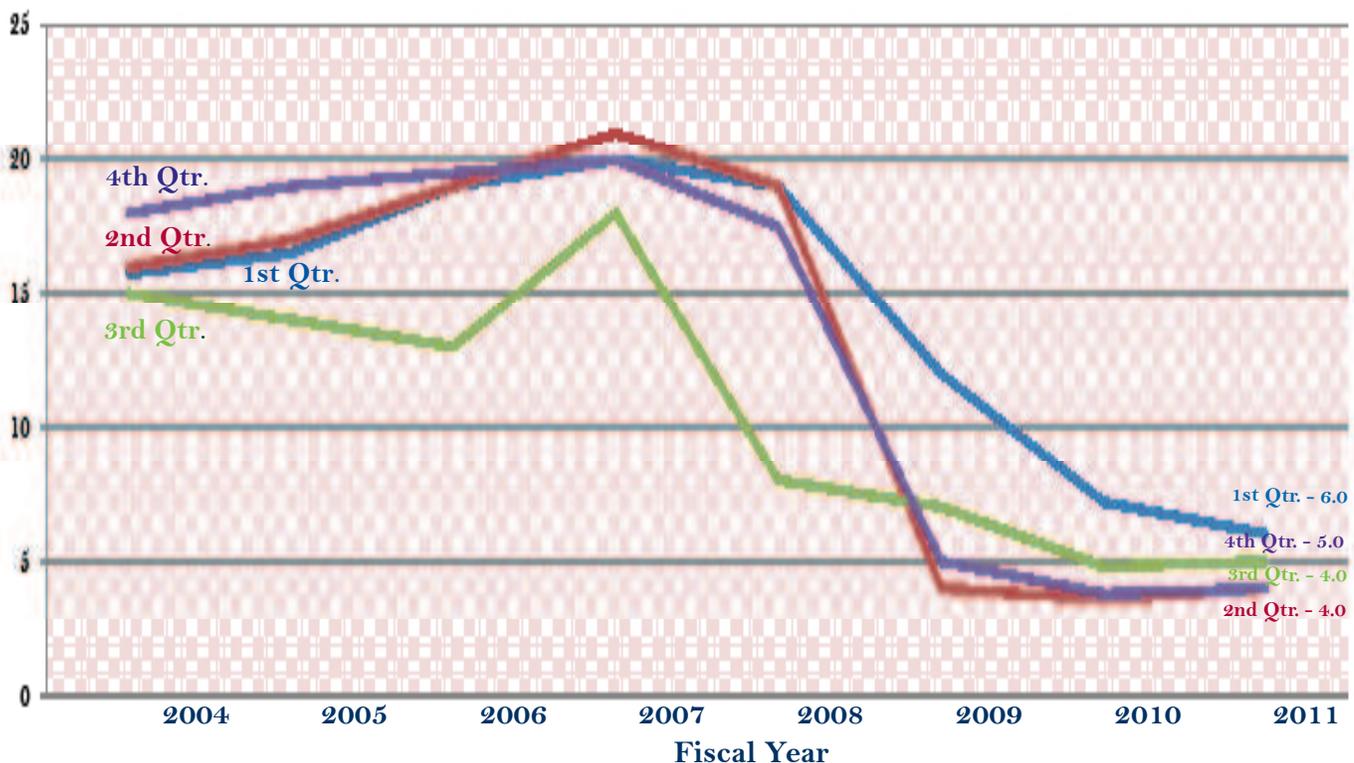
The Division of Motor Vehicles answers all vehicle related questions from citizens. The chart on the following page shows the progress made in timely responses to those calls.

D. Wait Times

Importance: Citizens visiting the Division of Motor Vehicles office expect efficient service in the least amount of time. This chart shows the average wait times for large state operated motor vehicle offices. These include all Wasatch Front offices. Wait times vary significantly from office to office depending on the day of the week, day of the month and time of day. Due to these considerations, the Division of Motor Vehicle's focus continues to be on wait time trends rather than specific daily wait times.

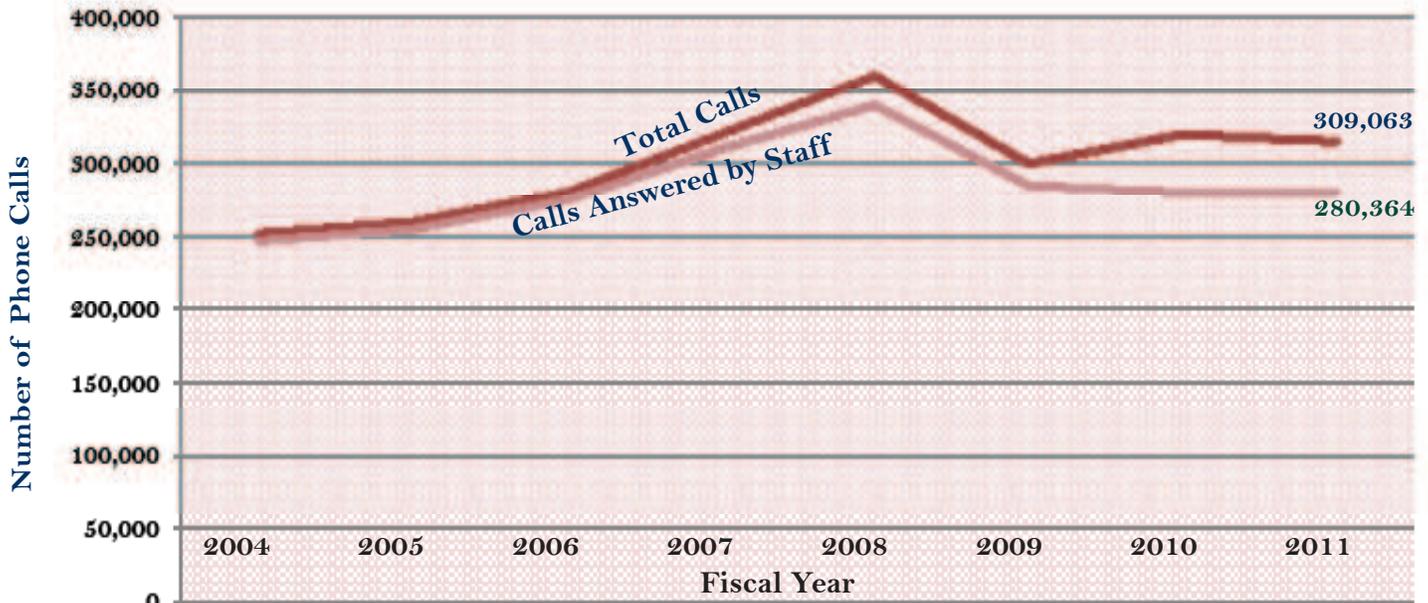
Action: The Division of Motor Vehicle's goal is to keep average wait times shorter than 20 minutes. To reach this goal, the division utilizes seasonal employees to meet customer service demands during peak periods. Monthly wait times recorded by electronic management systems are used to calculate the average quarterly times.

DMV Wait Times



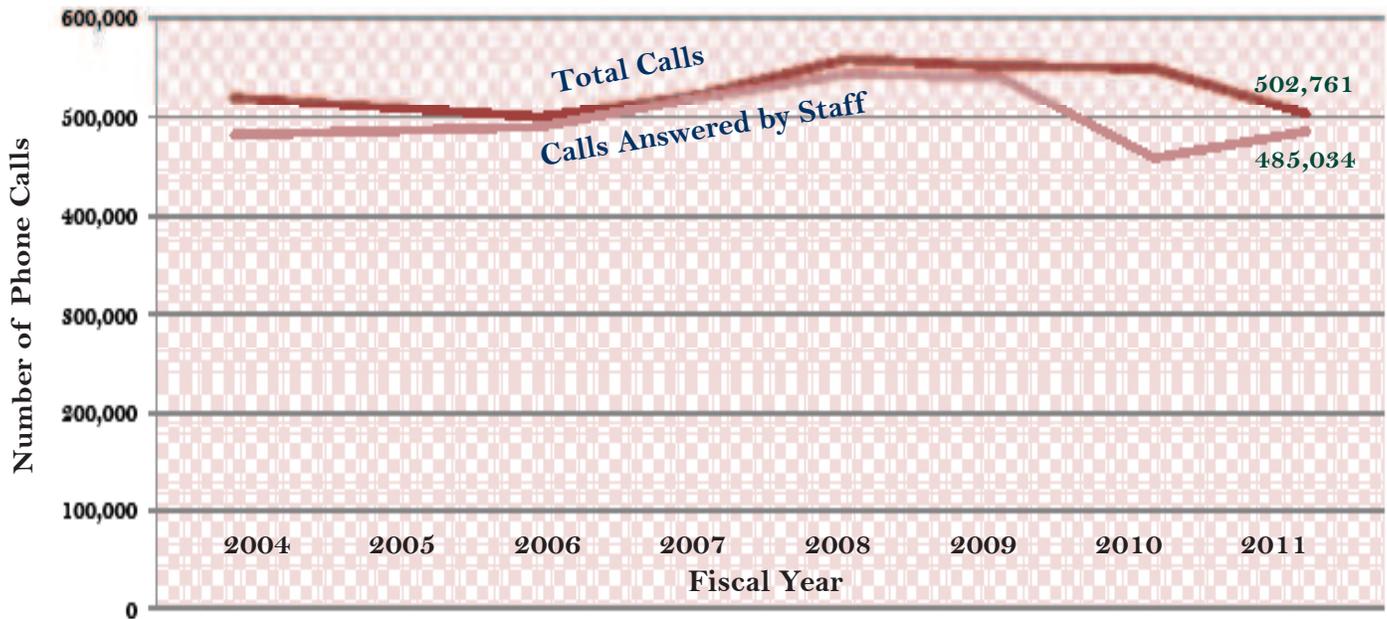
This chart shows steady improvements during recent years in the average wait times in the Wasatch Front DMV offices.

Taxpayer Services Telephone Assistance



This chart shows the number of customers in recent years who contacted Taxpayer Services by telephone and the number who talked directly with an employee.

DMV Telephone Assistance



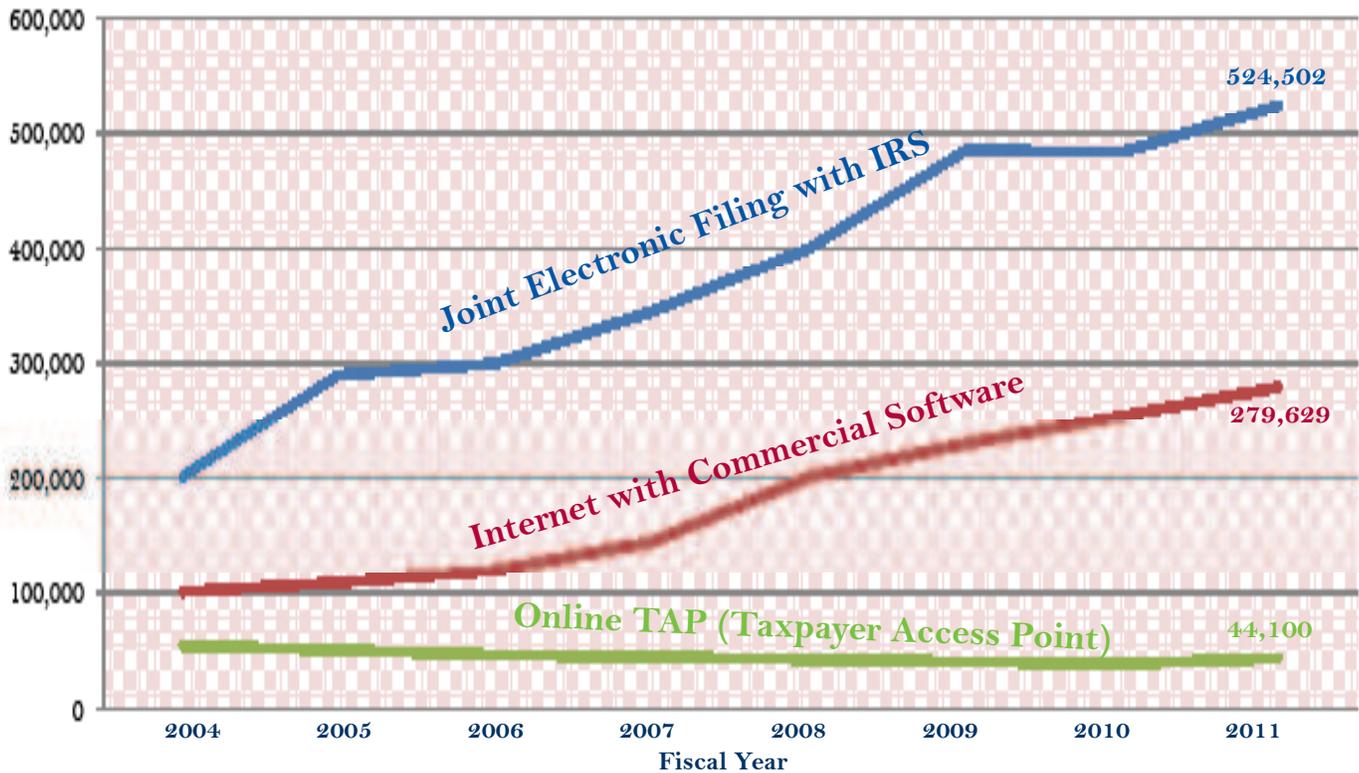
This chart shows steady improvements during recent years in the percentage of customers who telephoned DMV and talked directly with an employee.

#2 Electronic Filing and Payment Options

A. Income Tax Returns

Importance: The Tax Commission continues to use technological advancements and alternative methods of filing income tax returns to keep pace with a growing population and economy. Over one million income tax returns are filed annually and we continue to encourage electronic filing. Utahns have three electronic filing options available:

Electronic Filing of Income Tax Returns



This chart shows the popularity of electronic filing options as the number of income tax returns filed continues to grow. These numbers are as of June 30, 2011.

- 1) commercial software packages
- 2) joint electronic filing (JELF) with the IRS and
- 3) TaxExpress, the state's online option

Electronic filing is more accurate, faster, more secure and saves taxpayer dollars.

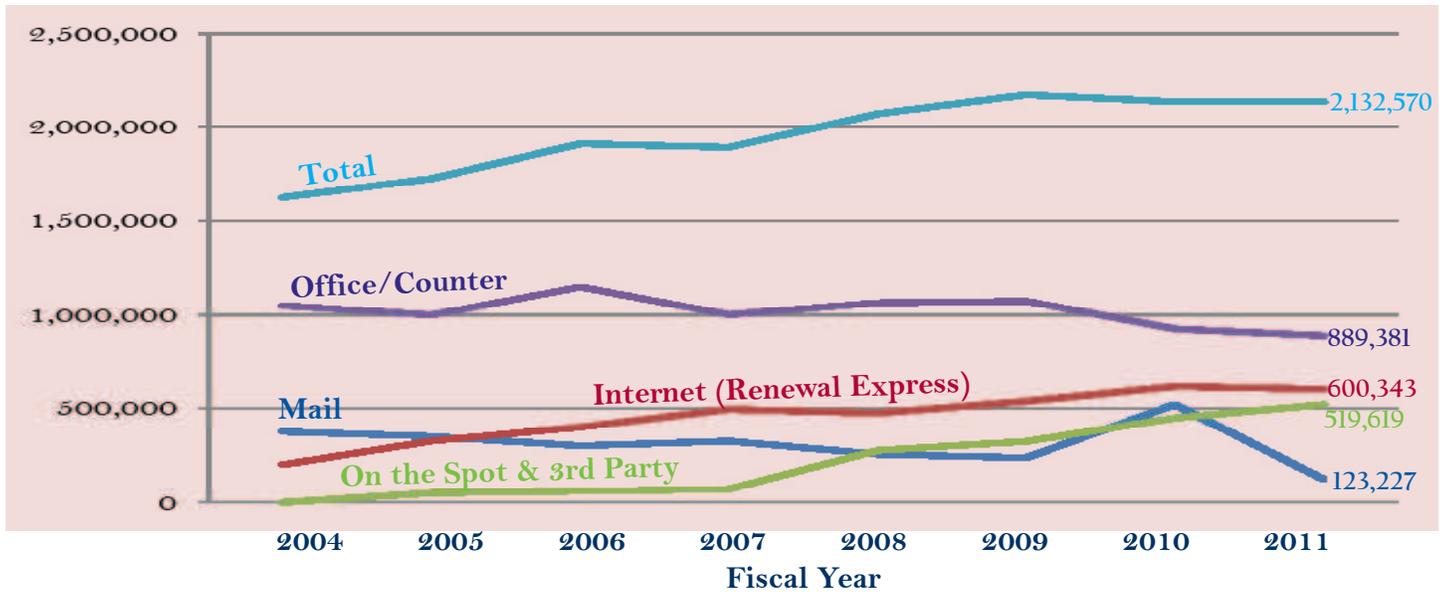
Action: We continue to promote the use of electronic filing options. We expect the popularity of these options to continue into the future which will help offset our increasing workload due to the natural growth in taxpayers required to file returns.

B. Motor Vehicle Transactions

Importance: All motor vehicles, off-highway vehicles and water craft operating in Utah must be licensed and registered by the Division of Motor Vehicles (DMV). Some transactions, such as when a new title is required on a new vehicle, must be completed in a DMV office since documentation is required. However, many transactions including most renewals can be completed electronically or by contracted third parties. Third parties include authorized commercial dealers, inspection stations and other contracted parties that can complete DMV transactions.

Action: We encourage citizens to complete renewal transactions through the Internet, mail and authorized inspection stations. Use of these options has allowed the division to meet the demands of the growing population for a number of years. As use of electronic options levels out and the population continues to increase, the number of offices serving the public will eventually need to be increased.

DMV Wait Times



This chart shows that the number of DMV transactions conducted through Internet options and third-party providers is steadily growing. Third-party transactions include those conducted by commercial contractors or other agencies outside of DMV offices.

#3 Quality Systems and Business Processes

Importance: The state's tax and motor vehicle administration processes rely heavily on automated computer systems. They are used to accurately record and retain information provided by citizens for millions of tax and motor vehicle transactions that are processed each year. On a daily basis, these systems are used to record large volumes of transactions and distribute multiple types of revenue and fees to hundreds of different state and local funds. Computer systems are used extensively by Tax Commission employees who help ensure that citizens pay their fair share of the cost of financing state and local government programs.

Action: With the support of the Governor and the Legislature, the Tax Commission began a long-term project in 2006 to systematically replace its many old and individually-developed computer systems. This multi-year project has integrated agency systems using one core processing program, benefiting from the reuse of the same core functionality as each of the old systems is converted. This is resulting in improved agency efficiency, improved customer service, enhanced citizen compliance, and provides more flexibility to make system changes as state's tax and motor vehicle system laws are modified.

The old computer systems have been converted to the new system in strategic phases. The benefits being realized for the systems already converted to the new core processing system include:

Agency Efficiencies

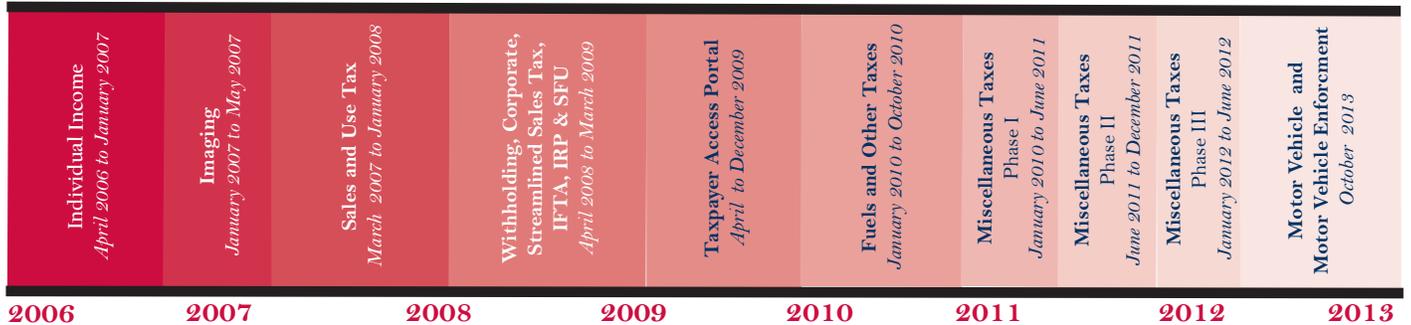
- A single core system is more efficient as it provides shared functionality across all implemented sub-systems. Use of the same programs for all core functions optimizes the use available resources. This includes the use of shared core accounting functions, shared distribution processes that transfer funds to various state and local entities, consistent data entry and account history formats between sub-systems, shared case management tools, and the use of common core system billing functions
- A single core system provides a consistent user-view across agency-assigned functions including data entry, account review and update screens, reporting, and easy review of accounts across sub-systems

- Having the same look and feel for all major functions creates efficiencies in the ongoing use of the system, including user training on a single, easy to navigate system, and the benefits of integrated testing, employee help desk support, and taxpayer support functions
- Imaging improves both customer service and the internal review processes
- Improved reporting and case management tools
- Audit selection processes are improved, thus enhancing compliance reviews
- Functions in the core system will be updated to current technologies on a regular basis
- Compliance is enhanced with improved and integrated systems, and tax evasion is more easily identified having programs as sub-systems within one core product.

Citizen and Business Benefits

- Enhanced electronic filing options allow online access, review and update of personal and business account information.
- Returns and registration processes can be completed online
- Real time processing of most transactions
- System retains images of all system communications to the taxpayer allowing agency representatives to better assist them
- Effective government services are provided by the Tax Commission using one core system for various functions using the same accounting, distribution, and billing processes for converted functions

Overall, this new integrated system approach provides improved tools and processes for the agency’s administrative responsibilities. It serves as the foundation for the future that will provide improved customer service and tax and motor vehicle administration service for years to come. Conversion of the remaining systems will occur in the next 18 months. The table below shows the time line of the systems that have been replaced and those that will be implemented.



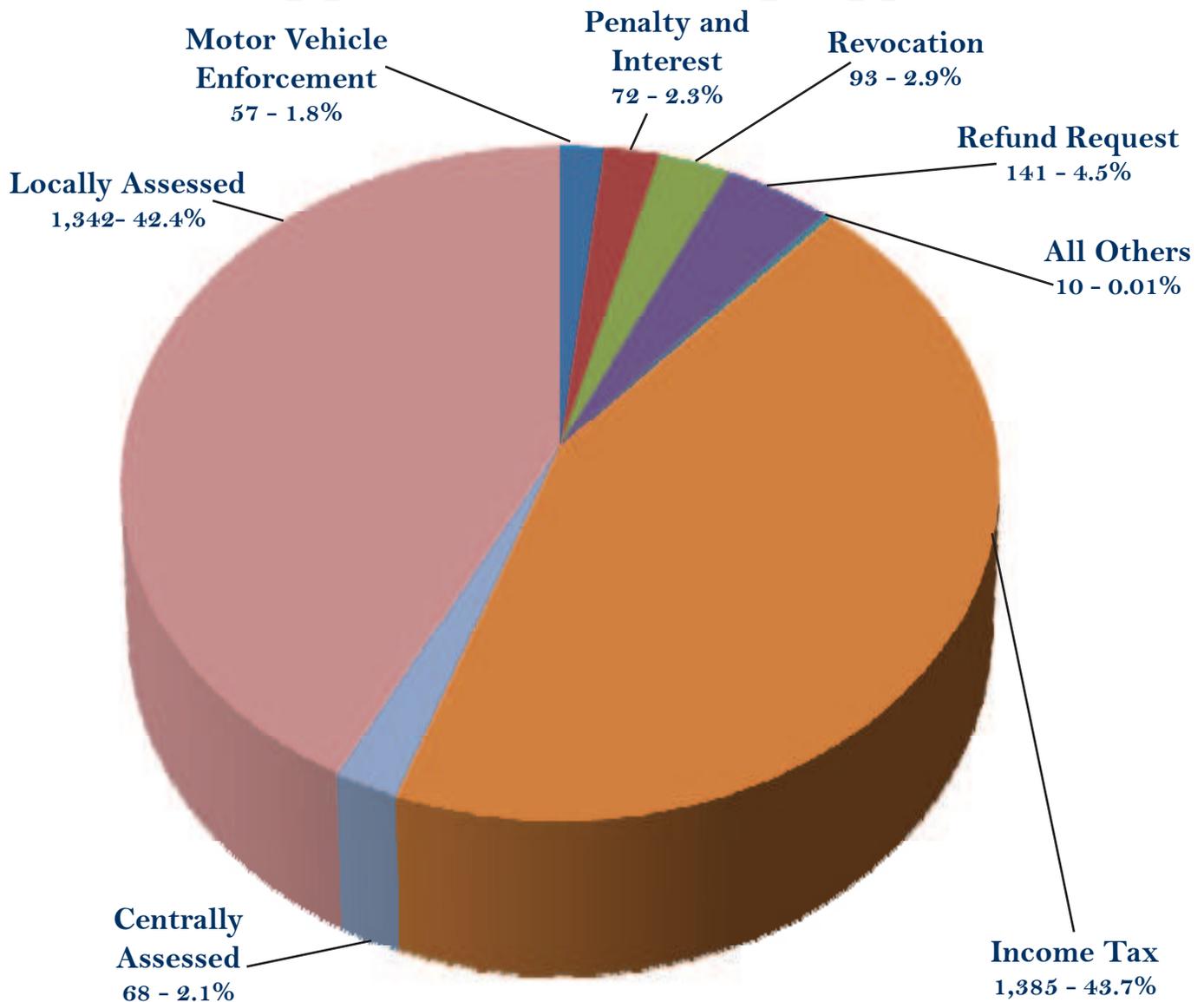
This illustration shows the timeline of the Tax Commission’s computer system upgrade project. The project serves as a foundation for the future and continued improved customer service.

Office of the Commission

Importance: The Governor, with concurrence from the Utah State Senate, appoints four state tax commissioners. The primary role of the Commissioners is to hear and rule on tax appeals, administer and supervise the State's tax laws and promulgate rules to administer those tax laws. The Commissioners, in consultation with the Governor, hire an executive director to oversee the administrative functions of tax compliance including property tax, motor vehicle, auditing, taxpayer services, processing and assigned motor vehicle enforcement laws. The division of these functions serves to keep the appeals process separate from the administrative functions.

Action: The primary role of the Office of the Commission is to hear and rule on tax appeals, supervise and administer the State's tax laws and promulgate rules to administer those tax laws. In the past few years the number of appeals nearly doubled while the size of the staff remained the same.

Appealed Cases by Type



Taxpayers filed 3,166 appeals with the Office of the Commission in the 2011 fiscal year. This chart shows the type and number of appeals filed.