

2014-16 Strategic Plan

Department of Taxation [161]

Mission

The mission of the Virginia Department of Taxation is to serve the public by administering the tax laws of the Commonwealth of Virginia with integrity, efficiency, and consistency.

Vision

To instill the highest degree of public confidence in our integrity and reliability by providing prompt, accurate and courteous service while promoting compliance with the tax laws and setting our performance as the benchmark for government.

Values

- **Integrity:** We strive to be honest, fair, and straightforward, not compromising moral principles or values.
- **Trust and Respect:** We commit to working diligently every day to earn and keep the trust and respect of our stakeholders.
- **Personal Responsibility:** We strive to honor commitments, accept ownership for agency performance and personal performance, and to achieve positive outcomes.
- **Teamwork:** We commit to participating with others in an open, collaborative environment in pursuit of common goals.
- **Commitment to Service:** We strive to provide the best service possible to all customers, internal and external.
- **Continuous Improvement:** We commit to always pursuing a better way and to taking calculated risks for the sake of improved quality.

Finance

Financial Overview

The Department is predominantly funded from the general fund. It uses non-general fund sources to fund outside collection agencies (percentage of collections), court debt collection, the administration of the communication sales and use tax, motor vehicle rental tax, and the insurance premium tax. Non-general funds are also used for railroad and pipeline assessments, land preservation credit processing and local assessor training classes.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	91,784,551	13,570,577	92,730,814	13,570,577
Changes to Initial Appropriation	0	0	-175,000	405,000

(Changes to Initial Appropriation will be 0 when the plan is created. They will change when the plan is updated mid-biennium.)

Customers

Anticipated Changes to Customer Base

Current Customer List

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Business and Finance	IRS/Professional Associations	31	31	Stable
Attorney General	Attorney General's Office	1	1	Stable
Business and Finance	Payroll providers - Companies representing and filing for multiple business taxpayers	200	300	Increase
Business and Finance	Tax preparers - Professional preparers of individual and corporate income taxes, and business taxes	8,000	10,000	Increase
General Assembly	General Assembly	140	140	Stable
Governor	Governor's Office	1	1	Stable
Local or Regional Government Authorities	Federal/State/Local Governments	216	216	Stable
Local or Regional Government Authorities	Transportation Authorities	2	2	Stable

State Agency(s),	Agency Management and Employees	940	940	Stable
State Agency(s),	State Agencies	124	124	Stable
Taxpayer	Business taxpayers - Sales tax dealers, employers, corporations and other business taxpayers	469,841	500,000	Increase
Taxpayer	Individual taxpayers - Resident, non-resident and part-year resident taxpayers that file personal taxes in Virginia	5,074,517	5,100,000	Increase
Taxpayer	Tobacco wholesalers	150	150	Stable

Partners

Name	Description
Internal Revenue Service (IRS)	TAX and the IRS exchange data/information for state and federal refund setoff, and for tax auditing purposes.
Taxing Authority Consulting Services, PC	Taxing Authority Consulting Services, PC (TACS) is the vendor that processes all bankruptcies for the agency. This eliminates the need for the agency to have bankruptcy attorneys on staff and maintains interfaces with the bankruptcy courts..
CGI/Performant	CGI/Performant is a collection agency. Delinquent receivables are routed to CGI/Performant for collection based on a hierarchy of business rules tried and perfected over the past 10 years. Efficient performance of this service relies on the interfaces between the Department of Taxation and CGI/Performant.
City of Bristol Treasurer	Sells Tobacco Stamps on behalf of Department of Taxation
City of Danville Treasurer	Sells Tobacco Stamps on behalf of Department of Taxation
City of Fairfax Treasurer	Sells Tobacco Stamps on behalf of Department of Taxation
City of Lynchburg Treasurer	Sells Tobacco Stamps on behalf of Department of Taxation
City of Roanoke Treasurer	Sells Tobacco Stamps on behalf of Department of Taxation
City of Virginia Beach Commissioner of the Revenue	Sells Tobacco Stamps on behalf of Department of Taxation
City of Waynesboro Treasurer	Sells Tobacco Stamps on behalf of Department of Taxation
County of Culpeper Treasurer	Sells Tobacco Stamps on behalf of Department of Taxation
Department of Accounts (DOA)	DOA and TAX provide complete financial information needed for the Comprehensive Annual Financial Report.
Department of General Services	Department of General Services provides care and maintenance of our Westmoreland and Main Street Centre facilities.
DOA Payroll Services	Processes the payroll for the Department of Taxation
e-File Software Vendors	External developers of tax preparation software used by taxpayers and tax preparers to electronically file state tax returns.
Virginia Department of Business Assistance (VDBA)	Provides Business One Stop, an interactive online system used to register business with several Virginia state and local agencies. VDBA partnered with VATAX to develop an integrated business registration process.
Virginia Employment Commission (VEC)	VEC and TAX jointly maintain our iReg and iFile applications that are used by taxpayers to register with TAX and VEC and to file/pay taxes with both TAX and VEC
Virginia Employment Commission (VEC)	VATAX partners with VEC to develop and share an online portal for employers to register their business with both agencies and file and pay taxes at the same time.
Virginia Information Technology Agency/Northrop Grumman (VITA/NG)	VITA/NG provides the technical infrastructure and supports the LAN/WAN and server operating systems used by many of the agency's applications
Virginia Localities	Virginia localities use our automated systems to assist TAX with the filing and processing of individual income tax returns. They also use our systems to assist with locally administered taxes, and for validation of tax refund setoffs.
Virginia State Agencies	Other state agencies use our automated systems for validation of tax refund setoffs, and to validate tax compliance for issuing various permits and licenses.

Agency Goals

- Provide the highest quality financial management of the Commonwealth revenue

Summary and Alignment

Ensure proper accounting for all tax revenue and all expenses are necessary and appropriate.

Associated State Goal

Government and Citizens: Be recognized as the best-managed state in the nation.

Associated Societal Indicator

Government Operations

Objectives

» **Ensure internal controls are in place and working as designed**

Description

The integrity of the Department is dependent on ensuring effective internal controls are in place. Proper internal controls protect the taxpayers, the agency, employees and the Commonwealth.

Objective Strategies

- Develop internal audit plan
- Monitor internal audit plan to ensure completion

Measures

- ◆ Percentage of Internal Audit plan completed

» **Forecast revenues accurately.**

Description

Accurately forecast general fund, transportation fund, and Department of Motor Vehicles' special fund revenues.

Objective Strategies

- Continue to improve revenue forecasting accuracy, thereby strengthening the Commonwealth's modeling and simulation capabilities.

Measures

- ◆ Percentage variance on the official forecast.

» **Provide accurate distributions to localities**

Description

Provide timely and accurate sales and use tax distributions to localities.

Objective Strategies

- Continue to ensure all funds due to localities are properly distributed
- Provide a process for localities to report errors

Measures

- ◆ Error rate % of local distribution of sales and use tax

• **Improve agency efficiency and effectiveness through process improvement and automation.**

Summary and Alignment

Improve productivity through innovation and increased technological capabilities to ensure collaboration among business units. These technological advances will ensure the administration of the tax laws in an efficient and consistent manner.

Associated State Goal

Government and Citizens: Be recognized as the best-managed state in the nation.

Associated Societal Indicator

Taxation

Objectives

» **Promote electronic filing of Individual income tax returns to reduce operating cost, increase efficiency and reduce errors.**

Description

Encourage taxpayers and tax preparers to e-File Individual income tax returns instead of filing on paper.

Objective Strategies

- Communicate to the public that refunds from e-File returns will be issued in approximately 1 week while refunds from paper filed returns will take approximately 4 weeks. This strategy is to encourage more taxpayers to use e-File if they want their refund quickly.
- Continue to leverage technology that will provide opportunities for efficiencies in the processing of tax returns and payments.
- Continue to promote e-File, Free File and Fillable Forms as multiple avenues for electronic filing.
- Pursue mandates that will move more taxpayers and tax preparers to use e-File.

Measures

- ◆ Average cost to process an individual income tax return.
- ◆ Percentage of all refunds from current-year electronically-filed returns issued within 12 days of receipt of the return

» **Increase electronic interactions with citizens.**

Description

The Department will continue to expand and promote interactive, educational, user friendly, self service online systems for taxpayers to communicate with the Department in an efficient and secure manner, file and pay taxes, obtain information and conduct many other transactions.

The objective is to increase taxpayer use of electronic services 5 percent by the end of FY2016.

Objective Strategies

- Continue to develop and expand online systems that will service both the taxpayer's needs and the Department's
- Continue to promote and market the online services that are available to move more taxpayers to self-service options using different communication tools such as e-alerts and social media
- Continue to pursue electronic filing mandates as a means to reduce paper returns and checks, which will decrease operating costs and provide tax information and revenue quicker and with less errors
- Continue to update and maintain the Department's website with valuable information, resources, and assistance

Measures

- ◆ Percentage of payments and returns received electronically

• **Make conducting business with the Department clear, simple and efficient.**

Summary and Alignment

Foster positive customer interaction by providing timely responses to customer inquiries whether offered via letter, telephone, email or live chat. Timely and consistently informing citizens and businesses of their tax obligations and enforcing compliance where necessary ensures the achievement of the TAX mission.

Associated State Goal

Government and Citizens: Be recognized as the best-managed state in the nation.

Associated Societal Indicator

Taxation

Objectives

» **Maintain customer satisfaction levels with online self-service technologies.**

Description

When the Department's customers use our online systems, they are asked to provide answers to a small number of questions so that the Department can ascertain their overall level of satisfaction with the online service. The Department has so far received good ratings on these services, and expects that customers will continue to be highly satisfied with them.

Objective Strategies

- Continue to develop online service that appeals to taxpayers
- Provide secure applications customers will trust
- Design and distribute customer satisfaction survey
- Analyze and report on the survey results

Measures

- ◆ Percentage of customers who give the agency a satisfactory rating.

» **Resolve appeals of state tax issues, issue rulings, and provide support to the Office of the Attorney General on tax litigation accurately and timely.**

Description

The Department of Taxation desires to accurately and timely resolve appeals of state tax issues in less than 120 days. Some appeals are highly technical and require considerable time and interaction with taxpayers. Recent history has been: FY2014 39.9% less than 120 days old; FY2013 40.60% less than 120 days old; FY2012 48% less than 120 days old.

Objective Strategies

- Continue to ensure that the appeals process is fair and not overly burdensome, and results in accurate assessments for both businesses and individuals.

Measures

- ◆ Percentage of open individual income and sales tax appeals less than 120 days old.

» **Respond to taxpayer inquiries in a timely manner .**

Description

This service area handles customer inquiries whether via telephone, Live Chat, secure e-mails, or letters. This key measure reviews the number of telephone calls answered before the customer hangs up versus the number of calls offered. During FY2014, Taxation answered 559,293 calls out of the 623,400 calls offered.

Objective Strategies

- Continue to promote and market the online services that are available to move more taxpayers to self-service options
- Continue to update and maintain the Department's website with valuable information, resources, and assistance
- Continue employee development and education to provide the best and efficient customer service
- Monitor employee performance through online and live data collection

Measures

- ◆ Percentage of calls answered before callers disconnect

» **Provide a fiscal impact statement before state and local tax legislation is considered by the Legislative Branch.**

Description

Accurate, thorough and timely fiscal impact statements are expected by the General Assembly Finance Committees and provide critical information on the fiscal, administrative and policy impacts of proposed legislation. The fiscal impact statements also ensure that the legislation is drafted accurately.

Objective Strategies

- Coordinate with internal operating offices, other agencies or localities to develop timely impact statements

Measures

- ◆ Percent of fiscal impact statements provided to the House or Senate Finance Committee before consideration.

» **Provide accurate, clear, and timely research, revenue estimation, and legislation analysis to Policy Development Division customers.**

Description

Customers of the Policy Development Division include the Office of the Secretary of Finance, the Governor's Office, other executive branch agencies, and external customers, such as the Virginia Bar Association, the Virginia Chamber of Commerce, and the Virginia Society of Certified Public Accountants. To these groups, the Policy Development Division provides research, revenue estimation, and analysis of legislation of state and local tax topics. The analysis included in its work product provides explanations, revenue data, and other information to ensure that the reader understands the tax and budget issues involved in the subject of each document, and is provided with the data and alternatives necessary to make an informed decision. Additionally, the Policy Development Division provides guidance with respect to the interpretation of changes in the tax laws or changes in the Department's tax policy. This guidance is done with the input of affected parties, with the goal of increasing voluntary compliance with the tax laws of the Commonwealth.

Objective Strategies

- Design and distribute a customer satisfaction survey
- Analyze and report the survey results

Measures

- ◆ Average rating received on customer satisfaction surveys.

• **Improve compliance through education, information and enforcement.**

Summary and Alignment

Providing education and information to Virginia's taxpayers, and enforcing the timely receipt of monies owed, ensures that the Commonwealth has the funds it needs to properly serve its citizens, and that taxpayers pay only what is rightfully due.

Associated State Goal

Government and Citizens: Be recognized as the best-managed state in the nation.

Associated Societal Indicator

Taxation

Objectives

» **Resolve state tax delinquencies efficiently and effectively, with no increase in resources.**

Description

This service area is charged with collecting tax assessments and outstanding court-debt fines and fees. This objective simply measures the level of collections over the years.

Objective Strategies

- Develop innovative sources of collection

Measures

- ◆ Percentage of the compliance goal collected annually.

» **Maintain core audit programs at current levels.**

Description

Audit programs are a key component in the Department's compliance function and are designed to encourage voluntary compliance with the Commonwealth's tax system. This objective measures the number of audit cases created during the fiscal year and looks at the average number of audit cases over a three year period.

Objective Strategies

- Continue to create new audit cases.
- Continue to monitor audit staff performance regarding closing of cases in a timely manner

Measures

- ◆ Number of audit cases created.

Major Products and Services

In Fiscal Year 2014, the Department:

- Collected \$20.7 billion in revenue
- Issued 2.8 million income tax refunds totaling over \$1.73 billion
- Distributed \$1.6 billion to local governments
- Answered 505,888 phone calls
- Responded to approximately 208,902 "live chat" sessions on its website
- Received 375,586 letters from taxpayers
- Processed 12.2 million tax returns
- Administered Court Debt program collecting \$36.5 million

Performance Highlights

The Department collects most of the general fund revenues for the Commonwealth. The revenue collected by the Department is essential to the funding of state agencies and programs, and impacts every citizen of Virginia. This revenue funds critical state services like education, health and human services, and public safety. Consequently, the Department diligently executes the revenue collection duties required by statute. In FY2014, the Department collected more than \$20.7 billion in revenue, and issued more than \$1.73 billion in individual refunds.

Performance highlights from some of our various operational areas include:

Tax Processing Operations

- Over 12.2 million returns and 6.3 million payments were processed in FY2014; 72 percent through an electronic channel and 28 percent through paper. This is a substantial increase from FY2013, when 66 percent of returns and payments were processed through electronic channels and 34 percent via paper.

Customer Service

- During FY2014 the Department answered 505,888 telephone calls, received 375,586 letters, and handled 208,902 Live Chat sessions.

Compliance

- Compliance revenue collections were \$537.7 million in FY2014.
- The Court Debt Collection Unit's collection of court fines in FY2014 totaled \$36.5 million.
- The Department collected \$10.1 million in FY2014 in the United States Treasury Offset Program.

Technology

- Deployed the Department's first mobile application. This application brings automation to the Department's field-based collections staff. Instead of printing case loads each morning, and taking this unsecure information to taxpayer locations, collectors now take an iPad with all of their case information at their fingertips. This application also allows the collectors to take electronic payments – credit, debit or EFT – while onsite.
- Implemented an electronic filing program for Pass Thru Entities (PTE) taxpayers, which has been widely accepted. Over 60 percent of PTE tax returns have been electronically filed in the first year.
- Completed refresh of over 1,000 workstations and 150 Windows 2000 Servers.
- Implemented new security software to monitor the agency's infrastructure and applications for vulnerabilities.

- Replaced the Department's Legislative Development and Tracking tool.
- Completed implementation of a Voice over Internet Protocol (VoIP) telephony system and integrated a workforce management tool. This will help the Department improve customer service, staff training, and workforce planning. Integrated a public address module into the VoIP system to improve agency emergency communications.

Staffing

Authorized Maximum Employment Level (MEL)	940
Salaried Employees	805
Wage Employees	98
Contracted Employees	76

Key Risk Factors

The Department faces many challenges, including, but not limited to, the following:

Technology Costs: While the Department continues to investigate more innovative technologies to enhance customer services and make its overall operations more efficient, investment in new and innovative technologies is expensive, as are maintenance and operating costs of existing technologies.

Data Security / Identity Theft: The increase in data security breaches and identity theft has created a need for the Department to increase efforts and resources to protect taxpayers. This is an evolving need requiring consistent hardware and software updates as well as a growing knowledge base to combat any potential data compromise of confidential taxpayer information.

General Fund Resources: Resources to maintain current service levels have steadily declined since 2010 due to \$17 million in budget reductions. Maintaining current Department service levels with current resources will continue to pose challenges especially considering that additional budget reductions are expected in the next biennium. With advances in technology, the increase in electronic filing, and dedicated staff, the Department has been able to keep customer service levels at a high standard.

Aging of Workforce: Leveraging a workforce that continues to increase in average age, thereby increasing the number of staff members who could retire at any time, also presents a continuing challenge in regards to transition planning, time off and transfer of knowledge.

Management Discussion

General Information About Ongoing Status of Agency

The Department will continue its commitment to serving the public with customer-focused services that are more efficient and productive. Its focus will continue to make full use of the technology tools available and develop more tools in order to keep offering more innovative customer service products and accurately match employee skill sets with customer needs.

The Department was given an additional 10 positions FY2014 to expand its focus on compliance programs, including the review of individual tax refunds. It is projected that these additional individuals will generate over \$10 million per year starting in FY2015.

Information Technology

While the Virginia Information Technologies Agency (VITA) and Northrop Grumman (NG)'s mandated transition to the Commonwealth technical infrastructure is complete, the Department still must provide functions that were once performed by VITA staff, but have now reverted to the agency. Additional VITA/NG-mandated activities have a heavy impact on technology staffing and agency applications. Modification to TAX's internal applications is sometimes necessary to ensure they function with the new infrastructure. In addition, the policies and procedures outlined by VITA require extensive internal work and review to ensure agency alignment.

Information technology security is a high priority throughout the Commonwealth, and particularly at the Department of Taxation. Taxpayer data stored by this agency is highly sensitive and ensuring its protection is a top priority for the agency. Implementing, auditing and monitoring IT security is a time-consuming and expensive activity. Existing technology staff must include extensive security reviews into their day-to-day activities. This requirement further limits the agency's ability to meet the ever-increasing demand for technology improvements.

With the growth of Internet-based applications, the Department continues to experience increased demand for more online and electronic functionality to better serve individual taxpayers, businesses, and tax preparers. To assist in meeting these needs, the agency has recently offered additional electronic filing options. Several additional electronic filing options are being considered. New electronic filing options can be more efficient for the agency and improve taxpayer refund turnaround time, which is an agency performance measure.

The Internal Revenue Service (IRS) continues to enhance its electronic capabilities and, as a result, the agency must align with new federal requirements for filing, security and access in order to retain usage of IRS data. The IRS data, used by Taxation's compliance programs, result in approximately \$130 million in revenue annually.

Estimate of Technology Funding Needs

Workforce Development

the Department's classified workforce has declined by over 10 percent since FY 2009. At that time, General Fund employees numbered 863 and today the average is 774. With a reduction in the agency's classified workforce, a greater reliance on contingent workers as well as use of overtime has been used to meet workload and staffing demands. Taxation's workforce is technically skilled and long-tenured. The median age of the classified workforce remains constant at 52. Approximately 17 percent of employees are currently over the age of 60 and 21 percent of the workforce is eligible for full retirement. Moreover, approximately one-third of the workforce will be eligible to retire within the next five years. For agency leadership, 73 percent of management is over the age of 50 and 31 percent can retire by December 2014. In FY2014, TAX's turnover rate averaged 5.5 percent, about half of which is attributable to retirements.

As the agency's workers retire, its internal pool of candidates consists of a large number of less-seasoned employees; 42 percent have less than 10 years of service. Of particular concern is the lack of employees with leadership experience to step in to middle and upper-level management roles. The agency has placed a priority on addressing the leadership challenge and has emphasized the development of supervisors to senior managers through leadership development training for the last several years.

Continued implementation of new technology at the Department requires more highly skilled technical employees to maintain the systems. Taxation must continue to be creative in using compensation and alternative reward and recognition strategies to attract and retain highly skilled technical staff.

Telework and Career Development Plans continue to be effective workforce strategies. Approximately 39 percent of the agency's workforce is home-based and 26 percent are allowed to work from home at least one day a week. Allowing employees to telework has produced positive outcomes for both the agency and its employees. Career ladders have been developed for many positions to recognize the advancing achievements of the workforce. These career ladders can be an incentive for employees to stay with the agency by providing advancement and development opportunities within one's current job.

Physical Plant

The Department does not own any buildings, and all employees in the Richmond area work in facilities owned by the Department of General Services.

Supporting Documents

Title	File Type
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Tax Policy Research and Analysis [71507]

Description of this Program / Service Area

This area provides research, revenue estimation and analysis of legislation and state and local tax topics from which a report is required by law, executive or legislative request.

This area develops and implements tax policy for the benefit of the Department's customers, employees and stakeholders.

This area implements tax legislation by promulgating regulations, guidelines and issuing rulings, tax bulletins and other public documents addressing issues of first impression.

This area also monitors developments in Congress and other states that may affect Virginia tax revenue.

The analysis included in its work product provides explanations, revenue data, and other information to ensure that the reader understands the tax and budget issues involved in the subject of each document and is provided with the data and alternatives necessary to make an informed decision.

Mission Alignment

Providing the Governor, Secretary of Finance, legislators, lobbyists, and others involved in the legislative process with the information necessary to make an informed decision increases the likelihood that the tax laws of the Commonwealth will be consistent with other tax laws, consistent with recognized principles of sound tax policy, financially sound and capable of efficient and equitable administration.

- The interpretations of enacted legislation enhance taxpayer compliance and the efficient and equitable administration of the Commonwealth's tax laws.

Products and Services

Description of Major Products and Services

Write reports to the Governor and General Assembly

Drafting of other documents (Tax Bulletins, Regulations, Rulings, Guidance Documents, Annual Report, Annual Survey of Local Tax Rates)

Generate Fiscal Impact Statements on pending legislation

Annual reporting on the fiscal, economic, and policy impacts of all miscellaneous and nonprofit retail sales and use tax exemptions

Anticipated Changes

The types of documents are expected to continue without substantial change. The volume of documents depends on the quantity and complexity of tax legislation and business transactions. Taxpayers and tax practitioners are expected to request more guidance as the complexity and monetary risks of business transactions increase.

Factors Impacting

The quantity and complexity of tax legislation, and the size and complexity of business transactions for which due diligence requires advance definitive tax guidance.

Financial Overview

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	1,719,970	0	1,719,970	0
Changes to Initial Appropriation	0	0	-7,000	0

Supporting Documents

Title **File Type**

Service Area Plan

Appeals and Rulings [71508]

Description of this Program / Service Area

The Appeals and Rulings unit performs the dispute resolution function for the Department of Taxation by resolving administrative appeals and offers in compromise that primarily arise through field audits or desk examinations of taxpayer records. This service area also provides staff support to the Tax Commissioner in the development of new policy and the Attorney General's Office in litigation brought against the agency.

Mission Alignment

The Appeals and Rulings unit's mission is to resolve appeals, ruling requests, offers in compromise and other taxpayer issues with integrity and impartiality through the efficient and consistent application of established tax laws, regulations, and policies.

Products and Services

Description of Major Products and Services

- Rulings on factual scenarios based on established policy
- Technical assistance to taxpayers, Department of Taxation employees, and other agencies
- Settlements of disputed liabilities through offers in compromise
- Advisory opinions on factual scenarios for Business, Professional and Occupational License (BPOL) and local business taxes
- Responses to requests for change in corporation filing status
- Determination letters for the Tax Commissioner's signature for 1821 appeals

Anticipated Changes

None.

Factors Impacting

Number and quality of assessments issued
Federal and state law changes
Regulation and policy changes
Court decisions
Changes in the manner in which companies conduct business

Financial Overview

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	1,148,541	0	1,148,541	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title File Type

Revenue Forecasting [71509]

Description of this Program / Service Area

Revenue Forecasting is responsible for preparing the six-year forecast of the Virginia economy and general fund revenue estimates; the six-year forecast of the Commonwealth's transportation revenues; and the six-year forecast of the Department of Motor Vehicles' operating revenues.

Mission Alignment

Revenue Forecasting is responsible for preparing the six-year forecast of the Virginia economy and general fund revenue estimates; the six-year forecast of the Commonwealth's transportation revenues; and the six-year forecast of the Department of Motor Vehicles' operating revenues.

Products and Services

Description of Major Products and Services

Products: Economic Outlook notebook for the Joint Advisory Board of Economists; Economic and Revenue Outlook notebook for the Governor's Advisory Council on Revenue Estimates.

Services: Prepare speeches and presentations for the Governor's office; Prepare monthly revenue report for the Governor's office.

Anticipated Changes

None.

Factors Impacting

None

Financial Overview

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	653,584	0	653,584	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Tax Return Processing [73214]

Description of this Program / Service Area

Tax Processing Operations processes state tax returns and payments for both paper and electronic submissions. Paper return and payment processing includes several manual activities to prepare and process the items into the Department's revenue management system. Electronic return and payment processing includes the administration of several online file and pay systems. This area is also responsible for the manual processing of inbound correspondence, issuing tax refunds, registering businesses and processing returned mail (bills, letters and refund checks).

Mission Alignment

Tax Processing Operations supports the agency's mission through the efficient, timely and accurate processing of all business and income tax returns, refunds, correspondence and payments.

Products and Services

Description of Major Products and Services

Paper Tax Return Processing

- Mail opening
- Sorting/grouping
- Screening
- Document preparation
- Scanning
- Data capture

Electronic/Online Tax Return Processing

- IRS Fed/State e-File program administration
- eForms System administration
- Web Upload System administration
- VATAX Online functional support

Payment Processing

- Check deposit and data capture
- Credit card payments
- Electronic debit EFT payments
- ACH credit administration

Correspondence Processing

- Mail opening/sorting
- Document preparation
- Scanning
- Indexing

Refund Issuance

- Direct deposits
- Debit cards
- Paper checks

Business Registration

- Register businesses
- Issue sales tax certificates
- Administer iReg for online registration and profile updates
- Register Power of Attorney agents

Returned Mail and Returned Refund Checks

- Locate better addresses and re-mail
- Update “bad address” indicators to prevent future mailings to same address
- Place stop payments and re-issue checks
- Void refund checks

Forms Requests

- Process mail and email requests for forms

Anticipated Changes

The Department expects to continue to develop and promote online file and pay systems to reduce costs and inefficiencies associated with the processing of paper. Taxpayers are becoming increasingly more comfortable using self-service online systems to conduct business, including filing and paying taxes.

Factors Impacting

Since over 90 percent of individual, corporate and PTE income tax returns are processed between February and August, Tax Processing Operations requires an annual recruitment process to ensure staff is in place to deal with peak paper return and payment volumes. Economic factors may impact the quantity and quality of available staff.

Financial Overview

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	6,942,900	250,000	6,942,900	250,000
Changes to Initial Appropriation	0	0	-43,000	0

Supporting Documents

Title **File Type**

Customer Services [73217]

Description of this Program / Service Area

Customer services provides guidance information to the taxpayers of Virginia through the Customer Service Contact Center and the Error Resolution Unit. The Contact Center provides assistance via telephone, written correspondence and secure email. The Error Resolution Unit is responsible for correcting errors made in the preparation of returns and payments, and business tax registration.

In **FY2014** the office handled: • **505,888** phone calls • **375,586** pieces of correspondence • **9,197** emails • **15,279** secure messages • **2,349** walk-in customers

Mission Alignment

Customer Services provides the citizens of the Commonwealth of Virginia with a way to contact the Department about any and all matters concerning the agency’s activities. Customer Services ensures that the integrity, efficiency, and consistency of the Department’s work are conveyed to the taxpayers of Virginia, and that their confidential tax information is protected from unauthorized disclosure.

Products and Services

Description of Major Products and Services

- Answer incoming paper and fax correspondence
- Answer incoming e-mail and secure messages from taxpayers
- Issue refunds
- Issue assessments
- Make online adjustments
- Issue direct deposit corrections
- Grant abatements
- Answer incoming telephone calls from taxpayers
- Error Resolution
- Resolve return preparation errors
- Resolve processing errors
- Resolve taxpayer errors
- Approve refunds and assessments before issuance
- Provide walk-in service for taxpayers during tax season - January through May

Anticipated Changes

Live Chat was eliminated due to ongoing security concerns. This could increase phone calls to the Contact Center.

Factors Impacting

Changing population numbers and demographic levels.
Customer service needs increase with tax activity, whether associated with compliance activities, refund/return filing, error resolution activity, and/or changes in tax laws.

Financial Overview

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	8,220,179	72,000	8,220,179	72,000
Changes to Initial Appropriation	0	0	-2,470,100	148,750

Supporting Documents

Title **File Type**

Compliance Audit [73218]

Description of this Program / Service Area

The Department’s audit programs are designed to ensure compliance with Virginia’s tax laws through automated and manual examination of taxpayer records and returns.

Mission Alignment

Compliance with Virginia’s tax laws is vital to the agency's mission. Both field and desk audit initiatives are designed to ensure that Virginia taxpayers are complying with the Commonwealth’s tax laws and regulations. This verification process plays an important role in ensuring that the tax laws are applied consistently among a large number of diverse taxpayers. In addition, the presence of both audit and collection efforts instills in taxpayers the incentive to fulfill their tax obligations to the Commonwealth. Not only do the Department’s enforcement efforts generate compliance revenue, these efforts also have an indirect influence on voluntary revenue, which greatly improves the Commonwealth’s economic strength. This allows Virginia’s government to improve its service to Virginia’s taxpayers at the state and local levels.

Products and Services

Description of Major Products and Services

- Auditing to ensure compliance
- Assessing of outstanding taxes

Anticipated Changes

None

Factors Impacting

- Efficient performance of this service relies on several factors including:
 - A sufficient number of well-trained audit staff;
 - Well-functioning computer systems and applications;
 - Technical support services that can quickly and reliably provide accurate information to compliance personnel;
 - Availability of overtime funding as needed;
 - Limitation of non-audit demands on audit personnel;
 - Availability, accuracy, and timeliness of state and federal data;
 - Unrestricted travel for field audit staff who must travel to taxpayer locations to perform audits

Financial Overview

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	20,705,897	681,388	20,696,983	681,388
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Compliance Collections [73219]

Description of this Program / Service Area

Compliance collections is dedicated to the task of identifying and collecting delinquent state taxes from both individuals and businesses that fail to satisfy tax obligations imposed by statute; to collecting court debt fines and fees; and to capture or set off obligations owed to the Commonwealth, local governments and other participating entities, such as educational institutions and courts.

Mission Alignment

The Virginia tax system relies on voluntary compliance by taxpayers. The continued participation in the revenue system by taxpayers requires that they have confidence that the tax obligations imposed on them are applied and enforced consistently on all similarly situated individuals and businesses. The integrity of a voluntary tax system cannot be maintained unless taxpayers generally understand that noncompliance will be addressed.

Products and Services

Description of Major Products and Services

Compliance collections provides a service by collecting delinquent taxes. This provides revenue for general and special fund appropriation needs and helps to encourage tax compliance by all taxpayers.

Anticipated Changes

None.

Factors Impacting

Efficient performance of this service relies on maintaining a well-trained staff and the operation of technical support services that can quickly and reliably provide accurate information to the staff.

Financial Overview

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	9,533,811	11,454,559	9,533,811	11,454,559
Changes to Initial Appropriation	0	0	0	181,250

Supporting Documents

Title **File Type**

Legal and Technical Services [73222]

Description of this Program / Service Area

The Office of General Legal and Technical Services oversees the Special Taxes and Services Unit, General Legal Support, Disclosure and the Land Preservation Tax Credit (LPC) Compliance Unit . The Special Taxes and Services Unit is comprised of a Taxpayer Rights Advocate who assures that taxpayers are responded to in a timely and respectful manner and that their rights are protected. General Legal Support helps the agency respond to general legal matters and acts as a liaison to the Office of the Attorney General. The Disclosure Unit assures that all state and federal confidential taxpayer information is adequately protected and the LPC Compliance Unit reviews applications for the LPC to make sure they comply with the Code of Virginia. The area responds to constituent contacts, members of the General Assembly, the Secretary of Finance and the Governor. This area also helps administer the Tobacco Tax, Communications Sales Taxes, Motor Vehicle Rental Tax and Insurance Premium Tax, and several statewide tax credits.

Mission Alignment

General Legal and Technical Support provides advocacy for the taxpayers of Virginia and ensures their confidential tax information is protected from unauthorized disclosure.

Products and Services

Description of Major Products and Services

- Resolve constituent issues
- Administer tax credits
- Perform inspections of Licensed Tobacco Wholesale Dealers
- Assure taxpayer rights are protected
- Review LPC applications
- Review requests for taxpayer information
- Inspect physical areas where confidential taxpayer is handled
- Administer Non-Profit program

Anticipated Changes

Factors Impacting

Financial Overview

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	0	0	0	0
Changes to Initial Appropriation	0	0	2,470,100	0

Supporting Documents

Title **File Type**

Valuation and Assessment Assistance for Localities [73410]

Description of this Program / Service Area

The Property Tax Section provides local advisory aid and assistance in order to ensure compliance with the Commonwealth’s property tax laws. As part of the Department’s continuing education program for assessing officers, the Section develops and conducts basic assessor training programs; training for local boards of assessors and boards of equalization; and administers an annual Advanced Assessor School to between 200 and 270 assessment professionals on the campus of a Virginia college or university. The program provides coursework that meets the educational requirements for designations offered by the International Association of Assessing Officers. The Section also monitors local assessment performance through the collection, editing, compilation, and publishing of the Annual Assessment Sales Ratio Study. It also develops the annual Estimated Ratio Study for the equalization of public service corporation assessments. The biannual results of the Annual Assessment Ratio Study are used by the Virginia Department of Education in computing the distribution of approximately \$6 billion in school funds to local school boards. In addition, the Property Tax Section facilitates the work of the State Land Evaluation Advisory Council, provides advisory opinions and refund approval regarding the state recordation tax; and oversees personnel qualifications for local assessment staff, and the certification of contract assessment personnel.

The Railroad & Pipeline Assessment Section develops fair and equitable assessments of the rolling stock of freight car line companies and of the real and personal property of railroads and interstate pipeline companies for local taxation, while providing quality customer service. Assessment values that are developed by the Railroad & Pipeline Assessment Section result in approximately \$35 million in revenue to local governments.

Mission Alignment

The advisory assistance, and property valuations provided to local governments improve the process of providing fair and equitable property assessments statewide and ensure a viable tax base to support the funding of necessary services, thus serving the public and the Department’s mission of administering the tax laws with integrity, efficiency and consistency. The oversight of real estate assessments through annual assessment sales ratio studies, and the education provided local assessing officers on the assessment of real and personal property improves the process of providing fair and equitable property assessments statewide, thus serving the public by enhancing the local officials’ ability to properly administer the tax laws with integrity, efficiency and consistency.

Products and Services

Description of Major Products and Services

Advisory aid to all local assessing officials; education of boards of equalization and boards of assessors; training provided through the Basic and Specialty Assessment training programs; staff provided for the State Land Evaluation Advisory Council; refunds and opinions regarding the state recordation tax; rolling stock assessments of railroads and freight carline companies; statement of assessed values for local tax purposes of railroad and interstate pipeline transmission companies; review of appraisals submitted in support of the state land preservation credits; the statewide assessment/sales ratio studies; and the coordination of the Advanced Assessors’ School, including the hiring of instructors, finding suitable classroom space, arranging for housing and meals, obtaining course materials, handling registration, billing and payments.

Anticipated Changes

None

Factors Impacting

Efficient performance of this service relies on maintaining a well-trained and qualified staff.

Financial Overview

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	594,850	1,062,630	594,850	1,062,630
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Administrative and Support Services [799]

Description of this Program / Service Area

This area contains the administrative functions of the Department with the combination of the following sections: Fiscal Office, General Services, Communications, Human Resources, Internal Audit, and Business and Analytic Services. In addition, the Continuity of Operations Plan is updated and maintained as an administrative function along with the agency's Strategic Plan. The Fiscal Office provides financial support to the agency, to include budgeting, accounts payable, revenue accounting, and preparation of financial statements. General Services provides the following services: purchasing goods and services, fleet management, facility management and security, warehouse and mail delivery service. The Human Resources area provides human resource services for all of the Department's management and employees and is our liaison with the Department of Human Resource Management. The Communications Office provides information sharing and marketing services for the agency. Business and Analytic Services includes the following functions: documentation design/development (covering forms, automatic correspondences, publications) and record management; tax production support; business process development and improvement; legislative implementation; and user acceptance coordination and testing related to software applications. The Internal Audit section performs scheduled audits of activities throughout the agency to ensure activities are being performed as intended and to identify opportunities to improve operational efficiencies, controls and lessen risks.

Mission Alignment

By specializing in these activities, these sections collectively add to the efficiency of the Department operations, thus permitting the agency to effectively administer the tax laws with consistency and integrity.

Products and Services

Description of Major Products and Services

- Prepares the financial statements for the agency
- Processes all invoices for payments
- Prepares the Department budget
- Distributes revenues to external entities: localities, contribution agencies, setoff agencies, and Department of Conservation and Recreation
- Performs the accounting for all transactions that take place in a taxpayers account, including all revenue received, all refunds issued, all bills created, etc.
- Coordinates and develops agency's strategic plan, service area plans, performance measures, and output measures for internal use and for the Department of Planning and Budget
- Designs and develops internal newsletters, and produces brochures, pamphlets, fliers, posters, fact sheets, tabletop presentations, etc.
- Creates marketing campaigns, drafts media releases and media advisories
- Responds to all media inquiries and organizes press conferences
- Responds to agency Freedom of Information Act requests
- Coordinates outside speaker requests
- Manages agency's social media platforms
- Develops, bids and administers purchases for long-term contracts and spot purchases
- Administers Virginia's electronic procurement system (eVA) for the Department: initiates account setup, trains new users, reviews user purchases for compliance with purchasing policies and procedures, and provides general eVA and procurement assistance
- Administers the Department's Small Purchase Charge Card Program and administers fleet activities for the agency: handles maintenance, repairs, recalls, inspections, licenses, decals, fuel cards, vehicle replacement, accident and incident reporting; provides annual reports to State Police; updates data on the Virginia Auto Count and CarCare System, handles insurance issues, monitors mileage, and trains vehicle users in state fleet policies and procedures
- Handles requests for state pool and permanently assigned vehicles
- Coordinates Department employee parking with the Department of General Services
- Provides relocation services, space design and construction management at all locations
- Provides support services for all IT systems related to wiring and cooling needs
- Administers and updates emergency and safety procedures and the Continuity of Operations Plan
- Provides support services to all employees, including furniture design, repair and relocation
- Provides, monitors and maintains security services to all employees
- Administers the Department's physical and access security
- Monitors daily operations and security guard performance
- Conducts recruitment and hiring
- Provides compensation management
- Manages benefits administration
- Administers rewards and recognition programs
- Administers performance management
- Offers employee dispute resolution

- Provides workforce development and training
- Provides succession planning
- Performs scheduled audits of activities and special projects throughout the agency
- Investigates allegations made through the State Employee Fraud, Waste, and Abuse Hotline
- Serves as the Department's liaison for audits and reviews conducted by the Auditor of Public Accounts
- Reports identifying opportunities to improve agency operational efficiency, effectiveness, controls, risk management, and specific areas where revenues can be increased and costs reduced
- Reports authenticating or negating allegations of employee fraud, waste, and abuse and short and long-term recommendations to address instances with merit
- Conducts timely and non-disruptive annual independent audits.
- Designs and develops new forms, publication, and automated correspondence
- Establishes and manages the Department's record management program
- Performs project management functions
- Analyzes complex tax issues and provides timely and accurate responses
- Provides hands-on classroom training
- Develops or enhances business processes to be more efficient and effective
- Coordinates, reviews, and tests business processes and applications
- Coordinates and develops administrative cost estimates for legislative proposals
- Coordinates and manages legislative implementation

Anticipated Changes

Anticipated changes include an ongoing need to train and cross-train agency employees to meet ongoing needs; the fulfillment of the Agency Risk Management and Internal Control Standards requirements; participation of agency employees in procurement through Virginia's electronic procurement system (eVA); and adjusting to state-owned buildings. Federal confidentiality will continue to require that the Department own its own security hardware and software and maintain a high level of security. Other changes in requirements from IRS or state legislation can impact products or services.

Factors Impacting

The following factors impact the products and/or services of this service area:

- The 24 hour deposit rule requiring all tax payments to be deposited into the bank and CARS (Commonwealth Accounting and Reporting System) within 24 hours
- The new state tax policy from General Assembly and federal IRS rules
- State purchasing laws, policies and procedures
- Technology standards of the Virginia Information Technologies Agency (VITA)
- Department of General Services (DGS) fleet management policy and procedures
- Taxpayers reactions to new tax policy and procedures
- The availability of goods and services, and competent staff
- DGS building services operations, including security

Financial Overview

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	42,264,819	50,000	43,219,996	50,000
Changes to Initial Appropriation	0	0	-125,000	75,000

Supporting Documents

Title **File Type**

Information Technology Services [79902]

Description of this Program / Service Area

Information technology support is responsible for leveraging technology to enable all of the Department's business objectives and priorities, by developing, enhancing and maintaining systems, including application software and supporting hardware. The Department is dependent on technology in every aspect of daily operations. Nearly every employee relies on available and accurate information systems to perform essentially all of his or her daily responsibilities, and most employees, including auditors, collectors and customer service staff, are unable to perform the majority of their core responsibilities when these systems are not available. The Department supports and maintains a broad range of complex Information systems. Examples of the more than 20 information systems supported include: • Sales Tax Audit and Nexus (STAUDN), Withholding, Corporate – An application used to perform audits at the taxpayer's place of business. • Computer Automated Collections System for Government (CACSG) – An automated collections system that provides for tracking of assessments through various collection stages. • Customer Relationship Management (CRM) – An approach to meeting customer's needs that relies on a suite of technology systems that provides customer assistance, customer contact tracking, correspondence tracking, and case management. • Imaging/Optical Character Recognition (OCR)/Intelligent Character Recognition (ICR) – Automated data and image capture of returns and correspondence. • Remittance Processing – A system that provides for preparation of checks for bank deposit and data extraction for input into the enterprise system. • Compliance Repository and Auditor's Toolkit – A data warehouse of taxpayer information and an application that allows for comparison of data to select audit candidates and manage the resulting audit activities. • A Voice over Internet Protocol phone system, Lotus Notes – Administrative applications that support applications such as an online Agency Operating Procedures application, Collaborative Work Environment application, Configuration Change Management Tracking application, a Procurement Tracking application, and a Legislative Tracking application. • ADVANTAGE Revenue (AR) – Taxpayer accounting system that maintains taxpayer demographic and account information. • VATAX Online – A full suite of online services for businesses and individual income tax customers. • iReg for Business - An application that allows new businesses to register online and allows existing businesses to add business locations and consolidate their filings. • iFile for Business - An application that allows taxpayers to file sales, use, and withholding taxes over the Internet. • e-file for Individuals, Corporations and other tax types - applications that allow taxpayers to submit their tax returns electronically, saving them and the agency time and money.

All of the software applications listed above are supported by a complex client server or Web-based environment comprised of many components, including Oracle and UNIX. In addition to supporting information technology, the Office of Technology is responsible for business systems analysis and Information Systems Security, including compliance with Commonwealth Security Policy Sec. 501 and IRS Pub. 1075.

Mission Alignment

This service area provides mission-critical enabling support to all operating areas of the Department by maintaining and enhancing the Department's computer applications and Virginia Information Technologies Agency (VITA)/Northrop Grumman (NG) out-of-scope infrastructure and significant coordination with VITA/NG. This service area is also responsible for ensuring system and data security.

Products and Services

Description of Major Products and Services

- Manage technology support delivery – Plan and manage delivery of the technology systems at the Department that enable business operations, including the budget for technology services.
- Develop and maintain application software – Develop, test, maintain and operate the Department's technology systems, including over 20 complex IT systems that comprise an Integrated Revenue Management System. This includes annual legislative modifications, as well as the agency's self-service eGovernment channels.
- Manage the VITA/NG out-of-scope technology environment configuration – Manage, plan, monitor, and oversee the Department's technology infrastructure, and approve all changes to the technology infrastructure, including a Change Control group that ensures effective migration (and protection) of all production systems, upgrades, maintenance, enhancements, releases, etc. Ensure all components of the technology infrastructure (hardware, software, and environment configurations) are maintained and changes to production systems are properly controlled and tested.
- VITA/NG Coordination and Support – Participate with VITA/NG on Commonwealth Technology direction, implement VITA mandated and desired changes, VITA procurement requirements, and general support for VITA.
- Administer and enable IT Security – Administer daily security activities such as adding, removing, and modifying users and their associated access (the agency has over 1,500 system users), and reviewing audit trails, access attempts, virus threats, and potential browsing incidents, thus ensuring the security of the Department's data, systems and technology infrastructure by providing expert guidance to ensure security is "designed in" and exploiting best practices use of technology tools to better detect intrusion, prevent unauthorized access, and enhance security administration.
- Manage IT Disaster Recovery – Manage a comprehensive IT Recovery plan, encompassing all aspects of IT connectivity, applications and services. Ensure the full recovery of any unplanned computing services interruptions.
- Ensure Quality Control – Ensure changes to production systems are monitored and controlled to reduce risks to the agency and minimize errors. Ensure software changes are successfully migrated from test to production. Manage software version control to ensure a clear separation between test systems and production systems. Approximately 1,200 changes are implemented annually.
- Systems analysis and design to enhance and maintain the software and infrastructure that supports the agency.

Anticipated Changes

- Most tax-related legislative changes necessitate changes to the Department's automated systems. The variety of filing and service channels provided by the agency often means the change must be made in several systems, each supporting a different channel.
- The customer demand for and use of electronic, self-help services continues to increase, requiring the development of new electronic channels to replace traditional paper-based services as well as those services that currently involve direct interaction with agency staff. The Department plans to continue to exploit the eGovernment capabilities implemented in recent years to allow more citizens to interact with us electronically at a time that is convenient for them.
- Over the past few years, the agency implemented a broad range of technology-based solutions that have allowed improvements in operating efficiency as well as allowed the Department to improve service to citizens. The Department plans to continue to exploit the capabilities inherent in those tools and expand our offering to ensure continuous improvement in operating efficiency and customer service.
- System and data security continues to become a more critical component of operation for technology shops. This service area will continue to expand its IT security profile to maximize system integrity and data security.
- Consolidate technology platforms to reduce IT costs and maintenance requirements.

Factors Impacting

- Technology systems, including application software and hardware, must be upgraded and refreshed on an ongoing basis to ensure they operate correctly, receive vendor support, are secure, and are available for use by end users. Further, the Department must refresh hardware and upgrade software versions in a timely manner to eliminate the risk of the Commonwealth's revenue systems becoming obsolete or unsupported, jeopardizing all of the agency's business operations.
- Most tax-related legislative changes necessitate changes to the Department's automated systems. The variety of filing and service channels provided by the agency often means the change must be made in several systems, each supporting a different channel.
- The complexity of Taxation's technology environment requires varied and many skill sets and contributes to the agency resource shortage.
- The customer demand for and use of electronic, self-help services continues to increase, requiring continued capacity expansions within existing services.
- Taxpayers, agency management and users continue to demand automated solutions to replace historically manual tasks. This results in increased operating efficiency and improved customer services, but requires an ongoing commitment to information technology services.
- The necessity to assign staff to VITA/NG activities has a negative impact on the Department's ability to meet its internal technology needs.

Financial Overview

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	29,195,617	0	29,445,157	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**