Income Tax Administration

Joint Committee on Ways & Means Subcommittee on General Government

March 11, 2015



Presentation overview

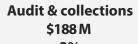
- Introduction—Jack Ogami, Business Division Administrator
- Voluntary Compliance—JoAnn Martin, Personal Tax and Compliance Division Administrator
- Goals, Strategic Plan, and Performance Measures—Jack Ogami
- Accounts Receivable—John Galvin, Withholding and Payroll Services Program manager
- Other Agency Accounts—Jack Ogami
- Questions

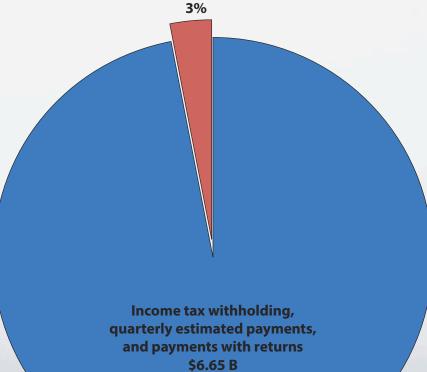


Voluntary Compliance



Personal income tax revenues How they're paid





Fiscal year 2014 Source: DOR Research Section

\$6.65 E 97%



Compliance Pyramid

Noncompliance



Voluntary compliance



Goals, Strategic Plan, and Performance Measures



Business/PTAC strategic plan

Strategic foundations

Mission

We make revenue systems work to fund the public services that preserve and enhance the quality of life for all citizens.

Vision

We are a model of revenue administration through the strength of our people, technology, innovation, service, and collaboration.

Values

- Highly ethical conduct.
- Service and operational excellence

Quality in relationships

Outcome areas

Business Division/ Personal Tax and Compliance Division

strategies

Voluntary compliance

Create easier ways for people to comply and file.

- · Focus on the needs of the customer.
- Use third party data to assist taxpayers.

Assist taxpayers and tax practitioners with voluntary compliance.

- · Use education and assistance to help people comply.
- Understand the factors that influence voluntary compliance.

Enforcement

Focus on greatest areas of

- · Risk is used to determine case selection and prioritization.
- · Use processing systems for initial return verification.

Leverage data and systems for enforcement.

- · Use data to identify non-compliance (audit, filing enforcement, and collections).
- · Leverage partnerships to gain third party information/data.

Use tools and opportunities to enhance enforcement efforts.

- · Leverage public perception of noncompliance to enhance compliance with tax laws.
- · Maximize public and private partnerships.

Attract and retain outstanding employees by

Employee engagement

investing in our staff. · Employees have access to training, information, and tools needed to do their

- Employees know how to be successful at DOR.
- Successes are recognized and celebrated.

Value employee participation.

- · Support staff participation in process changes and improvement.
- Encourage staff to seek committee involvement.
- · Provide opportunities for employees to participate in decision making processes.

Create a workplace that allows employees to thrive.

- · Find ways to align business needs with flexible work schedules and telework opportunities.
- All employees are treated fairly, respectfully, and equally.
- Provide opportunity for ideas to be heard and acknowledged.

Customer experience Customer self-sufficiency.

- · Customers have access to do business transactions
- Taxpavers have options and know what their options are to meet their needs.
- · Our customers have the tools that they need to comply.

Providing a good "customer experience."

- · Staff understand and provide a good "customer experience"
- · Use clear, concise, communications.
- · Customers get the assistance they need.
- · A clearly articulated service standard is available to the public that sets the expectations.

Equity & uniformity

Develop clear and consistent processes.

- · Use cross division work groups to create and update shared policies and procedures where they exist.
- Exception processes are documented.

February 2015



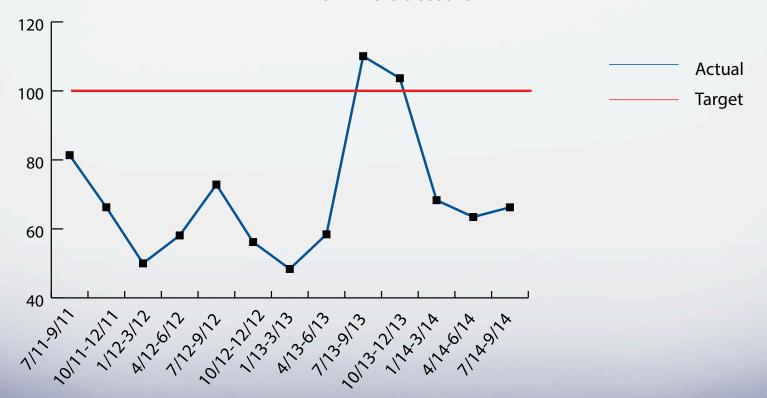
Strategic Plan



Non-filers acted on

The percentage of "request-to-file" notices we send out to the number of non-filers added to the system.

Non-filers acted on



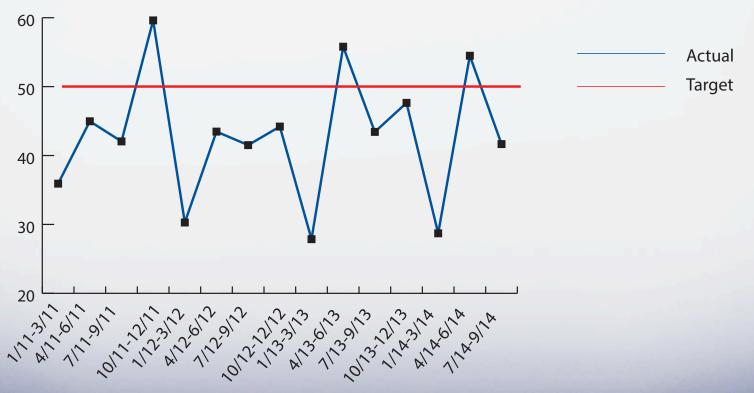
Source: DOR personal income and corporation tax programs



Suspense Effectiveness

The percentage of suspended returns that result in adjustments.

Suspended/verified returns

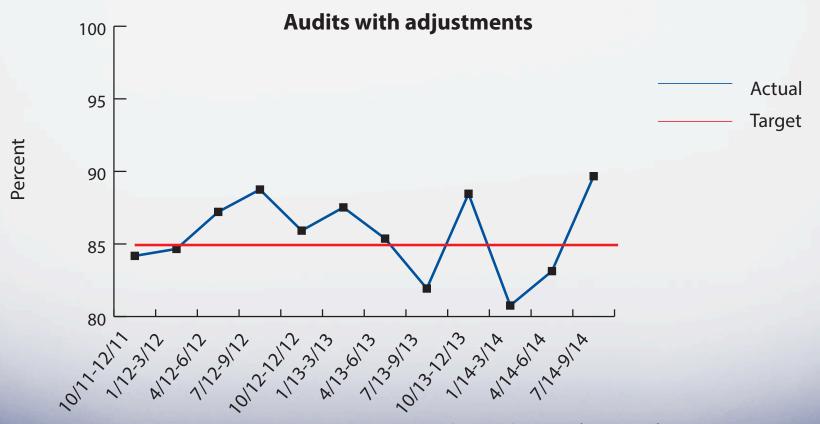


Source: DOR personal income and corporation tax programs



Audit selection effectiveness

Percent of department audits that result in adjustments in the personal and corporate income tax programs.



Source: DOR personal income and corporation tax programs



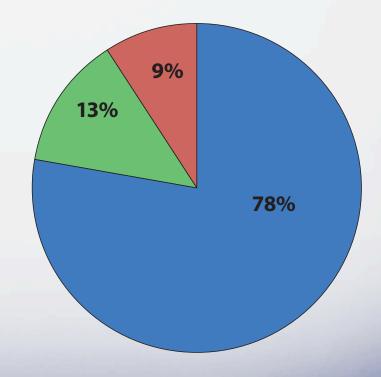
Accounts Receivable



Income tax accounts receivable

As of June 30, 2014



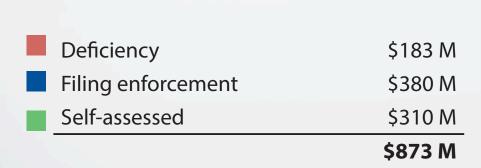


Source: DOR Personal Income and Corporation tax programs



Income tax accounts receivable

As of June 30, 2014



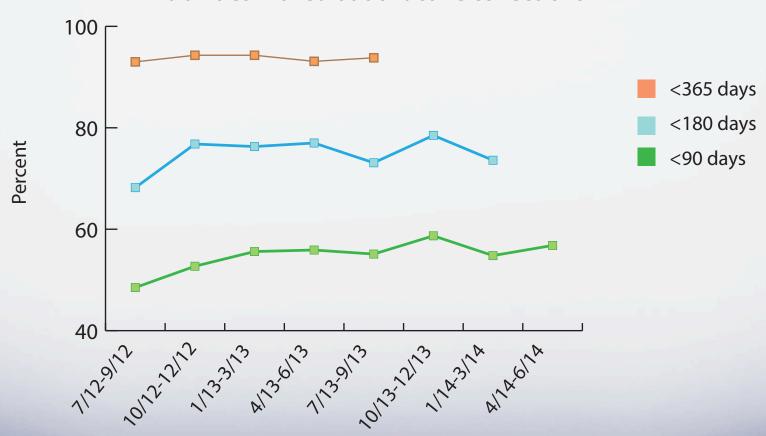
21%
44%

Source: DOR Personal Income and Corporation tax programs



Movement of accounts

Liabilities moved out of active collections



Source: DOR Personal Income and Corporation tax programs



Other Agency Accounts (OAA)

- Created in 1971.
- Collects more than \$100 million per biennium.
- Currently, almost 200 customers, including:
 - Other state agencies,
 - Courts,
 - Oregon Health Sciences University, and
 - Variety of boards and commissions.
- Biennial budget of \$12 million received from customers.
- Scheduled for CSR implementation Fall 2016.



Questions?

If you have additional questions after today please contact:

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