



2007 Biennium Goals and Objectives

Prepared for 17-7-111, MCA

Mission Statement

The Department of Revenue through a competent, diverse workforce committed to success:

- Provides effective and responsive service to citizens, businesses and nonresidents who participate in Montana's economy,
- Expands cooperation of citizens in making the tax system that they own work well,
- Supports equity and integrity in taxation through effective and uniform enforcement, while protecting taxpayer rights and thanking those citizens and businesses paying their fair share of taxes,
- Protects the public health, safety and order in the administration of liquor laws,
- Advises, based on sound study and analysis, the Governor, legislature and the public on tax issues, and
- Cooperates, consistent with its statutory role and responsibilities, with public officials and agencies in local, state, tribal and federal governments to achieve the public good.

I. Goal 1. Encourage compliance with Montana's tax laws through public education, effective and balanced enforcement, uniform valuation of all property and support for taxpayers who comply with the law.

A. General Objectives for All Taxes

Objective 1. Develop mechanisms, procedures and communications that thank citizens and businesses who timely file their returns, timely pay their fair share of state taxes, and otherwise help make the tax system work effectively by doing the right thing.

Objective 2. Continuously improve the effectiveness of taxpayer assistance by developing new outreach programs, improving electronic assistance services and evaluating the quality, accuracy and timeliness of all assistance service.

B. Objectives for State Taxes and Other Compliance Programs

Compliance programs include all activities in the department associated with a program or taxpayer activity. This includes: taxpayer assistance and information, appropriate rulemaking, taxpayer receipt of returns/information by the department (e-file or payer), audit programs, collection activity and potential litigation.

Objective 1. Identify, evaluate and implement effective enforcement activities and develop legislation for the 2007 session, to improve compliance with state income and business taxes in the areas of greatest need, including a) underreporting of income or non-filing by out-of-state companies doing business in Montana b) non-residents earning income in the state through “pass-through entities,” the sale of real property and other means, c) use of abusive tax shelters, d) specific industry compliance issues, and e) the collection of tax debt delinquencies including those owed by out-of-state taxpayers. The department will implement an ongoing evaluation process for its compliance activities.

Objective 2. Develop a tax compliance analysis and performance review process for all major tax types to a) identify and estimate areas and types of tax non-compliance, b) measure and monitor the effectiveness of compliance efforts, and c) develop methods of further improving tax compliance based on the cycle of continuing tax gap assessment and performance measurement. This objective includes the review of each program’s staffing levels to ensure adequate resources are available to meet the desired compliance efforts. The initial program review will be completed by June 30, 2006.

Objective 3. Improve the use of information for all tax type compliance purposes through a) enhancing compliance-related information required on tax returns or other reports b) applying the information analysis and cross-matching capabilities of the IRIS computer system, c) developing sources of information from other state agencies, and d) expanding and enhancing through electronic means bilateral and multilateral information exchanges with other states and with the IRS.

Objective 4. Support and participate in the development of a) an interstate cooperative abusive tax shelter enforcement program through the Multistate Tax Commission and b) other improvements in joint enforcement programs of the Commission.

Objective 5. Through the enforcement module of House Bill 687 passed by the 2005 legislature and by other means, implement effective measures to curtail the sale of untaxed cigarettes and tobacco products in the state in order to defend the tax and public health policies adopted by the citizens in I-149. Evaluate compliance needs and effectiveness of activities by June 30, 2006.

Objective 6. Identify and evaluate compliance issues related to natural resource taxes and royalties, and develop approaches to resolving any identified problems.

Objective 7. Support quality participation in the cooperative federal royalty audit program with the Department of Interior’s Mineral Management Service.

Objective 8. Identify and evaluate compliance issues related to utility and industrial property valuation, including return information and timing, and develop approaches to resolving any identified problems by June 1, 2006.

Objective 9. Identify and evaluate all DOR relationships with agencies to determine program needs and requirements to ensure that realistic needs and requirements are met. In areas of deficiency, develop corrective action plans on a continuous basis to meet such deficiencies. This may include MOU's being developed between agencies, development of joint legislation, and potential reassignment of resources.

Objective 10. By March 31, 2006, develop a formal accounts receivable review program to determine collection efficiency and effectiveness.

Objective 11. By July 31, 2007, develop administrative rules and an automated process for the administration of the bad debts program.

C. Objectives for Property Taxation

Objective 1. Complete the statewide property revaluation (reappraisal) by December 31, 2008, in a manner that achieves objective tests of property being assessed at market or (as applicable) productivity value.

Objective 2. Complete the reclassification and productivity determination of all agricultural land and forest land by December 31, 2008, using current GIS technology and data, if made available, from the Farm Services Agency (FSA) and the National Resource and Conservation Service (NRCS).

Objective 3. Certify taxable values for property to taxing jurisdictions by the statutory deadline. The certified values will include newly taxable property and eliminated property.

Objective 4. Increase the functionality and use of the Geographic Information Systems (GIS) statewide in the department's local offices to improve the accuracy of parcel information, to increase efficiency in division activities and to improve access by our citizens.

Objective 5. Revise Reality Transfer Certificate (RTC) to include additional sales information that is available at the closing of real estate transactions to improve the efficiency of the valuation process and continue to evaluate the feasibility of eliminating the sales verification form.

II. Goal 2. Provide citizens, businesses, and nonresidents with effective and responsive services and the opportunity to help make the state tax, local tax and liquor control systems work better.

Objective 1. Seek to treat every citizen equally, with respect, courtesy and without discrimination of any kind through a) effective training and education of staff and contractors, b) clear and appropriate standards of communication, and c) procedures for promptly correcting problems and apologizing for mistakes.

Objective 2. Communicate with all citizens and businesses in a manner that recognizes their right to individual dignity under the Montana Constitution, that effectively assists them with complying with state tax laws and that develops an improved understanding of their state and local tax system.

Objective 3. Implement “The Writing Project” to review and rewrite all major department written communications to citizens and businesses to ensure that they communicate in a manner that reflects a proper combination of readability, respect for the citizen, effectiveness in achieving its intended result, responsibility and accountability by the department, and other positive qualities of communications.

Objective 4. Develop and implement, in consultation with the Governor, effective mechanisms for citizen participation in the work of the department through advisory bodies, panels for reviewing forms and instructions and other procedures.

Objective 5. Ensure citizens and businesses know their rights of appeal under Montana law and effectively adhere to the Montana Taxpayer Bill of Rights in the operation of the department.

Objective 6. Provide accurate responses to inbound calls, minimize the need to transfer the calls, and develop a system of measuring the accuracy, efficiency and effectiveness of our responses to taxpayer calls.

Objective 7. Ensure all forms and instructions are clear and understandable, and all practices and procedures are as simple as possible, including the updating of forms and instructions for those taxes undergoing conversion to IRIS, by December 31, 2006.

Objective 8. Provide timely public information and education programs to increase awareness of tax and liquor law changes, citizen service programs, and the department’s electronic commerce and Internet services that are available to the public.

Objective 9. Enhance opportunities for electronic filing of tax returns and payments by citizens and businesses.

Objective 10. Maintain average processing time for paper tax returns at least 10 days faster than the statutory goal of 45 days and evaluate opportunities for reducing refund-processing time further.

III. Goal 3. Accomplish the department's statutory responsibilities and performance objectives by using high quality practices in administration and effective, available technology appropriate to the work of the department.

Objective 1. Organize the department and its processes to achieve results in the most efficient manner, continuously improve the quality and quantity of the department's performance, inspire committed participation by employees, provide clear accountability for performance, and educate the public on how the department operates to eliminate any confusion.

Objective 2. Convert individual income tax to the IRIS integrated tax system by October 3, 2005.

Objective 3. Implement a new property tax computer system by May 28, 2007 that significantly improves the functioning of Montana's property valuation and assessment process, and enables the achievement of the department's reappraisal objective.

Objective 4. Implement Phase III of the IRIS integrated tax system by December 31, 2006, that includes virtually all the remaining tax, license and fee types administered by the department.

Objective 5. Implement, using GenTax technology, a new liquor inventory, sales and tax system by January 31, 2006.

Objective 6. During each biennium following a regularly scheduled legislative session, review all agency administrative rules and internal policies and procedures and modify as necessary to ensure they reflect current law.

Objective 7. Increase the vendor population that receives bill payments from the department via electronic funds transfer rather than by paper warrant.

Objective 8. Calculate and distribute the fiscal year Entitlement Share Payments and other revenue distributions by statutory deadline.

IV. Goal 4. Recruit, develop and retain a high quality employee work force and ensure employees are treated equitably, are properly trained and work in a safe and secure environment.

Objective 1. Develop programs, policies and procedures to ensure the citizens of Montana that the department operates in accordance with the highest standard of integrity and ethics.

Objective 2. Address the difficulty of retaining employees due to the increasing disparity between state salaries for the professions represented in the department's staff and salaries offered by other employers for the same professions and evaluate the use of alternative pay plans as a means of narrowing the disparity.

Objective 3. Allocate resources in relation to statutory requirements and develop a process for evaluating workload issues.

Objective 4. Continuously improve the knowledge and skill level of the department's workforce through both an effective, standard training program for employees in areas of common need and specialized training in advanced issues of tax administration.

Objective 5. Develop effective outreach, recruitment and fair hiring practices to improve the diversity of the department's work force at all levels with respect to the population of Montana.

Objective 6. Further develop and improve an effective and equitable system of employee evaluation and accountability to enable employees to continuously improve performance and contribute to the department's efficiency and effectiveness.

Objective 7. Provide effective and appropriate means of open communication and participation by employees in department decision-making to support employee commitment to the department's work and to respect each employee's role in the organization.

Objective 8. Further develop and improve a quality relationship of respect and communication with unions representing department employees and properly implement union contracts.

Objective 9. Support employee participation in the Interdepartmental Coordinating Committee for Women and consider carefully their recommendations relevant to the department.

Objective 10. Continue to allow alternative work schedules and telecommuting work opportunities in instances where customer service, liquor law administration, property valuation or tax compliance will not be compromised.

Objective 11. Continue to ensure that technology and work environment needs of all employees have been met, including replacing computers on a timely cycle and staying current with state approved software.

Objective 12. Expand upon the ergonomic review steps currently in place and continue to take proactive measures to ensure employee workspaces are ergonomically correct within all department offices.

Objective 13. Periodically evaluate the department's fleet of vehicles to ensure the vehicles used to conduct the department's business are safe and reliable.

Objective 14. Continue to expand upon the department's employee safety and security measures to ensure work environments are safe and secure, including work areas that pose certain hazards, i.e. the liquor warehouse and the department's mailroom.

Objective 15. Continue to effectively inform employees of tax law changes, department activities, media activities, and the overall philosophy of the administration and the department to ensure employees have the necessary information to perform their duties.

Objective 16. Honor outstanding employees through state and department awards and celebrate employee accomplishments.

V. Goal 5. Develop and maintain cooperative working relationships with other governments and agencies, consistent with the Governor's policies and administrative guidance.

Objective 1. Expand, as appropriate and mutually beneficial, the number of revenue sharing agreements with tribal nations in Montana.

Objective 2. Enhance the communication and working relationships with local governments on property tax, revenue distribution and other department issues.

Objective 3. Evaluate and implement methods of improving consultation with local government officials on centrally assessed property issues.

Objective 4. Develop, in consultation with local government officials, legislation or procedures to reduce the fiscal disruption to local governments caused by large property tax protests, without sacrificing the requirement that property be assessed at market value.

Objective 5. Improve the exchange of information on a mutually beneficial basis with other state agencies, while maintaining the confidentiality requirements of state and federal law.

Objective 6. Review working relationships with all other state departments and, based on that review, establish specific improvements in those relationships.

VI. Goal 6. Enhance the capacity of the department to study tax systems and provide effective advice to the Governor, Legislature and the public on tax policy and administration as required by law.

Objective 1. Expand the abilities of the department's tax policy and research unit to perform the research tasks expected of them.

Objective 2. Evaluate with the Office of Budget and Program Planning methods of improving and updating the fiscal note process.

Objective 3. Respond effectively to the Governor and to requests from the Legislature on tax policy research issues and priorities.

Objective 4. With guidance from the Governor's office establish procedures for consultation with the public on tax policy matters.

VII. Goal 7. Accomplish the statutory responsibilities in the administration of the Alcohol Beverage Code with an emphasis on excellence in customer service and a focus on public safety. We want to ensure a safe, orderly and regulated system for the convenient distribution and responsible consumption of alcoholic beverages.

Objectives for Liquor Control Division

Objective 1. Continuously improve the efficiency of processing Liquor Licensing, monitoring compliance with laws and maintain a timely approval of at least 100 days.

Objective 2. In conjunction with objective 1, review all existing information required on forms, instructions and rules for necessity, convenience, legal clarity and reliability for users. Inform applicants on their responsibility to get information from a reliable source.

Objective 3. Continue to educate licensee on liquor laws and encourage everyone to comply with these laws and thank those licensees who follow the laws. Ensure fines and fees are accessed in a fair and equitable manner.

Objective 4. Provide the best service to agency stores, licensees and citizens by maintaining sufficient inventory to meet a monthly service level of at least 97% (MCA 16-2-101 (12)) and maintain at least a 99% accuracy rate for liquor cases ordered for the biennium.

Objective 5. Develop and maintain quality-working relationship by improving communication with the general public; other state agencies; public interest groups (such as MADD, Healthy Mothers /Healthy Babies, Safe Kids/Safe Communities) and stakeholders (such as licensees, agency liquor stores, liquor vendors, the Montana Tavern Association, and Montana Beer and Wine Wholesalers).

Objective 6. Continue to work with other state agencies and public interest groups to cooperatively develop educational efforts. This education will encourage responsible sales and service of alcoholic beverages, and promote the prevention of underage drinking and high-risk (or binge) drinking to overall protect the public health and safety of Montanans.