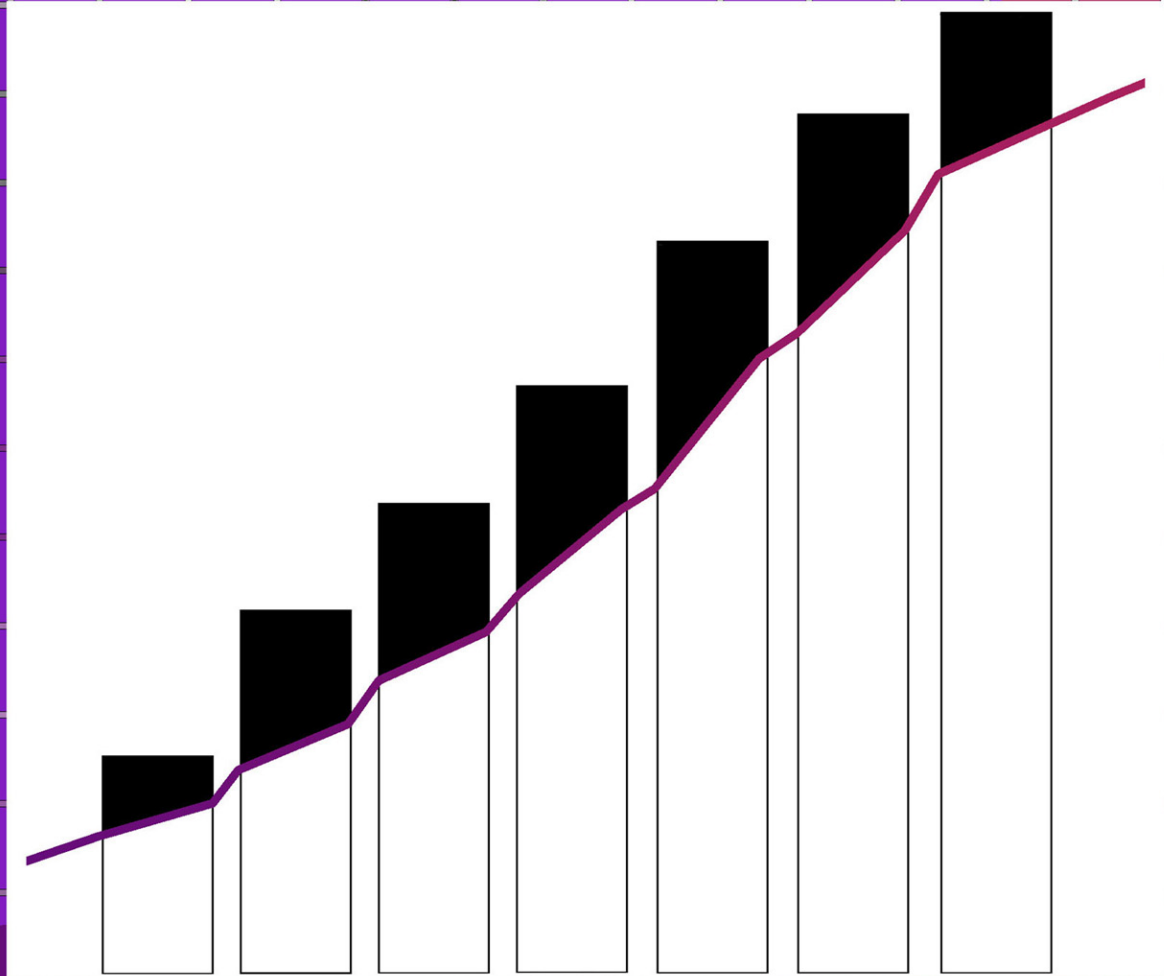




# Iowa Department of Revenue Performance Report



For Fiscal Year 2005

# TABLE OF CONTENTS

Introduction .....	1
Agency Overview .....	2-4
Key Results .....	5-8
Performance Measures-Local Government Assistance .....	9
Performance Measures-Resource Management .....	10-11
Performance Measures-Collections and Compliance .....	12-16
Performance Measures-Tax Research and Program Analysis.....	17-18

# INTRODUCTION

The Iowa Department of Revenue Performance Report for Fiscal Year 2005 is presented in accordance with the Accountable Government Act to improve decision-making and increase accountability to stakeholders and citizens of Iowa.

Information in this report summarizes progress made in areas outlined in the department's strategic plan and performance report.

Major accomplishments in fiscal year 2005 include:

- Being one of the six charter agencies presented the prestigious Harvard University John F. Kennedy School's award for "Innovation in American Government."
- Effective January 1, 2005, the department implemented the Iowa eFile & Pay system for withholding taxpayers. eFile & Pay became available for sales and use tax filers on July 1, 2005. Motor fuel tax will be added in the near future. This system allows taxpayers to file their returns and make payments electronically. Performance measures for this new system will be included in the fiscal year 2006 report.
- For the third straight year in a row, the department surpassed its target of 95% of all electronic refund requests processed within 14 days of receipt.
- The department also surpassed its target of 60% of all tax revenues paid by electronic funds transfer. In fiscal year 2005 all tax revenues paid by electronic funds transfer was 63%.
- The department's Return on Investment (Dollars Spent on Enforcement versus Dollars Collected) was the highest it has been since 2002, when it was \$9.77. Fiscal year 2005 Return on Investment was \$9.31.
- The Tax Research and Analysis Section initiated the development of a new automated statewide tax credits tracking and analysis system.
- The Tax Research and Analysis Section also updated and enhanced the state individual income tax model and created a federal individual income tax model.

The Agency Overview (pages 2-4) summarizes the department's mission and function.

Our successes are the result of employee dedication, knowledge, and vision combined with a determination to provide the taxpayers of Iowa the customer service they expect and deserve.

# AGENCY OVERVIEW

The Iowa Department of Revenue is responsible for administering the taxes noted below as established by Iowa law.

## Taxes Established by Iowa Code

Individual Income Tax	Consumer's Use Tax	Motor Fuel Taxes
Corporation Income Tax	Retailer's Use Tax	Fiduciary Tax
Partnership Income Tax	Hotel / Motel Tax	Inheritance & Estate Taxes
Franchise Income Tax	Local Option Tax	Cigarette / Tobacco Tax
Sales Tax	Withholding Tax	Drug Stamp Tax
Property Tax	Replacement Tax	Real Estate Transfer Tax
Motor Vehicle Use Tax	Car Rental Tax	Moneys & Credits Tax

### Vision

The Iowa Department of Revenue sees a future where the department programs of education, service, and enforcement are recognized by our external and internal customers as the best in the nation.

is the most effective path to innovation and continuous improvement.

- We must integrate advanced technology into our work processes in order to make them more efficient and of higher value to our customers.

### Mission

The department mission is to serve Iowans and to support government services in Iowa by collecting all taxes required by law, but no more.

### Core Functions

*Property Tax Assistance* – Provides comprehensive and timely education, service and enforcement programs to property tax officials and property tax payers of Iowa that will result in fair and equitable property assessments.

*Revenue Collection and Compliance* – Administers the tax laws. Collects and distributes revenues in compliance with Iowa's laws. This includes document processing, deposit of payments, policy development, examination, audit, collections, and timely resolution of disputed tax issues.

*Research, Analysis, and Information Management* – Provides analysis of proposed legislation, analysis of tax revenues and refunds, analysis of tax policy issues, and statistical

### Guiding Principles

- We have a responsibility to provide our customers with services that are accessible, understandable, efficient, and fair.
- Our employees need ongoing training to develop their skills and deserve opportunities for professional and personal growth.
- We cannot succeed unless we create an environment in which each employee has a role to play in determining how the work of the agency is accomplished. This

reports to the governor, legislators, other state government departments, local governments, and the general public so that they may make more informed decisions when preparing budgets and proposing changes to state law.

*Resource Management* – Provides all vital infrastructure needs necessary to administer and support Department operations.

## **Department Operational Units**

The organization is structured into six operational units. The following is a brief overview of the Department's primary organizational entities and services provided.

### **●Director's Office**

The Director's Office consists of two sections: Internal Audit and Tax Research and Program Analysis. It also supports the administrative appeals process.

The department's Internal Audit responsibilities include the review of information systems to ensure reliability, integrity, and compliance with policies, procedures, and laws and regulations.

The Tax Research and Program Analysis Section conducts tax policy analysis, fiscal impact estimation, revenue forecasting for the Revenue Estimating Conference, and economic and statistical research and analysis.

In addition, the Director's Office provides support for the administrative appeals process of the Department, including the State Board of Tax Review.

### **●Compliance**

The Compliance Division is divided into four major functions: Tax Policy, Taxpayer Services, Audit and Examination, and Audit Services.

The Tax Policy Section writes administrative rules; prepares rulings, drafts legislation; compiles topical papers; responds to complex inquiries related to tax law and policy; and monitors federal and state legislation.

The Taxpayer Service Section responds to taxpayer inquiries through an automated call center. Access to the call center is through a

toll-free number for any callers within the State of Iowa. The section also handles general correspondence and provides walk-in service to taxpayers. Taxpayers may also request information from the section via e-mail. The section provides educational services for taxpayer groups, new businesses, organizations, and schools. Within this section, the Communications Unit produces a wide range of multi-media presentations for the department. This unit also maintains and updates the agency Web site that contains comprehensive information regarding tax laws, filing requirements, tax forms and frequently-asked questions. An online tax research library is maintained on the Web site.

The Audit and Examination Section is responsible for office and field examination of tax returns and refund claims for most tax types. They issue billings for additional tax due, interest and penalty, and issue refunds for overpayment of tax.

The Audit Services Section establishes audit criteria, selects audits for field assignment and review. Protests are resolved through informal settlement or through formal proceedings, including appeals to the director, the State Board of Tax Review, and Iowa District Court.

### **●Technology and Information Management**

The Technology and Information Management Division maintains and develops the department's computerized systems, including the planning and technical support of the Wide Area Network and related automated systems. It provides for development and support for the electronic filing and electronic payment functions utilized by taxpayers to report and pay taxes. It also manages all department internal and external forms.

### **●Internal Services**

The Internal Services Division administers the department's budget and accounting services; personnel, payroll and training functions; program evaluation, and general administrative responsibilities.

- **Revenue Operations**

The Revenue Operations Division has three major sections: Customer Accounts, Collections, and Document Processing.

The Customer Accounts Section resolves errors on tax returns and communicates with taxpayers on current-year tax return issues. The section receives taxpayer registrations and issues tax permits. This section also distributes local option tax receipts to local governments.

The Document Processing Section receives and routes mail, processes tax payments and returns, and manages data entry functions. Almost four million documents are processed each year.

The Collections Section operates the accounts receivable system and coordinates collection activities department-wide, including issuing tax bills and processing payments. This section has established business relationships with numerous government entities for the purpose of collecting debts owed.

- **Property Tax**

The Property Tax Division assists local governments in making property tax assessments fair and in compliance with the law. This is done by providing technical assistance to local governments and taxpayers, providing educational programs, issuing equalization orders, assessing utilities, railroads and pipelines, and administering certification exams for local assessors.

## **Customers**

The department's customer base is, by its very nature, one of the largest of Iowa State governmental agencies. In addition to all persons with Iowa tax responsibilities throughout the state and nation, the department deals with all levels of state, local and federal governments, tax practitioners, business groups, state employees, the legislature, other states' revenue agencies and many more.

The department deposits over 90% of the state's appropriable receipts. Other state agencies depend on timely deposits to provide for the funds that they use to operate. Externally, taxpayers expect timely processing of refunds or that an audit billing generated is accurate and understandable.

Each type of customer brings an expectation of timely, accurate and understandable dissemination of information or product. This expectation holds true for both external inquiries and for product generated by the department.

## **Staff**

The Director of the Iowa Department of Revenue is Mark Schuling. During FY05 there were 370 full-time employees working for the department. Four employees work at out-of-state locations, 75 are assigned to 11 field offices across Iowa, and the remaining 291 are domiciled in Des Moines.

All contract-covered job classifications in this department fall under the AFSCME bargaining agreement. The department director is a position appointed by the governor.

## KEY RESULT Core Function

**Name:** Central Collections-Collection Partnership

**Description:** The Central Collections unit of the Iowa Department of Revenue entered into a Collections Partnership with other state agencies such as Iowa Judicial Branch, Iowa College Aid Commission, and the Department of Human Services to collect delinquent debt.

**Why we are doing this:** To provide quality, competitive collection services. The Central Collections unit is self-supporting.

**What we are doing to achieve results:** The department has entered into a partnership with Outsourcing Services Inc. The Collections Unit has made correspondence improvements such as redesigning the letters mailed to delinquent taxpayers. The unit has tightened rules in the Computer Assisted Collection System Plus.

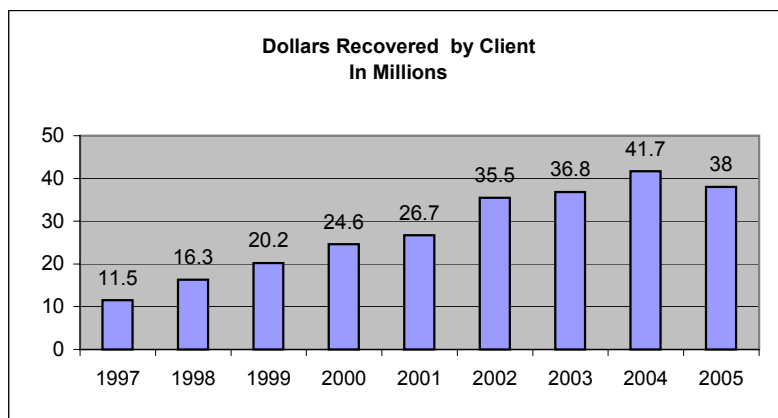
### Results

**Performance Measure:**

Dollars recovered for client.

**Performance Target:**

No specific target identified.



**What was achieved:**

In 1997 the dollars recovered by the partnership equaled \$11.7 M. Collections have continued to rise each year through 2004. The amount of debt collected in 2005 was \$38.0 M.

**Data Sources:**

Revenue's Account Receivable system, Revenue's Judicial Accounts Receivable system and Clients' Account Receivable system.

**Resources:** Primary resources were provided by Outsourcing Services Inc. (OSI). OSI's collection efforts were also supported by Iowa Department of Revenue's Accounts Receivable and Central Collection staff.

## KEY RESULT Strategic Plan Goal

**Name:** Examination and Audit

**Description:** Examination and Audit reviews returns, and examines and audits returns covering 14 major taxes established by Iowa law. The Examination and Audit Sections strive to discover unpaid tax liabilities and bill for the correct amount of tax. The staff tries to make audits both educational and informative to avoid the need for future audits of the same taxpayer. The Examination and Audit staff maintain specified turn around times for reviewing and issuing refunds.

**Why we are doing this:** To improve the voluntary compliance with Iowa's tax system.

**What we are doing to achieve results:** The Examination and Audit Sections integrate internal (tax returns, collections, financial, and statistical) and external databases to enhance compliance, enforcement, financial management, and fiscal analysis capabilities. By volunteering for Charter Agency status, the department was able to add additional staff to help in audits and help to speed up the processing of corporate income tax returns to reduce interest paid on refunds. Under Charter 1, 5 new examiners generated \$1.4 M in revenue and saved \$0.6 M in interest in FY05.

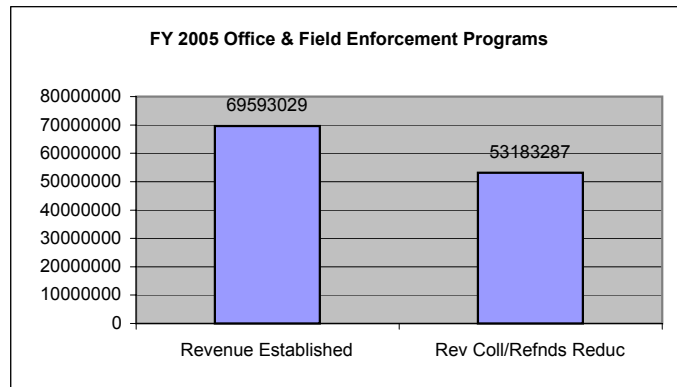
### Results

**Performance Measure:**

Revenue Established  
Revenue Collected

**Performance Target:**

Department estimates for FY05 were Revenue Established \$69,593,029 and Collection of \$53,183,287



**What was achieved:**

The Examination and Audit Sections used 82,888 audit hours to establish \$69,593,029 in revenue and collect \$53,183,287. Also in FY05, 19,346 hours were spent reviewing refund claims, which resulted in refund reductions of \$25,573,923. Total return per dollar cost was \$9.31.

**Data Sources:**

Compliance Division Return on Investment and Cost Benefits reports. Business objects query tools.



## KEY RESULT Core Function

**Name:** Return Processing-Electronically Filed Individual Income Tax Refunds

**Description:** The Department of Revenue receives and processes income tax returns from taxpayers each year. Some taxpayers must pay additional tax when filing their returns. However, a majority of taxpayers are entitled to a refund. The department recognizes that taxpayers entitled to a refund would prefer having their payments in a timely manner.

**Why we are doing this:** To serve the taxpayers of Iowa by processing tax information so that refunds are issued in a timely manner.

**What were doing to achieve results:** The Iowa Department of Revenue has two key processing systems for processing individual income tax returns. One system is used to process returns filed on paper documents. The second system is for processing electronically-filed returns. The department monitors the processing efficiency and turn-around time for both systems. Since refunds requested electronically are issued much quicker, the department continues to market and promote electronically filing returns.

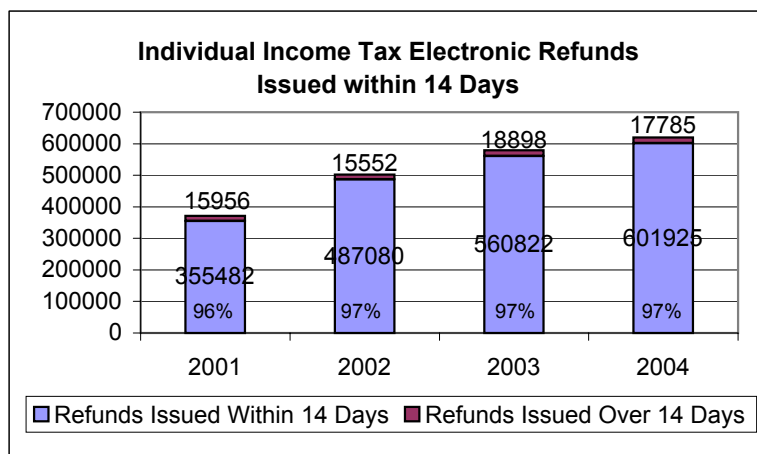
### Results

**Performance Measure:**

Percent of electronically filed individual income tax refunds issued within 14 days.

**Performance Target:**

90% of refunds issued in 14 days



**What was achieved:**

Since 2001 the percentage of electronic refunds issued in 14 has been over 90%. For the last three fiscal years the percentage has been 97%.

**Data Sources:**

Iowa Revenue Information System.

**Resources:** Revenue sources for this operation include General Fund and the Motor Vehicle Fuel Appropriation.

## KEY RESULT Core Function

**Name:** Technology & Information Management Division-Utilization of Electronic Filing Individual Income Tax

**Description:** Increase utilization of electronically-filed income tax program by 10% each year to an eventual goal of 80% by 2007.

**Why are we doing this:** Electronic filing of tax returns is viewed by the department as an effective way to improve the performance efficiency of the department while providing our customers with an accurate way in which to file their tax returns. Where applicable, customers receive the benefit of receiving a tax refund in less time than if the return is filed on paper.

**What were doing to achieve results:**

By offering three alternatives for filing, the department is attempting to leverage the investment made by the Internal Revenue Service and tax practitioners in the current federal electronic filing system, as well as to provide alternatives for those customers who do not wish to use the practitioner community. Additionally, by marketing to customers the advantages of electronic filing and through the elimination of easy access to tax returns, the department has attempted to increase the utilization of the alternative electronic services.

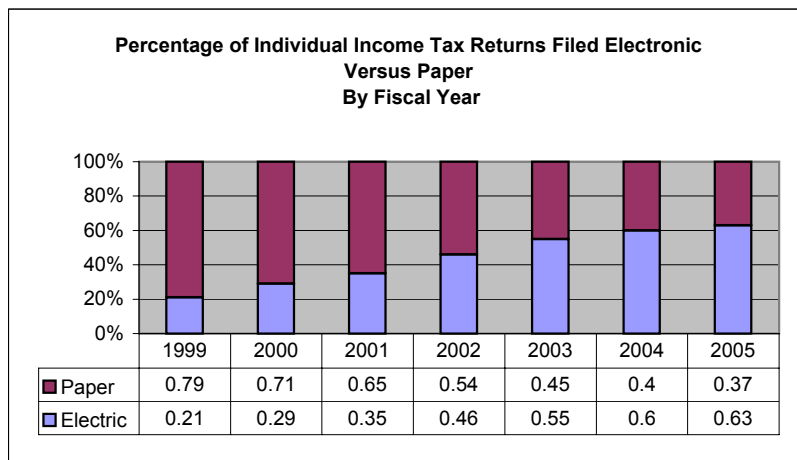
### Results

**Performance Measure:**

Percent of electronically-filed returns

**Performance Target:**

62.5% for processing year 2005 will be filed electronically.



**What was achieved:**

The 62.5% target was exceeded with 63% of returns filed electronically.

**Data Sources:**

Department of Revenue information systems.

**Resources:** Department staff is dedicated in part to the program as part of our overall application and technology support. No specific allocation of staff time or costs is prepared by the department for this program. The costs of the direct marketing program referred to above were approximately \$75,000.

## Agency Performance Plan FY 2005

**Name of Agency:** Iowa Department of Revenue

**Agency Mission:** Iowa Department of Revenue will serve Iowans and support government services in Iowa by collecting all taxes required by law but no more.

**Core Function:** Local Government Assistance

Performance Measure (Outcome)	Performance Target	Performance Actual	Performance Comments & Analysis
1.% of jurisdiction within statutory assessment level tolerance.	100%		63% for Agricultural, 79% for Residential, and 65% of Commercial
			Source: Assessors' abstracts, appraisals, agricultural statistics, and DOV's.
<b>Service, Product, or Activity:</b>			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1.Number of Declaration of Value documents processed.	101,767	101,767	What Occurred: Final 2004 sales listings were mailed on May 6, 2005
			Source:DOV's as completed by buyers, sellers,agents, & assessors.
2. Equalization orders issued.	100%	100%	What Occurred: Analysis of data and release of orders as required by statute.
			Source:Assessors' abstracts,appraisals, agricultural statistics, and DOV's.
3.Number of Appraisals completed to date.	100%	100%	What Occurred: All 1,284 appraisals were completed by June 30, 2005
			Source: Monthly detail reports of staff appraisers.
4. Number of assessment officials requiring continuing education.	Send exam Results by 11/7/04 5/9/05	Results Sent 11/2/04 4/18/05	What occurred: Both exams were administered twice & special assessor exam
			Source: Application for course credit forms by assessors & deputy assessors
<b>Service, Product, or Activity:</b>			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Number of utility and railroad assessments completed.	265	265	What occurred: Certified \$4 billion of value to produce \$120 M in property tax.
			Source: Financial statements included in the annual reports of utilities & RR
2. Number of replacement tax assessments completed.	140	140	What occurred: Assessment of \$6 B generating \$140 M in excise tax.
			Source: Annual reports filed by the companies.

**Agency Performance Plan Results  
FY 2005**

**Name of Agency:** Iowa Department of Revenue

**Agency Mission:** The Iowa Department of Revenue will serve Iowans and support government services in Iowa by collecting all taxes required by law, but no more.

**Core Function:** Resource Management

Performance Measure (outcome)	Performance Target	Performance Actual	Performance Comments & Analysis
1. Percent of Utilization of Electronic Filing Program	62.5% participation of income tax electronic filing	63%	
2. Percent of online system work time availability	Access to major online systems 99% of normal work hours	99.95%	There were no major downtime for any online system in FY05.
3. Percent of time the network is available.	Network resources available 99% of normal work hours	100%	
4. Percent of budget to expenditures	% of expenditures does not exceed 100% of budget.	98.50%	
<b>Service, Product, or Activity:</b>			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Percent of internal audit project hours spent on tier 1 audits.	75% of internal audit project hours will be spent on Tier 1 audits. (most risky)	100% of audit time available spent on Tier 1	The audit for Tier 2 was postponed to FY06 because auditors were involved in testing eFile & Pay; therefore, all audit hours available were spent on Tier 1 audits.
2. Number of participants completing CPM program.	3 each year	3	The department remains committed to providing training and education to employees to provide qualified candidates to replace retiring employees. (succession planning)

**Agency Performance Plan Results  
FY 2005**

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**Core Function:** Resource Management

Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
3. Percent of workforce assessed annually.	20% each year	9.20%	Due to shift of employee resource staff time to preparing for the MSATA conference, there was not enough time to survey all the employees that would normally be survey in a given year.
4. Square feet of utilization.	5% reduction in space utilization	0.00%	In FY05, 16,916 sq. ft. of leased space was added as a result of adding the Records and Property Center to the list of rental properties. In FY05 significant time was spent on planning moves; none took place until August, so they will be credited to FY06. In FY06 more than a 5% reduction will occur.
5. Reduction in the number of forms distributed January thru April	Received 6,094 phone calls for form orders.	7,840	Although the number of phone calls exceeded the target, the number of phone calls is down from 9,094 in 2004 to 7,840 in 2005
5. Federal legislation analysis	Varies	Analyzed 180 federal provisions	The amount of federal legislation enacted during 2004 was greater than any year since 1986. These laws had major impacts on state tax revenues. This analysis was taking into consideration by the General Assembly during FY06 budget deliberations.
6. REC briefing papers	Varies		The effort to develop the quarterly economic indicator papers and econometric forecasting models is a result of the feedback from the Revenue Estimating Conference members.
7. Local option sales tax (LOST) estimates and school infrastructure local option sales tax (SILO) estimates	LOST by Aug 15 SILO by Aug 15	LOST by Aug 15 SILO by Aug 15	Over \$400 million is sent in estimated payments for LOST and SILO. These estimates help local governments and school districts to determine money flow for projects.
8. Special tax and policy studies	Number of studies completed	Six major studies were completed	The department through these six major studies provided significant economic analysis to local government and the state's business community.

**Agency Performance Plan Results  
FY 2005**

**Name of Agency:** Iowa Department of Revenue

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**Core Function:** Revenue Collections and Compliance

Performance Measure (outcome)	Performance Target	Performance Actual	Performance Comments & Analysis
1. Percent of tax revenues received by electronic transfer.	60% of tax revenues received by electronic transfer.	63.00%	
2. Percent of paper-filed individual income tax refunds issued with 60 days.	90.00%	86.00%	Although did not hit target of 90%, results are up from 83% last year to 86% this year.
3. Percent of electronic-filed individual income tax refunds issued within 14 days	90.00%	97.00%	
4. Percent of billed accounts resolved within 180 days.	Resolve 75% of billed accounts within 180 days of entry into system.	65.70%	Due to processing changes and staffing, the goal was not achieved with FY04 billings.
5. Percent of net debt collected within 365 days.	Collect 71% of net debt within 365 days of entry into the system.	56.10%	Since 1997, the target of 71% occurring within the first 365 days has been achieved in fiscal years 1998 and 2000. The average percent collected for 1997 thru 2004 is 67.1%.
6. Ratio of costs to collections	Maintain the level of cost at or below \$10 per \$100 collected (10%)	8.40%	Applying technology improvements, where possible, and streamlining collections efforts have kept the collection costs below the 10% target since fiscal year 1998 thru 2004 except for fiscal years 1999 and 2001. Those two years were only 10.2% and 10.7%.
7. Dollars collected per audit enforcement dollar expended.	Collect \$6.50 for each enforcement dollar expended.	\$9.31	

**Agency Performance Plan Results  
FY 2005**

**Name of Agency:** Iowa Department of Revenue

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**Core Function:** Revenue Collections and Compliance

<b>Document Processing &amp; Deposit</b>			
<b>Service, Product, or Activity:</b>			
<b>Performance Measure</b>	<b>Performance Target</b>	<b>Performance Actual</b>	<b>Performance Comments &amp; Analysis</b>
1. Percent of dollars deposited on the same day of receipt.	75% of tax receipts will be deposited within 1 day of receipt.	81%	The Revenue Operations Division deployed strategies to improve deposit of sales tax and income tax withholding during high-volume quarterly periods.
2. Documents processed	Process documents & information as efficiently as possible.	Documents processed Corp: 83,764 Ind. Estimates: 324,805 Ind. Income: 843,003 Withholding: 440,521 Other: 301,908	
3. Percent of income tax returns requiring review worked within 60 days of going to review	80.00%	59.00%	The percentage has declined steadily from 67% in FY03 to 62% in FY04 to 59% in FY05. There may be a need for additional staff in this area.
4. Percent of local option sales tax and school infrastructure local option sales tax distributed timely each year.	95% of local option sales tax and school local option will be distributed on a monthly basis	100.00%	The department has completed 100% of the distributions timely for the last three fiscal years.
5. Percentage of Returns sent to Return Resolution by tax type.	Varies	Corporation: 83,764 Ind. Estimates: 324,805 Ind. Income: 843,003 Sales Tax: 595,625 Withholding: 440,521 Other: 301,908	

**Agency Performance Plan Results  
FY 2005**

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**Core Function:** Revenue Collections and Compliance

Collections			
Accounts Receivables			
Service, Product, or Activity:			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Percent of net debt collected within 90 days	40%	33.90%	The goal of 40% within the first 90 days was collected in all years except for 2004.
2.Dollars of debt collected within 90 days.	\$38,238,624	\$32,373,062	
Central Collections			
Service, Product, or Activity:			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Percent of net debt collected within 180 days	45%	47.20%	
2. Dollars of debt collected within 180 days	\$43,018,452	\$45,043,349	
3. Dollars recovered for clients.	No assigned target	\$38,000,000	The collection partnership was established in 1997 and \$11.5 M was collected for clients, that number grew to to \$41.7 M in 2004.
Advanced Collections			
Service, Product, or Activity:			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1.Percent of net debt collected within 365 days	71%	56.10%	
2. Dollars of debt collected within 365 days	\$67,876,090	\$53,631,671	



**Agency Performance Plan Results  
FY 2005**

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**Core Function:** Revenue Collections and Compliance

<b>Examination</b>			
<b>Performance Measure (Outcome)</b>	<b>Performance Target</b>	<b>Performance Actual</b>	<b>Performance Comments &amp; Analysis</b>
1. Hours spent conducting exams	37,835	44,199	
2. Revenue Established	\$39,380,000	\$58,485,002	
3. Revenue Collected	\$28,700,000	\$42,723,367	
4. Percent of Protest Resolved in 12 months	80.0%	88.0%	

<b>Instate Field Audit</b>			
<b>Service, Product, or Activity:</b>	<b>Performance Target</b>	<b>Performance Actual</b>	<b>Performance Comments &amp; Analysis</b>
<b>Performance Measure</b>			
1. Revenue Established	\$10,317,808	\$8,347,892	
2. Audit Hours	35,482	39,084	
3. Revenue Collected	\$7,464,966	\$7,488,625	

<b>Investigative Audit</b>			
<b>Service, Product, or Activity:</b>	<b>Performance Target</b>	<b>Performance Actual</b>	<b>Performance Comments &amp; Analysis</b>
<b>Performance Measure</b>			
1. Revenue Established	\$736,554	\$523,266	
2. Audit Hours	8,110	6,527	
3. Revenue Collected	\$339,767	\$156,039	Four cases were referred for prosecution and are still in court.

<b>Out-of-State Field Audit</b>			
<b>Service, Product, or Activity:</b>	<b>Performance Target</b>	<b>Performance Actual</b>	<b>Performance Comments &amp; Analysis</b>
<b>Performance Measure</b>			
1. Revenue Established	\$5,780,094	\$2,236,869	
2. Audit Hours	4,553	3,167	
3. Revenue Collected	\$2,507,980	\$2,815,256	

**Agency Performance Plan Results  
FY 2005**

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**Core Function:** Revenue Collections and Compliance

<b>Tax Gap Programs</b>			
<b>Service, Product, or Activity:</b>	<b>Performance Target</b>	<b>Performance Actual</b>	<b>Performance Comments &amp; Analysis</b>
<b>Performance Measure</b>			
1. Revenue Established	\$30,500,000	\$30,826,263	
2. Audit Hours	26,768	16,992	
3. Revenue Collected	\$14,200,000	\$13,354,245	
<b>Taxpayer Services</b>			
<b>Service, Product, or Activity:</b>	<b>Performance Target</b>	<b>Performance Actual</b>	<b>Performance Comments &amp; Analysis</b>
<b>Performance Measure</b>			
1. Busy Signal Rate	15%	4%	
2. Percent of technical calls to tax specialists	75%	83%	Approximately 17% of the more 108,000 calls answered by tax specialists are non-technical calls. The goal is to reduce non-technical calls to tax specialists, who then become available to callers with complete tax issues.

**Agency Performance Plan Results  
FY 2005**

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**Core Function:** Tax Research and Program Analysis

Performance Measure (outcome)	Performance Target	Performance Actual	Performance Comments & Analysis
1. Time Required for Analysis	Varies		
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Time required to complete individual income tax statistical report.	Mar 1st & Jun 30th	Feb 28th & Jun 10th	Timely release allowed the Dept of Education to prepare budgets and apply for federal grant money.
2. Time required to complete sales tax statistical report.	Published on Web site one month of receipt of final data file	Jun 10/15/04 11/22/04 Sep 2/15/05 3/4/05 Dec 4/15/05 6/7/05	Publish dates were after due dates. The results of staff turnover and training a new employee delayed reports publication.
3. Time to complete monthly Receipts and Refund Reports	End of second business day of the next month	End of second business day of the next month	Timely release of report helps identify factors that influence general fund activity and help the DOM in preparing their monthly revenue memo. Due to problems with I3 the target date was changed to second day of the month. All but one report was sent on the first day of the month.
4. Time required to complete state fiscal impact estimates.	Varies		One hundred and sixty-one fiscal impact requests and 60 information requests responded to last legislative session. This is over double a normal year's request for fiscal impact estimates.
5. Federal Legislation Analysis	Varies	Analyzed 180 federal provisions	The amount of federal legislation enacted during 2004 was greater than any year since 1986. These laws had major impacts on state tax revenues. This analysis was taken into consideration by the General Assembly during FY06 budget deliberations.
6. REC Briefing Papers	Varies		The effort to develop the quarterly economic indicator papers and econometric forecasting models is a result of the feedback from the Revenue Estimating Conference members.

**Agency Performance Plan Results  
FY 2005**

**Name of Agency:** Iowa Department of Revenue

**Agency Mission:** The Iowa Department of Revenue will serve Iowans and support government services in Iowa by collecting all taxes required by law, but no more.

**Core Function:** Tax Research and Program Analysis

Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
7. Local option sales tax estimates (LOST) and school infrastructure local option sales tax (SILO) estimates	LOST by Aug 15 SILO by Aug 15	LOST by Aug 15 SILO by Aug 15	Over \$400 million is sent in estimated payments for LOST and SILO. These estimates help local governments and school districts to determine money flow for projects.
8. Special Tax and Policy Studies	Number of studies completed	Six major studies were completed	The department through these six major studies provided significant economic analysis to local government and the state's business community.

# AGENCY CONTACTS

Copies of the Iowa Department of Revenue Performance Report are available on the Department's Web site at [www.state.ia.us/tax](http://www.state.ia.us/tax).

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# ACKNOWLEDGMENTS

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