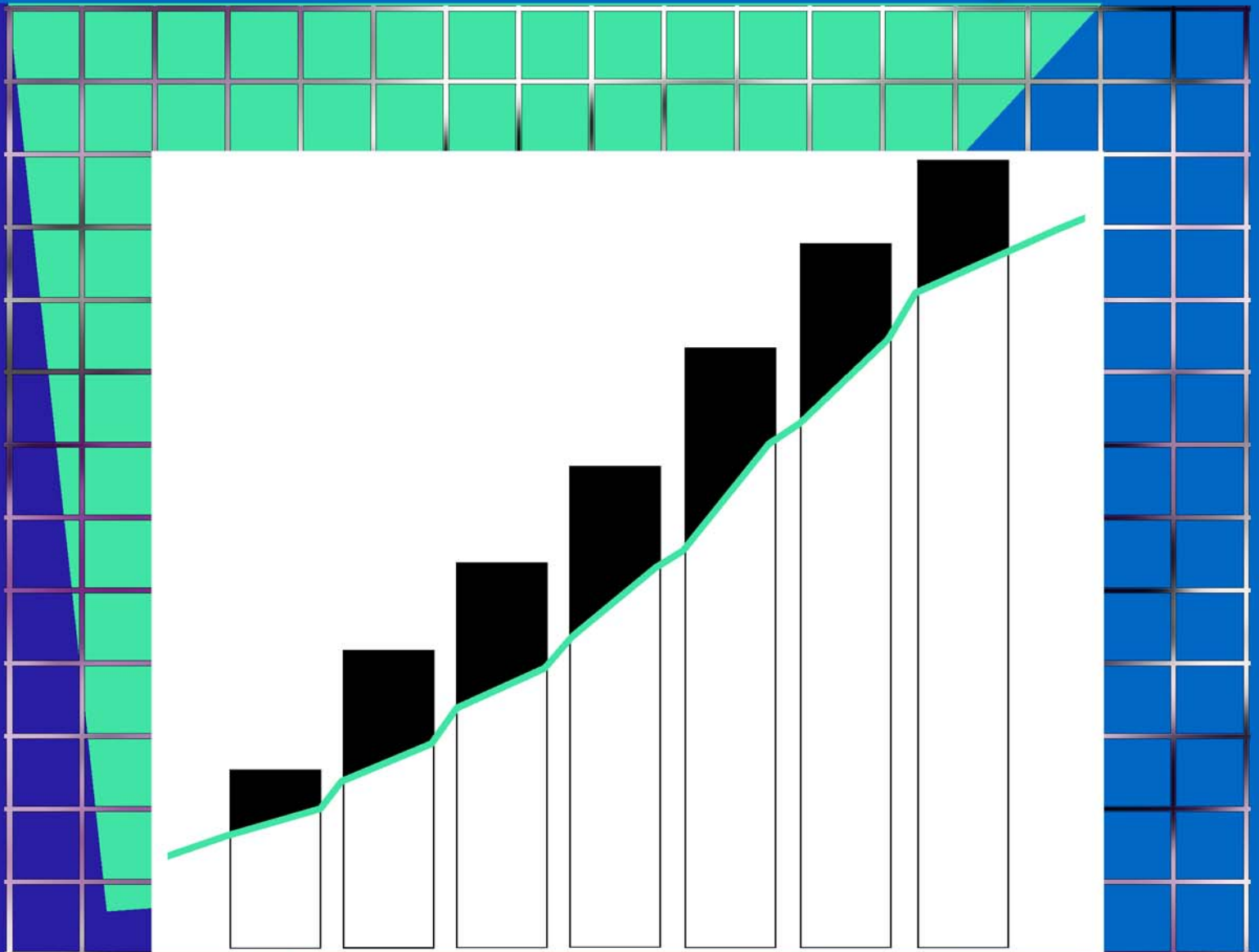




Iowa Department of Revenue Performance Report



For Fiscal Year 2006

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INTRODUCTION

The Iowa Department of Revenue Performance Report for Fiscal Year 2006 is presented in accordance with the Accountable Government Act to improve decision-making and increase accountability to stakeholders and citizens of Iowa.

The department continues to strive for excellence as it performs its mission for the State of Iowa. The following are significant achievements in Fiscal Year 2006.

Electronic Filing of Business Taxes:

The department continued its implementation of eFile & Pay with the deployment of opportunities for payment of individual and corporate income taxes in January 2006. Motor Fuel taxes were also implemented in a phased approach beginning in July 2006. This system allows taxpayers to file their returns and make payments electronically.

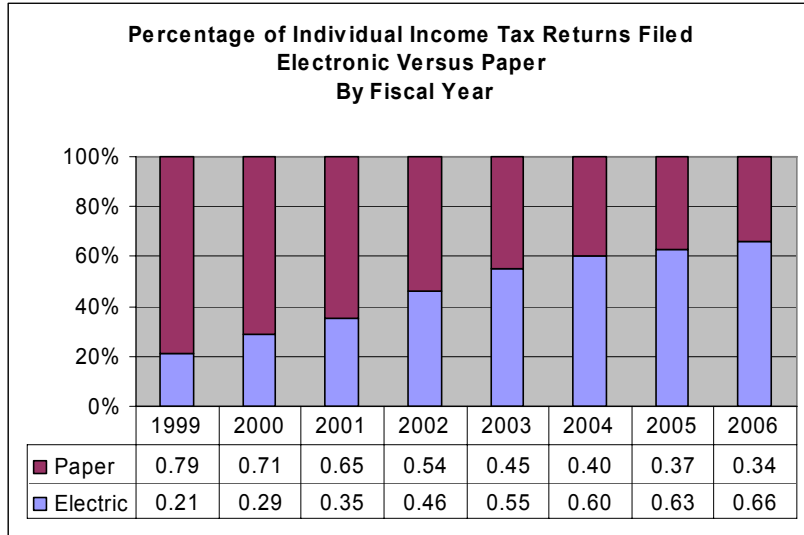
Benefits include:

- Secure and confidential filing for taxpayers.
- Convenient methods for filing and paying taxes with the system available to the taxpayers seven days a week, 24 hours a day.
- Access to payment history.
- Reduced errors in tax filings and payments, which reduced follow-up compliance errors.
- Increased timeliness in availability of data for use by external customers and department staff.

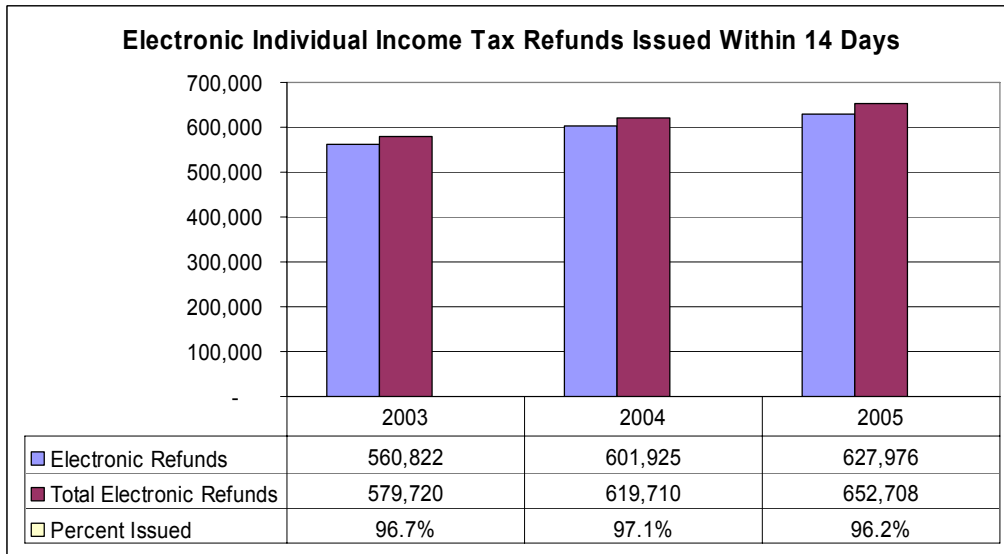
The program has met with widespread acceptance by the taxpayers of Iowa as demonstrated by the fact that during FY 2006, 95% of quarterly sales/use and withholding returns were filed electronically. Nearly \$3.7 billion of payments were received electronically which is approximately 82% of payments received for withholding and sales tax.

Electronic Filing of Individual Income Tax:

Iowa continues to show strong participation in its electronic filing of individual income tax returns program with 66% of the returns filed electronically. Iowa led the nation from 2001 to 2005 in the percent of electronically filed returns without a mandate.

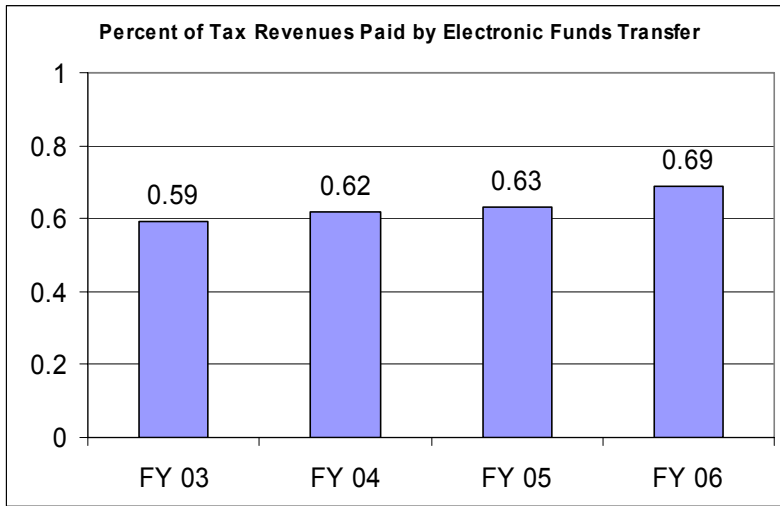


For the fifth straight year, the department surpassed its target of 95% of all electronic refund requests processed within 14 days.



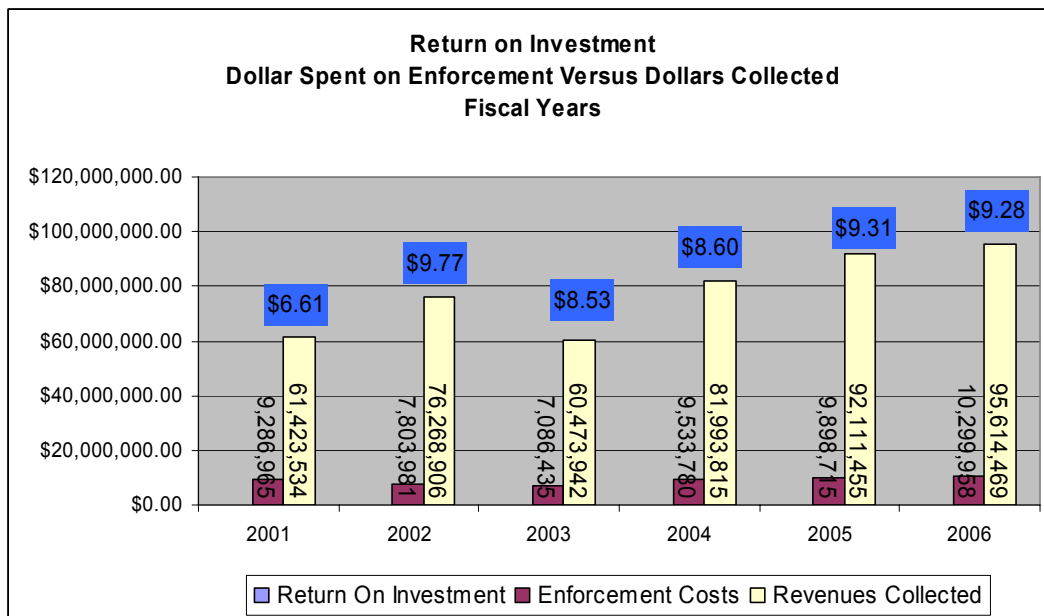
Electronic Payments:

The department received 69% of all General Fund revenues electronically.



Return on Investment:

The department surpassed its target of return on investment of at least eight dollars returned for every dollar spent. The vast majority of taxpayers file their returns and pay their taxes on time. In fairness to them, the department collects unpaid taxes from late-filers and non-filers. In order for this to be beneficial to the taxpayers of Iowa, the cost of collecting taxes must be less than the revenue generated. Iowans benefited 9-fold for every dollar spent by the department for enforcement in fiscal year 2006.



Streamlined Sales Tax:

The Streamlined Sales Tax Project (SSTP) officially became effective on October 1, 2005, with 13 full member (legislatively compliant with the agreement) states and 6 associate states (expected to be compliant by January 1, 2008) states.

Retail registrations continue to grow with national registrations now totaling over 1,000.

Iowa received about \$2,845,000 in fiscal 2006 from SSTP returns, bringing the total collected to about \$5,500,000 since 2002.

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	Car Rental Tax	Drug Stamp Tax
Property Tax	Withholding Tax	Real Estate Transfer Tax
Motor Vehicle Use Tax	Replacement Tax	Moneys & Credits Tax

Vision

To be recognized as a department employing a well-trained workforce that in a fair and respectful manner provides responsive and accurate services that enables all customers to comply with Iowa's tax law.

Mission

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

Guiding Principles

• Customer Focus:

- We will encourage collaboration and partnership with our internal and external customers.
- We operate in an ever-changing environment and will integrate advanced technology into our work processes in order to make them more efficient and of higher value to our customers.

• Integrity:

- We will through honest and open policies maintain the public's confidence in our ethical standards.
- We will carefully safeguard our customer's confidential information.

• Responsibility:

- We will provide expert advice and support to policy-makers and to local and state government entities.
- We will help local governments responsibly manage their resources through education and supervision of the property tax system and local option taxes.

- **Understanding:**
 - We will recognize that Iowa tax laws are complex and will provide the services and education necessary to enable compliance by all our customers.
 - We understand that to have a well educated and responsive work force we need to provide our employees with ongoing training to develop their professional skills and to achieve personal growth.

- **Fiscal Management:**
 - We will responsibly manage our financial resources to fulfill our mission.
 - We will continually monitor and measure our processes to assure economy and efficiency.

Core Functions

- *Local Government Assistance* – Provide assistance to local governments by administering fair and equitable assessments and programs for property tax relief and local option sales taxes.
- *Revenue Compliance and Collection* – Educate customers on tax policy and collect revenues in compliance with Iowa’s tax laws, including processing and collections, policy development, education, examination, audit, and timely resolution of disputed tax issues.
- *Research, Analysis, and Information Management* – Provide tax policy analysis, fiscal impact estimation, and economic and statistical research and analysis to help customers, stakeholders, and policy-makers make informed decisions.
- *Resource Management* – Provides all vital infrastructure needs necessary to administer and support agency

operations, including personnel, the agency’s Web site, performance measurements, and the development and support of technology and information applications.

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 three major sections: Field Audit, Office Examination and Tax Gap.

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 Tax Gap Program is a compliance

initiative to design, develop, and implement the following components:

1. Data Warehouse
2. Data Warehouse tools
3. Audit Component

● *Taxpayer Services & Policy*

The Taxpayers Services and Policy Division are composed of three different functions: Audit Services, Tax Policy, and Taxpayer Services.

The Audit Services Section establishes audit criteria and 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.

The Tax Policy Section is responsible for writing administrative rules, drafting legislation, writing formal policy rulings, responding to complex written and oral inquiries related to tax law and policy, and monitoring federal and state legislation.

The Taxpayer Services Section is responsible for customer services, customer education/training to assist taxpayers in complying with the law and managing the department's e-file system for paperless filing of tax returns.

● *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.

Also included in the Internal Services section is the Communications Unit, which is responsible for writing department news releases and newsletters addressing tax issues, law changes, and reporting requirements. The Communications Unit also manages the department's Web site.

● *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 FY06 there were 375 full-time employees working for the department. Four employees work at out-of-state locations, 80 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: Collection Enterprise

Description: The Department of Revenue collects delinquent tax debt and also provides collection services to the Iowa Judicial Branch, Iowa College Student Aid Commission, Department of Human Services and Department of Natural Resources.

Why we are doing this: To provide quality, competitive collection services. The Collection Enterprise is self-supporting.

What we are doing to achieve results: The Collection Enterprise is in the process of a major upgrade to collection software and is coordinating that effort with business process reengineering designed to maximize the effectiveness of the new software and to utilize nationally recognized best practices.

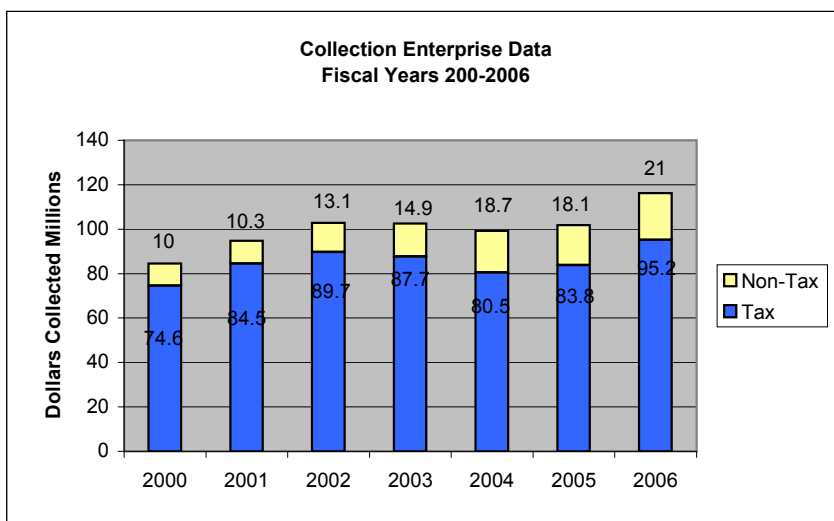
Results

Performance Measure:

Dollars collected by Collection Enterprise.

Performance Target:

There was no specified target for FY 06. Due to the major upgrade to software and the business process reengineering it is estimated that by FY 08 the Collection Enterprise will collect approximately \$120 M in delinquent taxes and debt.



What was achieved:

Fiscal Year 2006 recoveries set a new record, both for tax collections and for collections on liabilities placed with the department by other state agencies.

Data Sources:

Collections Annual Report, Dollars Collected per Dollar Spent by Tax and Non-Tax Programs.

Resources: Collections represent recoveries by all units of the Collections Enterprise.

KEY RESULT Strategic Plan Goal

Name: Examination and Audit

Description: Examination and Audit review, examine, and audit 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. IDR completed its third successful year as a Charter Agency. Due to Charter Grant Funding collections and interest savings from office and field programs totaled almost \$3.8 M during FY 06.

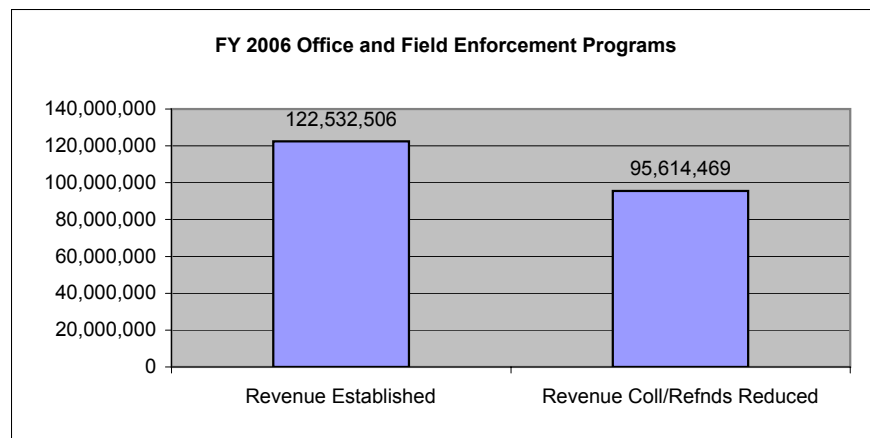
Results

Performance Measure:

Revenue Established
Revenue Collected

Performance Target:

Department estimates for FY 06 were Revenue Established of \$81,987,116 and Collection of \$51,282,105.00



What was achieved:

The Examination and Audit sections used 118,376 audit hours to establish \$122,532,506 in revenue and collect \$95,614,469. The above totals include 14,947 hours spent reviewing refund claims, resulting in refund reductions of \$28,460,113. Total return per dollar cost was \$9.28.

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.

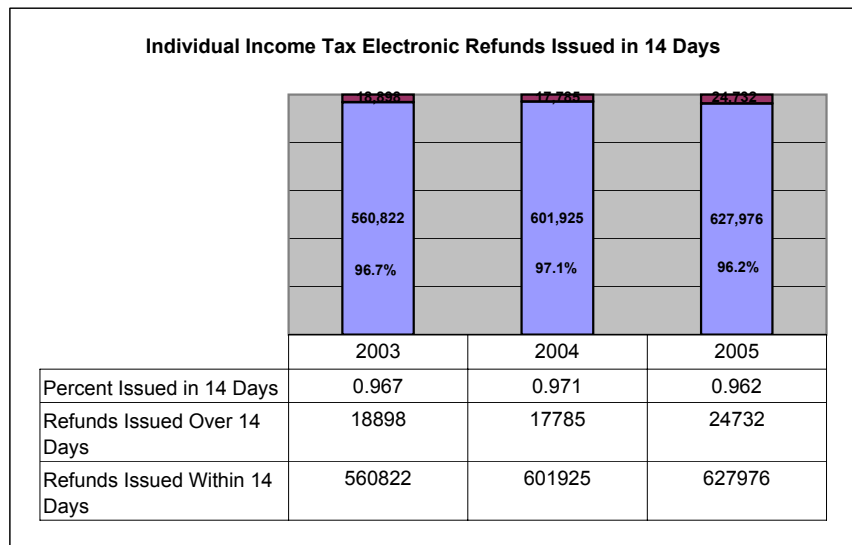
Results

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 days has been over 90%. For the last three fiscal years the percentage has been 96% to 97%.

Data Sources:

Iowa Revenue Information System.

Resources: Revenue sources for this operation include the 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 each year.

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 we are doing to achieve results:

By offering three alternatives for filing, the department was 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 practioner community. Additionally, by marketing to customers the advantages of electronic filing and through the elimination of easy access to paper tax returns, the department has attempted to increase the utilization of the alternative electronic services.

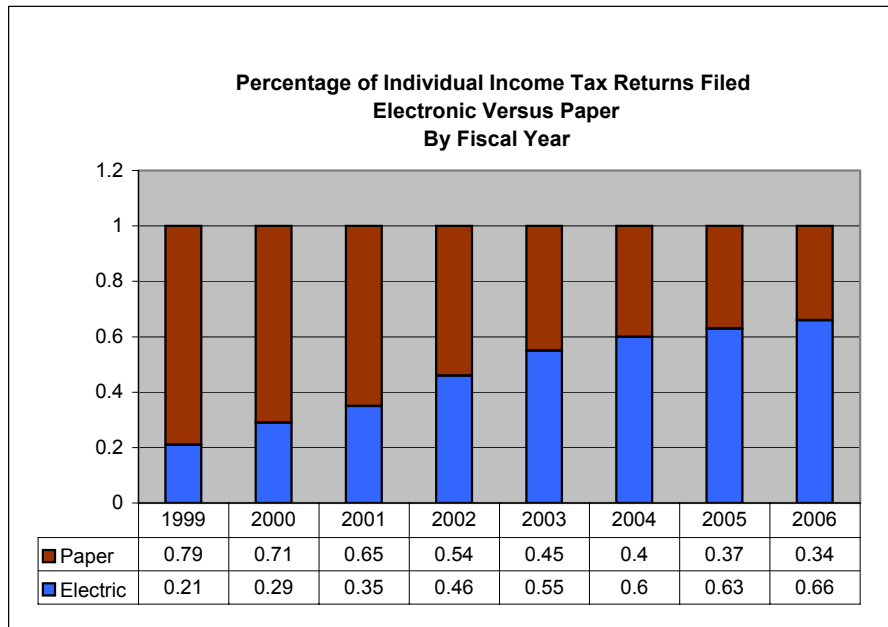
Results

Performance Measure:

Percent of electronically-filed returns

Performance Target:

68.5% for processing year 2006 will be filed electronically.



What was achieved:

Although the 68.5% target was not met, there was a 3% growth in the percentage of individual income tax returns filed electronically FY 2006 over FY 2005.

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.

Agency Performance Plan FY 2006

Name of Agency: Iowa Department of Revenue

Agency Mission: Iowa Department of Revenue will serve lowans 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. There are no changes since only done on odd years. Source: Assessors' abstracts, appraisals, agricultural statistics, and DOV's.
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1.Number of Declaration of Value documents processed.	96,882	96,882	What Occurred: Final 2005 sales listings were mailed on May 6, 2006 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. Orders are issued odd years only, therefore no 2006 data 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 11/7/05 5/9/06	Results Sent 10/31/05 4/11/06	What Occurred: Both exams were administered twice & Special assessor exam Source: Application for course credit forms by assessors & deputy assessors
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Number of utility and railroad assessments completed.	268	268	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.	149	149	What Occurred: Assessment of \$6.4 B generating \$144 M in excise tax. Source: Annual reports filed by the companies.

Agency Performance Plan FY 2006

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

Technology and Information Management

Performance Measure (outcome)	Performance Target	Performance Actual	Performance Comments & Analysis
1. Percent of Utilization of Electronic Filing Program.	68.5% participation of income tax electronic filing	66%	Since electronic filing of individual income tax is a mature program, a better measurement in place for FY 07 is the growth in all electronic filing (individual income tax and business eFile & Pay).
2. Percent of utilization of the Iowa eFile Services system (Withholding>Returns-Transactions)	Benchmark Established in FY 06	Returns-98% Transactions-56%	In FY 07 this will be reported on a combined withholding/sales basis.
3. Percent of utilization of the Iowa eFile Services system (Sales>Returns-Transactions).	Benchmark Established in FY 06	Returns-93% Transactions-42%	In FY 07 this will be reported on a combined withholding/sales basis.
4. Percent of online system work time availability.	Access to major online systems 99% of normal work hours	99.63%	Any major time down was contributable to ITE and DAS.
5. Percent of time the network is available.	Network resources available 99% of normal work hours	99.68%	
6. Percent of time eFile Services System is available.	System available 99% of time.	99.93%	The e-services vendor did not begin tracking until the end of FY 06. The system was down only 2 hrs. and 40 min. in three months, and all of that time except for 30 minutes was scheduled maintenance downtime. In FY 07 this measure will be incorporated into one measure including LAN, IRIS, and eFile.

**Agency Performance Plan
FY 2006**

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

Directors Office			
Internal Audit Project			
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 FY 06 because auditors were involved in testing eFile & Pay. Therefore, all audit hours available were spent on Tier 1 audits.
Internal Services Division			
2. Number of participants completing CPM program.	3 each year	2	One employee dropped out after beginning the program in FY 06.
3. Percent of workforce assessed annually.	20% each year	20.00%	
4. Square feet of utilization.	5% reduction in space utilization	13.50%	The actual reduction in space for FY 06 was 5,737 feet.
5. Reduction in the number of forms distributed January thru April.	Receive 6,094 phone calls for form orders.	5,098	
6. Percent of budget to expenditures.	% of expenditures does not exceed 100% of budget.	97.65%	
Technology and Information Management			
1. Motor fuel tax administration.	100%	100%	In statute.
2. Printing cigarette stamps.	100%	100%	In statute.

Agency Performance Plan Results FY 2006

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: Revenue Collections and Compliance

Performance Measure (outcome)	Performance Target	Performance Actual	Performance Comments & Analysis
1. Percent of tax revenues received by electronic transfer.	65% of tax revenues received by electronic transfer.	69.00%	
2. Percent of paper-filed individual income tax refunds issued within 60 days.	90.00%	92.00%	Processing Year 2005
3. Percent of electronically-filed individual income tax refunds issued within 14 days.	95.00%	96.00%	Processing Year 2005
4. Percent of billed accounts resolved within 180 days.	Resolved 75% of billed accounts within 180 days of entry into system.	87.20%	The target was exceeded in fiscal year 2006.
5. Percent of net debt collected within 365 days.	Collect 71% of net debt within 365 days of entry into the system.	70.40%	Since 1997, the target of 71% occurring within the first 365 days was achieved in fiscal years 1998 and 2000. The average percent collected for 1997 through 2004 is 67.1%. The 70.4% collected in FY 2006 shows marked improvement.
6. Ratio of costs to collections.	Maintain the level of cost at or below \$10 per \$100 collected (10%)	8.64%	Applying technology improvements, where possible, and streamlining collections efforts have kept the collection costs below the 10% target since fiscal year 1998 thru 2005 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 \$8.10 for each enforcement dollar expended.	\$9.28	

Agency Performance Plan Results FY 2006

Name of Agency: Iowa Department of Revenue

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Core Function: Revenue Collections and Compliance

Document Processing & Deposit

Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Percent of tax receipts deposited within 1 day of receipt.	75% of tax receipts will be deposited within 1 day of receipt.	84%	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: 100,368 Ind Income Returns and Payments: 2,124,286 Withholding: 1,177,044 Other: 306,768	
3. Percent of income tax returns requiring review worked within 60 days of going to review.	70.00%	67.00%	The percentage has declined steadily from 67% in FY 2003 to 62% in FY 2004 to 59% in FY 2005. Due to increased staff, the percentage grew from 59% in 2005 to 67% in 2006.
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%	
5. Percentage of returns sent to Return Resolution by tax type.	Varies	Individual Income: 11.7% Sales and Use: 12.7% Withholding: 8.7%	

Agency Performance Plan Results FY 2006

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Core Function: Revenue Collections and Compliance

Collections			
Accounts Receivables			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Percent of net debt collected within 90 days.	36%	38.40%	
2. Dollars of debt collected within 90 days.	\$38,238,624	\$34,402,927	
Central Collections			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Percent of net debt collected within 180 days.	45%	54.80%	
2. Dollars of debt collected within 180 days.	\$43,018,452	\$49,116,685	
3. Dollars recovered for clients.	No assigned target	\$42,300,000	The collection partnership was established in 1997 and \$11.5 M was collected for clients; that number grew to \$41.7 M in 2004. Fiscal year 2006 had record collections of \$42.3 M.
Advanced Collections			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Percent of net debt collected within 365 days.	65%	70.40%	
2. Dollars of debt collected within 365 days.	\$67,876,090	\$57,559,610	
Examination			
Performance Measure (Outcome)	Performance Target	Performance Actual	Performance Comments & Analysis
1. Hours spent conducting exams.	40,700	41,991	
2. Revenue established.	\$37,670,000	\$75,825,523	
3. Revenue collected.	\$29,340,000	\$41,191,317	
4. Percent of Protests Resolved in 12 months	80.0%	67.0%	While Audit Services fell short of the 80% goal, they were able to resolve 14 of the oldest 18 protests. With the addition of more personnel in the Revenue Division of the Attorney General's Office, they hope to meet the 80% in FY 07.

Agency Performance Plan Results FY 2006

Name of Agency: Iowa Department of Revenue

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Core Function: Revenue Collections and Compliance

Instate Field Audit & Compliance

Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Revenue Established	\$7,965,920	\$16,353,311	
2. Audit Hours	37,126	39,498	
3. Revenue Collected	\$5,565,581	\$5,104,472	

Out-of-State Field Audit

Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Revenue Established	\$2,670,696	\$2,316,947	
2. Audit Hours	3,028	3,570	
3. Revenue Collected	\$1,148,399	\$3,996,406	

Tax Gap Programs

Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. Revenue Established	\$33,680,000	\$28,036,725	
2. Audit Hours	23,400	18,370	
3. Revenue Collected	\$15,228,125	\$16,862,161	

Taxpayer Services

Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
1. % of Taxpayer Services Dropped Calls	4%	2.5%	
2. Percent of TSS calls answered in one minute	80%	89.6%	
3. Percent of TSS emails answered in one business day	90%	98.6%	
4. Percent of ESU Calls Dropped	4%	7.1%	As with any new system, the volume of calls was extremely high in the learning period, taxing the ability of the staff to answer all calls in the queue. This impacted the percent of dropped calls and the percent of calls answered in one minute. In FY 07 as taxpayers become more comfortable with the system, the department has a decline in the volume of phone calls.
5. Percent of ESU calls answered in one minute	80%	50.2%	
6. Percent of ESU emails answered in one business day	90%	98.6%	

**Agency Performance Plan Results
FY 2006**

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 (outcome)	Performance Target	Performance Actual	Performance Comments & Analysis
1. Time required for analysis.	Varies		
Performance Measure	Performance Target	Performance Actual	
1. Time required to complete individual income tax statistical report.	Mar 1 & Jun 30	Mar 1 and May 18	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 11/22/04 Sep 3/4/05 Dec 6/7/05	There were significant delays this year due to problems with e-filed returns and changes made in IRIS which impacted the number of returns to resolution.
3. Time to complete monthly receipts and refund reports.	End of second business day of the next month	End of first business day of the next month	Timely release of report helps identify factors that influence general fund activity and help the DOM in preparing its monthly revenue memo. Due to problems with I3, the target date was changed to the 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 twenty-eight fiscal impact requests and 40 information requests responded to last legislative session.
5. Federal legislation analysis.	Varies	Analyzed 3 bills	
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 estimates and school infrastructure local option sales tax 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 regular local option sales tax (LOST) and school local option sales tax (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	Three major studies were completed.	

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.

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