

# UTAH STATE TAX COMMISSION

## Commission

Pam Hendrickson, Commission Chair  
Marc B. Johnson, Commissioner

R. Bruce Johnson, Commissioner  
D'Arcy Dixon Pignanelli, Commissioner

## Administration and Operations

Rodney G. Marrelli, Executive Director

### **Mission Statement**

Collect revenue for the state and local governments and equitably administer tax and assigned motor vehicle laws.

### **Overview**

The Tax Commission collects and distributes over \$7.3 billion in state and local revenues. The primary Tax Commission responsibilities include:

- Process revenue, returns, and updating taxpayer information
- Audit tax returns and other information for accuracy and compliance
- Collect delinquent taxes
- Assist taxpayers with compliance and resolve account issues
- Oversee local property tax assessments and administer centrally assessed valuations
- Register and title motor vehicles and motor carriers
- Enforce motor vehicle laws, including vehicle fraud, stolen vehicles, and regulation of the automobile industry

For more information about the Tax Commission and the Office of the Commission visit our website at: [www.tax.utah.gov](http://www.tax.utah.gov).

## **#1 Timely Service**

### **A. Revenue Deposits**

**Importance:** The timely collection and deposit of revenues in state accounts is critical for state investment purposes and to provide funds for government services.

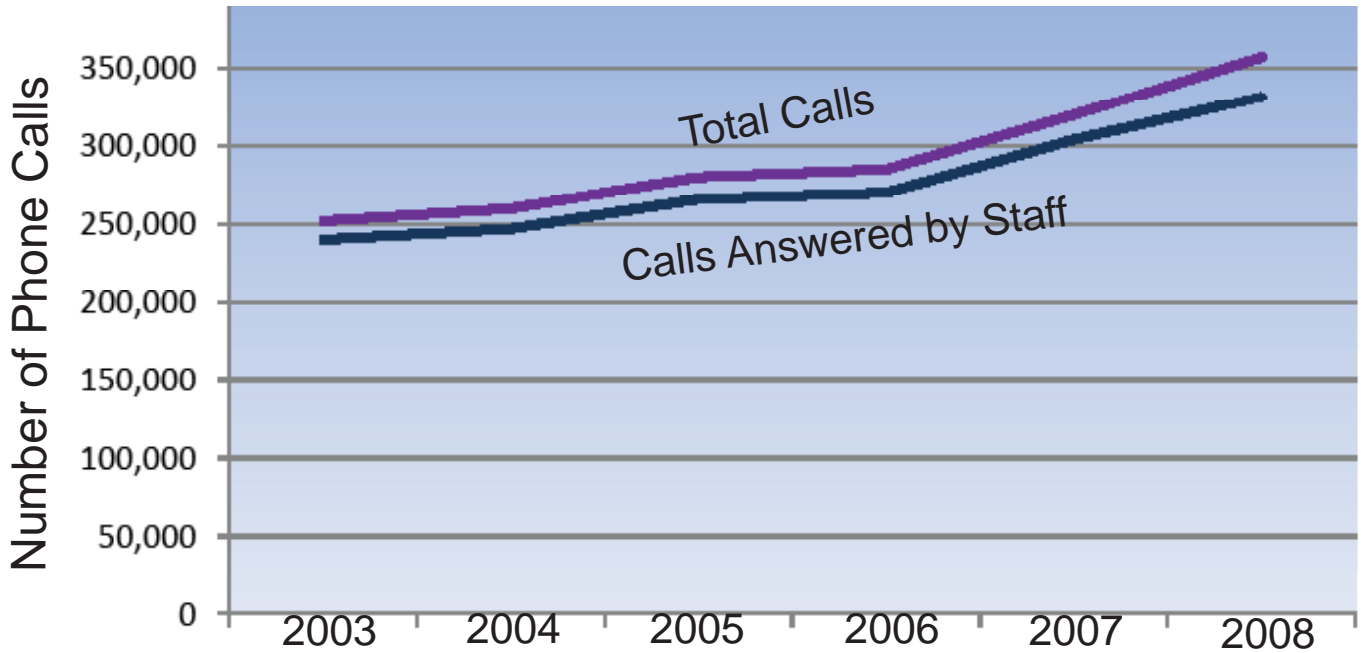
**Action:** State guidelines require all deposits of funds within 72 hours of receipt. Our goal is to deposit funds within 24 hours receipt, and within 72 hours during peak return deadlines.

### **B. Income Tax Refunds**

**Importance:** The public expects and relies on timely income tax refunds. Technological advancements and employee training have reduced the time taxpayers wait to receive state income tax refunds. (When taxpayers receive a tax refund, they usually invest or spend their refunds on goods and services which stimulates the local economy.)

**Action:** Timeliness of refunds generally depends on how early the taxpayer files the return. Income tax refunds are targeted to be processed within 15 days of receipt, which occurs at least 90 percent of the time. Exceptions occur when there is an error or unusual item. Those returns are then marked for review.

# TAXPAYER SERVICES TELEPHONE ASSISTANCE



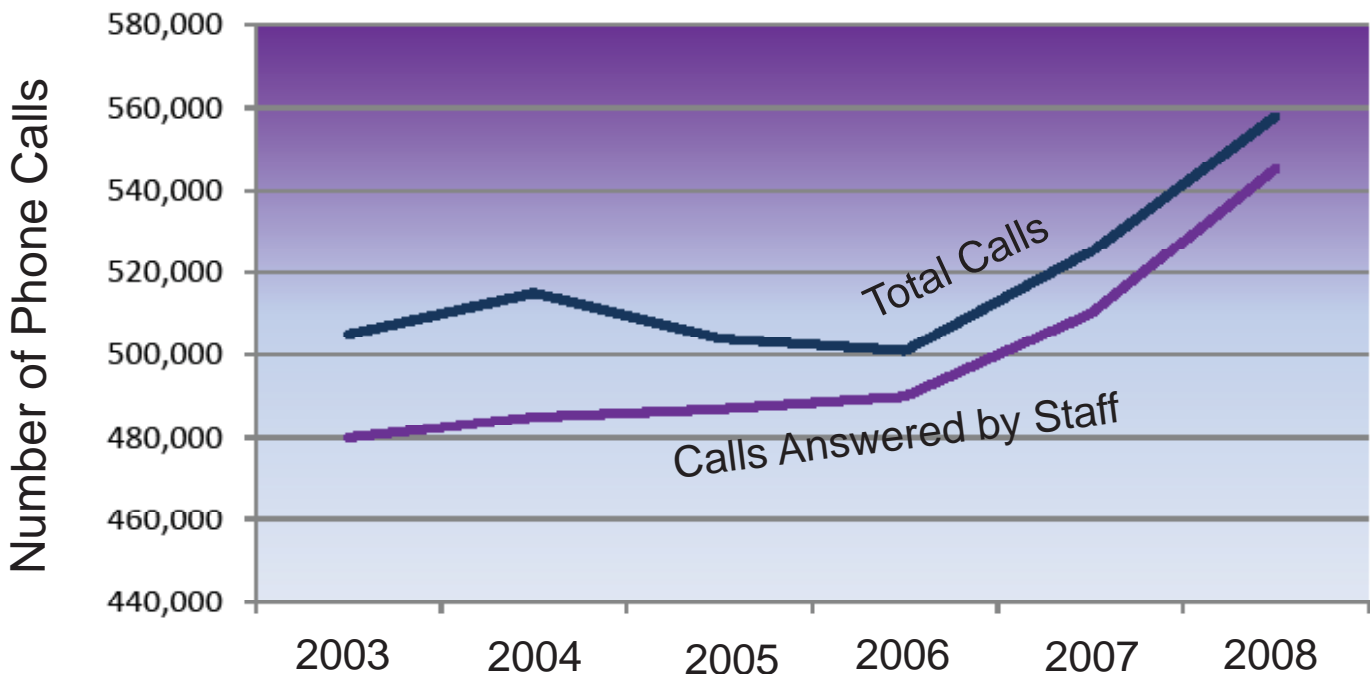
This chart shows the percentage of customers in recent years who contacted Taxpayer Services by telephone and talked directly with an employee.

## C. Citizen Telephone Assistance

**Importance:** Since citizens are required to file tax returns and register their vehicles, we need to provide timely and quality responses to all telephone inquiries in order to assist them in completing their transactions.

**Action:** The Taxpayer Services and Motor Vehicles divisions continue to make improvements in assisting the number of citizens who contact the Tax Commission by telephone. When a customer discontinues

# DMV TELEPHONE ASSISTANCE



This chart shows steady improvements during recent years in the percentage of customers who telephoned DMV and talked directly with an employee.

a phone inquiry before contacting an employee, it is classified as an abandoned call. Both the number and the percentage of these types of phone calls have been reduced in recent years. The Taxpayer Services Division is at the center of addressing and solving specific taxpayer questions. Employees provide customer service and maintain front-line contact with the public on tax issues. This division also collects delinquent taxes and encourages future compliance with tax laws.

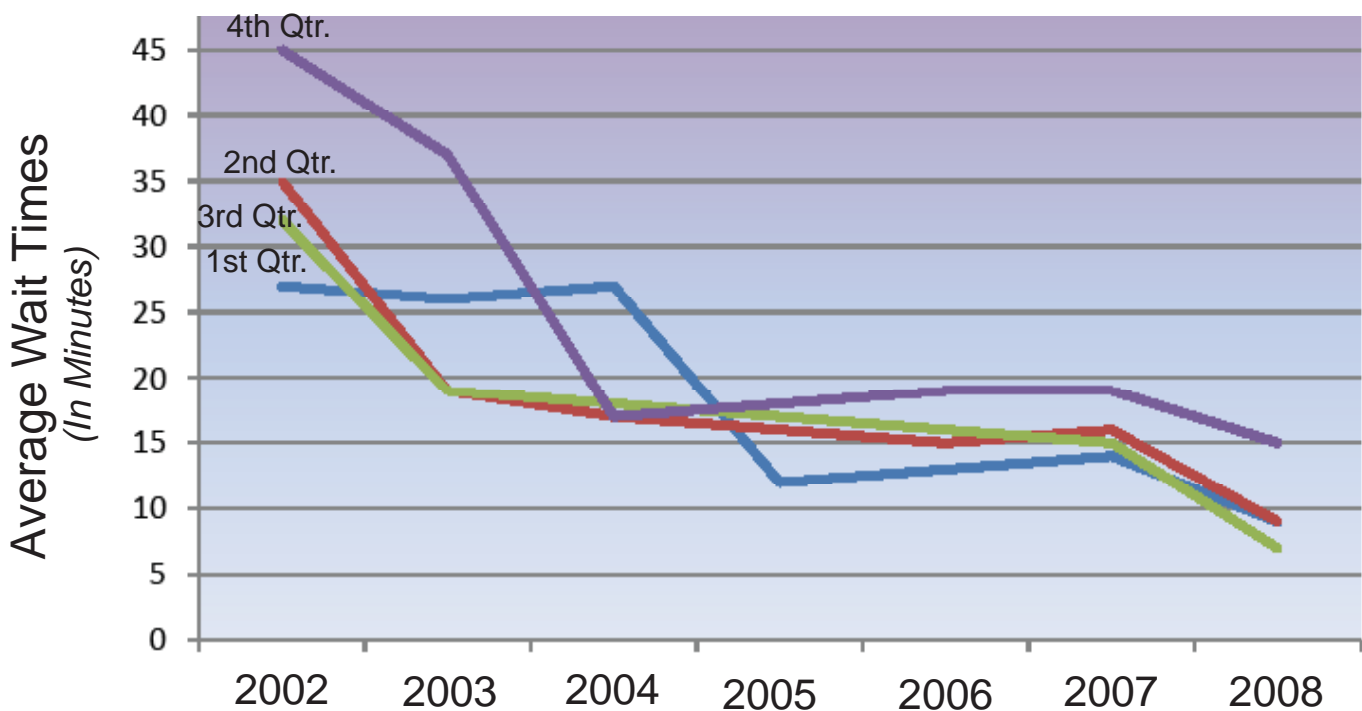
The Motor Vehicle Division answers all vehicle related questions from citizens. The chart on the preceding page shows the progress made in timely responses to those calls.

### D. Wait Times

**Importance:** Citizens visiting the Motor Vehicle office expect efficient service in the least amount of time. This chart shows the average wait times for large state operated motor vehicle offices. These include all Wasatch Front offices and the St. George office. Wait times vary significantly from office to office depending on the day of the week, day of the month, and time of day. Due to these considerations, the Division of Motor Vehicle’s focus continues to be on wait time trends rather than specific daily wait times.

**Action:** The Division of Motor Vehicle’s goal is to keep average wait times shorter than 20 minutes. To reach this goal, the division utilizes seasonal employees to meet customer service demands during peak periods. Monthly wait times recorded by electronic management systems are used to calculate the average quarterly wait times indicated below.

## DMV WAIT TIMES



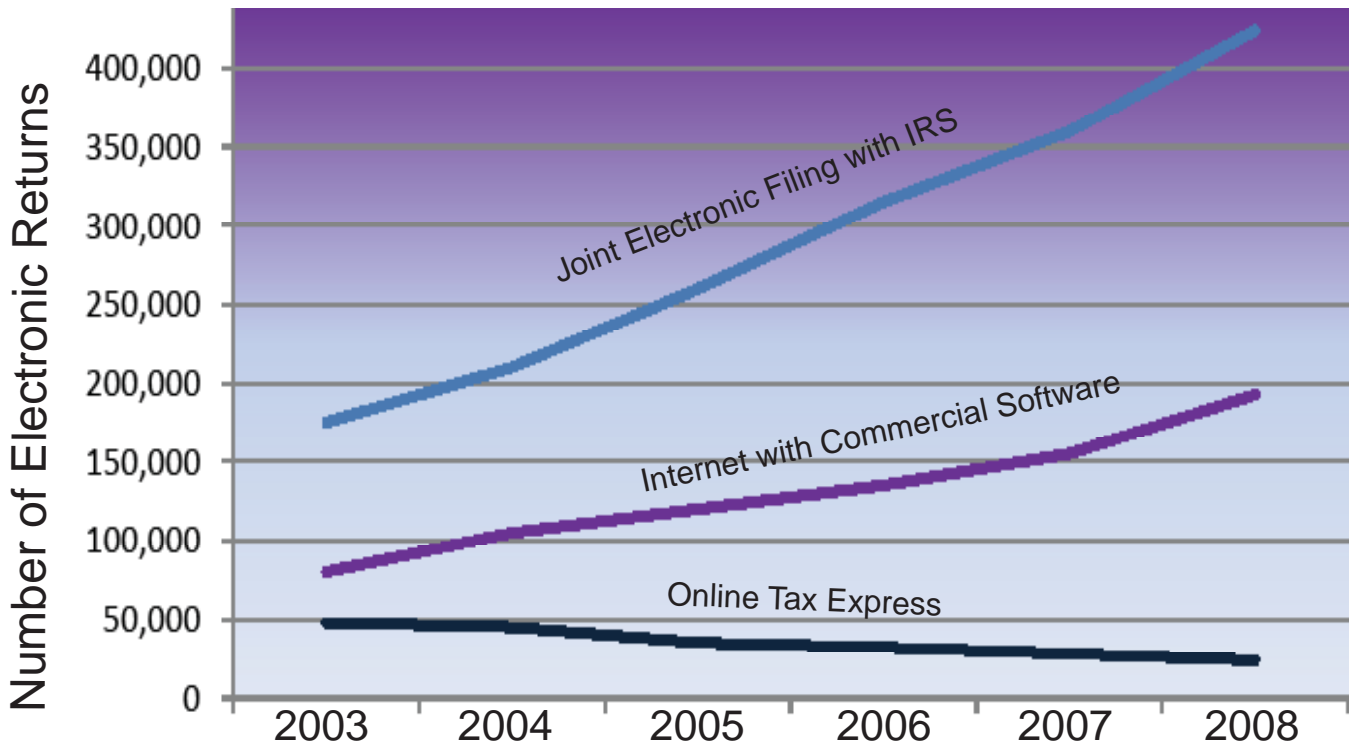
This chart shows steady improvements during recent years in the percentage of customers who telephoned DMV and talked directly with an employee.

## #2 Electronic Filing and Payment Options

### A. Income Tax Returns

**Importance:** The Tax Commission continues to use technological advancements and alternative methods of filing income tax returns to keep pace with a growing population and economy. Over one million income tax returns are filed annually and we continue to encourage the use of electronic filing. Utahns

# ELECTRONIC FILING OF INCOME TAX RETURNS



This chart shows the popularity of electronic filing options as the number of income tax returns continues to grow.

have three electronic filing options available: 1) commercial software packages; 2) joint electronic filing (JELF) with the IRS; and 3) TaxExpress, the state's online option. Electronic filing is more accurate, faster, more secure, and saves taxpayers' dollars.

**Action:** As we continue to promote the use of electronic filing options, the number of traditional paper returns filed decreases. We expect the popularity of these options to continue into the future.

## B. Motor Vehicle Transactions

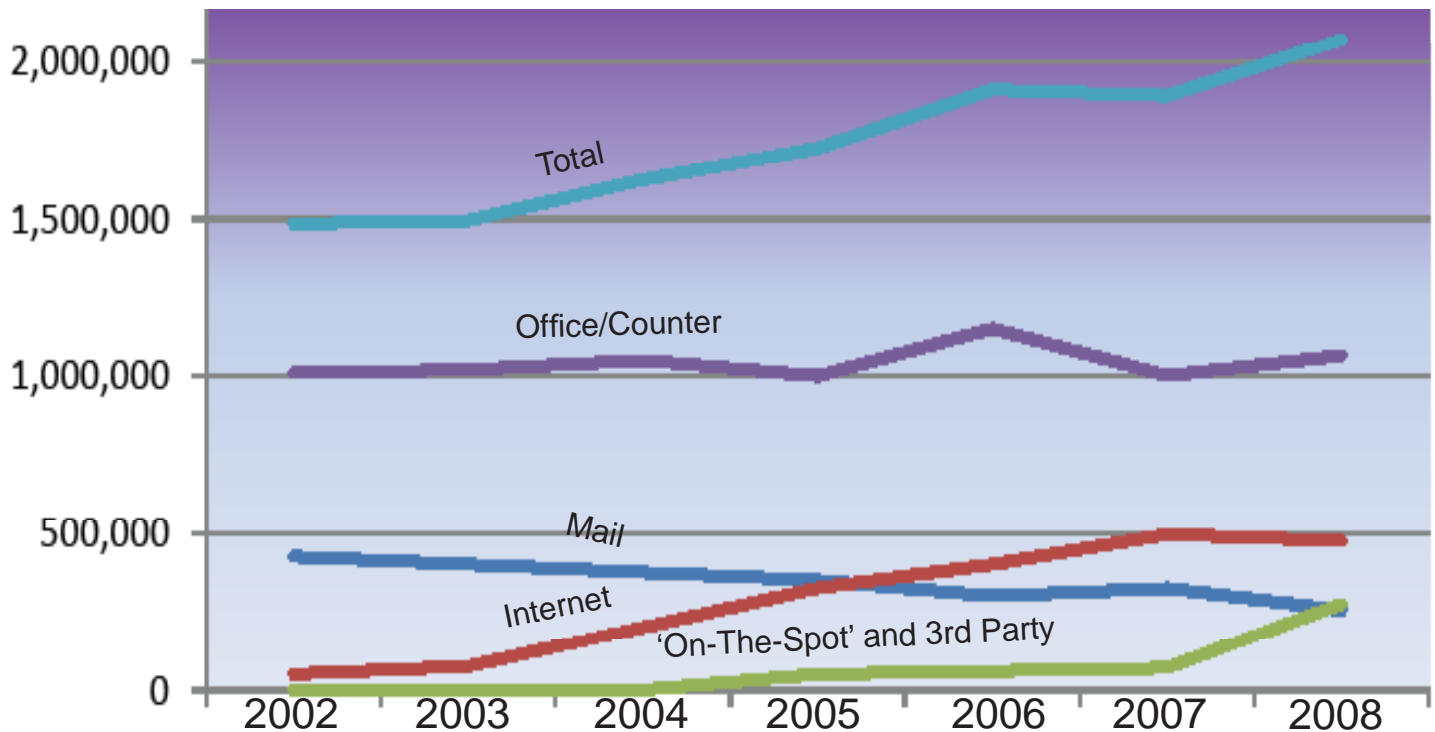
**Importance:** All motor vehicles, off-highway vehicles and water craft operating in Utah must be licensed and registered by the Division of Motor Vehicles (DMV). Some transactions, such as when a new title is required on a new vehicle, must be completed in a DMV office since documentation is required. However, many transactions including most renewals can be completed electronically or by contracted third parties. Third parties include authorized commercial dealers, inspection stations and other contracted parties that can complete DMV transactions.

**Action:** We encourage citizens to complete renewal transactions through the Internet, mail, and authorized inspection stations. As the number of citizens that complete transactions through these options has increased, it has allowed the division to meet the demands of the growing population for a number of years. To note, as use of electronic options levels out, and the population continues to increase, the number of offices serving the public will eventually need to be increased.

## #3 Quality Systems and Business Processes

**Importance:** Tax and motor vehicle administration processes rely heavily on automated computer systems to accurately record and retain citizen information on millions of transactions annually. These systems are used extensively to ensure that citizens pay their fair share of financing the cost of state and local governments.

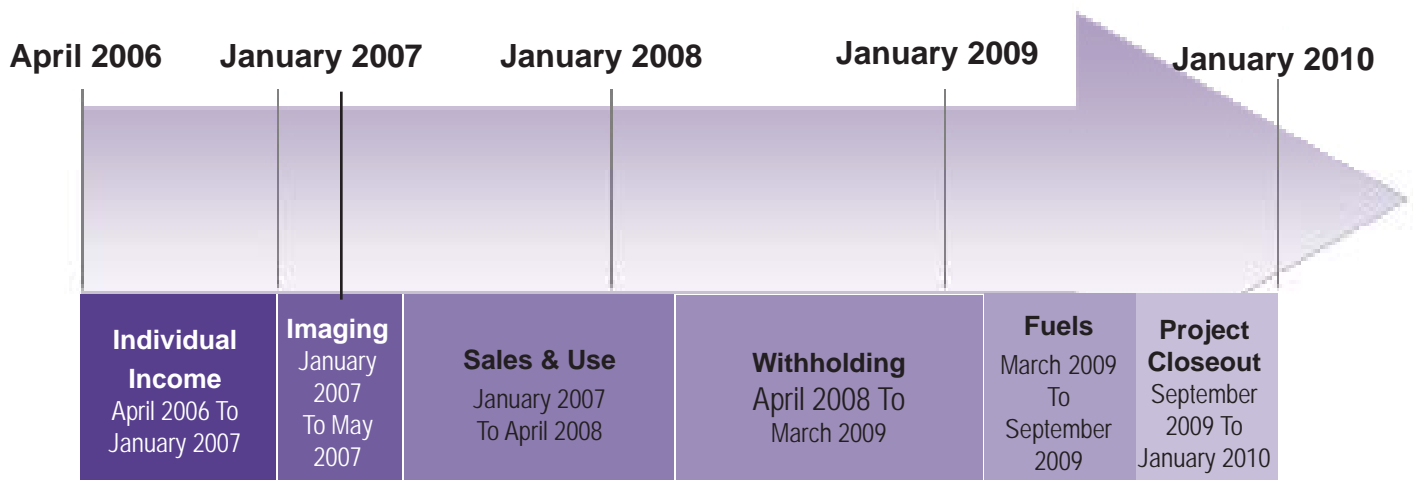
# DMV RENEWALS BY FUNCTION



This chart shows that the number of DMV transactions conducted through Internet options and third-party providers continues to grow, while office transactions remain about the same. Third-party transactions include those conducted by commercial contractors or other agencies outside of DMV offices.

Tax systems provide information for audits and identifying delinquent account balances. Tax evaders are more easily identified using new technologies.

**Action:** The Tax Commission is in the fourth year of a multi-year project to upgrade the tax computer system. The project has integrated systems that enhance tax compliance, improve customer service, and provide flexibility for changes in the state's tax system. New systems will facilitate additional electronic filing options. A new individual income tax system was implemented in January 2007 for the 2006 returns and a new sales tax system was implemented March 2008. In March 2009, several tax systems were implemented, including withholding, mineral withholding, corporate and partnership income tax, and streamline sales tax. This tax modernization project is a joint effort of the Tax Commission and the State Department of Technology Services to replace aged computer tax systems. It has replaced five core tax systems. The results will serve as a foundation for the future and provide continued improved customer and tax administration service at the Tax Commission.



# Office of the Commission

**Importance:** The Governor, with concurrence from the Utah State Senate, appoints four state tax commissioners. The primary role of the Commissioners is to hear and rule on tax appeals, administer and supervise the State's tax laws, and promulgate rules to administer those tax laws. The Commissioners, in consultation with the Governor, hire an executive director to oversee the administrative functions of tax compliance including property tax, motor vehicle, auditing, taxpayer services, processing, and assigned motor vehicle enforcement laws. The division of these functions serves to keep the appeals process separate from the administrative functions.

**Action:** The Commission's priority is providing timely hearings and rulings on tax appeals. The Commission has set a target of 90 days from the receipt of an appeal to an initial event and 75 days from an initial event to the issuance of a decision on initial hearings.

## Appealed Cases by Type

