

## FY 10 SMART Quarterly Performance Report

### Basic Agency

<b>Agency:</b>	<b>019 - Revenue, Department of</b>	<b>Program:</b>	<b>913 - STATE REVENUE ADMINISTRATION</b>
<b>Organization:</b>	-	<b>Activity:</b>	-
<b>Mission:</b>	The Alabama Department of Revenue will efficiently and effectively administer the revenue laws in an equitable, courteous and professional manner and fund government services for the citizens of Alabama.		

Workload Measures and Quarterly Projections										
Workload Measure	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Annual	
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
W1: Number of manual payments received.	264000	176707	408000	314160	264000	470140	264000	191646	1200000	1152653
W2: Number of electronic payments received.	500000	500764	500000	604100	500000	534108	500000	526646	2000000	2165618

## FY 10 SMART Quarterly Performance Report

### Basic Agency

<b>Agency: 019 - Revenue, Department of</b>						<b>Program: 913 - STATE REVENUE ADMINISTRATION</b>					
<b>Organization: -</b>						<b>Activity: -</b>					
<b>Key Goal:</b>											
Goal 1	Complete all implementation phases of RITS by 30 June 2010.								<b>Governor's Priority:</b>	2	
<b>Objectives and Quarterly Targets:</b>											
<b>Performance Measures</b>		<b>First Quarter</b>		<b>Second Quarter</b>		<b>Third Quarter</b>		<b>Fourth Quarter</b>		<b>Annual</b>	
<b>Objectives</b>	Unit of Measure	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
(O1-Efficiency) To be 100% implemented by FY 2010.	rollouts completed	.87	0.87	.91	0.91	.96	0.96	1.00	1.00	1.00	1.00

**Basic Agency**

How have policy decisions and budget determinations made by the governor and the legislature in the fiscal year 2009-10 affected your agency in meeting its desired accomplishments and services?

The overall goal of the department should be to get taxpayers in compliance with the filing and payment of the correct amount of tax and to administer the tax laws. Improper staffing has prevented the department from achieving that goal. During busy tax seasons and times when taxpayers are responding to notices, not enough people are available to properly answer the calls or notices on a timely basis. Revenue Examiners are used to provide taxpayer assistance resulting in a reduction in amount of time examiners could spend on the audit function. Also, not replacing revenue examiner vacancies also resulted in a reduction in the number of audits completed.

What administrative improvements did your agency make in fiscal year 2009-10 and what potential improvements do you foresee for future years? Include suggested changes in legislation or administrative procedures which would aid your agency in these improvements.

Most of our administrative improvements were implemented with RITS, (New Revenue Accounting System), in both 2008-2009 & 2009-2010. These improvements included an almost paperless audit inventory (comprised of e-filed and imaged returns) being sent to the district offices for audit – reducing mailing costs; the use of the Federal Tax Information located the RITS data warehouse, and an almost paperless completed audit – also reducing mailing costs. As they have become more familiar with the RITS, Field Managers have been using information and tools in RITS such as data marts, queries and the data warehouse to develop audit leads.

Future plans include pursuing an "Under Reporter Discovery Project" in RITS to identify audit candidates using Federal tax information and State information located in the RITS data warehouse.

The allowance for new personnel will enable the department to be more productive and effective in getting the taxpayer in compliance by correspondence and audits.

The expected change in the law eliminating the deduction for investment in subsidiaries, if approved by the legislature, will increase revenues from the Business Privilege Tax.

For FY 2009-10, we added the Corporate/Partnership E-Filing Mandates to require electronic Filing of 25 or more returns. We would like to add legislation to add penalties for taxpayers and practitioners that are not following these mandates.