



## Goals/Objectives

Complete your draft of the following information for each agency goal and related objectives. This will be reviewed by the policy and budget staff. Do not exceed two pages.

- Save the document in the Guest Directory\Performance Indicators in your agency folder, named in the following format: **aaaa.ppp.vv** Where aaaa is the agency number, ppp is a number of your choice to identify each goal, and vv is the version number. The first version should be 01, then 02, etc.
- Send your OBPP budget analyst a message when you have saved a document(s) in the file.

**Agency Contact:** Larry Finch / Margaret Kauska

**Phone Number:** 3526 / 9535

**Agency Name:** Department of Revenue

**Division:** Information Technology and Processing

**Program (identify and briefly describe):**

### **List a single goal and brief description:**

Goal I: Expand Convenient and Cost-Saving Electronic Filing Services for Montana Taxpayers

Make it easier, more convenient and less costly for citizens and businesses to file and pay state taxes, increase efficiency of operations, and provide for a more timely and extensive flow of information to policy makers by expanding electronic filing and payment methods for all state taxes and fees other than property taxes. Specifically, 1) implement and expand free Internet filing opportunities; 2) implement the expanded fed/state e-file program for corporate and other business income tax returns; and 3) in selected areas, provide taxpayers with expanded electronic payment options and file transfer services.

### **Describe the performance measures related to this goal:**

Performance in this arena is measured by meeting the due dates (milestone dates) for roll out of the initiatives listed below.

### **List significant milestones and target dates to be completed in the 2009 Biennium:**

(A) Provide for free Internet filing of mineral royalty withholding annual reconciliation forms by end of calendar year 2008;

(B) Provide for free Internet filing of employer withholding annual reconciliation forms by end of calendar year 2008;

(C) Provide for free Internet filing of individual income tax Form 2M returns and Elderly Homeowner/Renter Credit (2EC) returns (including electronic payment and direct deposit capabilities) by end of calendar year 2008;

(D) Provide for free Internet filing of wine tax returns, and provide wine taxpayers with the ability to view their current account and previous tax return on the web by end of calendar year 2008;

(E) Provide for electronic filing of corporation license tax returns under the fed/state modernized e-file program by the end of calendar year 2008;

(F) Provide for electronic filing of returns and other information for all other tax types by mid-year 2009 except for the cases where electronic filing is identified as not being cost effective, feasible or appropriate.

**Describe the current status of the measurements related to the goal:**

The department has signed a contract with our vendor - FAST Enterprises - to implement the next series of e-services contemplated for our Integrated Revenue Information System (IRIS).

In moving towards implementation of the fed-state modernized e-file program, the department has completed the following technical and procedural steps that are absolute requirements for accomplishing this implementation:

- a) acquired the eXtensible Markup Language (XML) development suite needed for implementation;
- b) begun finalizing the federal government paperwork required, including the Memo of Understanding with the IRS, and the registration of our IRIS system with the IRS; and
- c) registered staff for and begun attending the required Tax Implementation Group for e-Commerce Requirements Standardization (TIGERS) meetings to facilitate implementation.

## 2008 Filing Data

Individual Income Tax (IIT)	2007	2007% of Total	As of 2/7/2008	2008% of Total	% change 2007 - 2008	Change status 2007-2008
<b>Total</b>	473,259		64,845			
Paper	196,267	41.47%	4,619	7.12%		
E-file	276,992	58.53%	53,226	82.08%		
Paper received not processed (estimated)	0		7,000	10.79%		
	<b>As of 2/7/2007</b>		<b>As of 2/7/2008</b>			
<b>Form 2</b>						
<b>Total</b>	41,275		34,692		15.95%	decrease
Paper	2,872	6.96%	1,970	5.68%		
E-file	38,403	93.04%	32,722	94.32%		
<b>Form 2M</b>						
<b>Total</b>	12,981		12,605		2.90%	decrease
Paper	591	4.55%	542	4.30%		
E-file	12,390	95.45%	12,063	95.70%		
<b>Form 2EZ</b>						
<b>Total</b>	7,318		8,216		12.27%	increase
Paper	898	12.27%	564	6.86%		
E-file	6,420	87.73%	7,652	93.14%		
<b>Standalone 2EC</b>						
<b>Total</b>	1,678		1,697		1.13%	increase
Paper	1,678	100.00%	1,056	62.23%		
E-file	N/A	0.00%	641	37.77%		
<b>Standalone Property Tax \$140 Credit (PTC)</b>						
<b>Total</b>	N/A		635		N/A	
Paper	N/A		487	76.69%		
E-file	N/A		148	23.31%		
<b>Estimated IIT Paper in Process</b>	5,000		7,000			

## 2008 Filing Data

Montana Annual Withholding (MW3)	2007	2007% of Total	As of 2/7/2008	2008% of Total		
<b>Total Processed</b>	41,855		19,648			
Paper	41,855	100.00%	1,287	6.55%		
E-file	N/A	0.00%	736	3.75%		
Paper received not processed (estimated)	0		17,625			
	<b>As of 2/7/2007</b>		<b>As of 2/7/2007</b>			
<b>Total</b>	15,002		19,648			
Paper	2		1,287	6.55%		
E-file	N/A		736	3.75%		
<b>Estimated MW3 Paper in Process</b>	15,000		17,625			

E-file (all forms)	2007	2007% of Total	As of 2/7/2008	2008% of Total	% change 2007 - 2008	Change status 2007-2008
<b>Total</b>	276,992		53,962			
Fed-State E-file	269,417	97.27%	47,688	88.37%		
* Direct Web file	7,575	2.81%	6,274	11.63%		
	<b>As of 2/7/2007</b>		<b>As of 2/7/2007</b>			
<b>Total</b>	57,213		53,962		5.68%	decrease
Fed-State E-file	55,500		47,688	88.37%		
* Direct Web file	1,713		6,274	11.63%		

\* Direct Web file 2007

2EZ only

\* Direct Web file 2008

2EZ, 2EC, 2M, PTC, MW3