



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.



Goals/Objectives

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Agency Contact: Larry Finch / Randy Wilke
Agency Name: Department of Revenue
Division: Property Assessment Division
Program (identify and briefly describe):

Phone Number: 3526 / 841-2562

List a single goal and brief description:

Goal II: Complete Current Reappraisal Cycle in a Uniform and Equitable Fashion by January 1, 2009

Complete in a timely and accurate fashion the uniform and equitable reappraisal and valuation of all properties subject to the current 6-year reappraisal cycle (Class 4 residential, commercial, and industrial properties, Class 3 agricultural land, and Class 10 forest land). Specifically:

Objective I: By January 1, 2009 complete the discovery of, and establish new appraisal (current market) values for, all Class 4 residential, commercial and industrial properties in a manner that meets or exceeds the uniformity and equalization reappraisal standards inherent in Montana's Constitution, the Montana Code Annotated, and generally recognized reappraisal standards.

Objective II: By January 1, 2009 complete the valuation and reappraisal of all Class 3 agricultural and Class 10 forestland properties by establishing uniform and equitable values that accurately reflect current land use and productivity in a manner that meets or exceeds the reappraisal standards inherent in Montana's Constitution, the Montana Code Annotated, and generally recognized reappraisal standards. Class 3 agricultural land has not undergone classification review, yield updates, and valuation schedule updates - that is, a complete statewide reappraisal - since 1963.

Describe the performance measures related to this goal:

Performance Measure I: Based on a comprehensive quality of reappraisal study, and measured against widely-recognized national standards, verify by the end of fiscal year 2009 that the overall sales/assessment ratio of Class 4 residential property lies between 0.9 and 1.1; that the coefficient of dispersion is less than 15%; and that the price-related differential lies between 0.98 and 1.03.

Performance Measure II: By the end of the 1st quarter of 2010, verify that the statewide number of

Class 4 residential property appeals, excluding any statewide class-action appeals, to County Tax Appeal Boards is 2% or less of the number of statewide parcels, and that 80% of those appeals are either withdrawn by the appellant, adjusted by no more than 10% by the department or the appeal board, or have the original department value sustained in a final appeals decision.

Performance Measure III: By the end of the 1st quarter of 2010, verify for agricultural parcels of 160 acres or more that no more than 2% of those parcels have their agricultural land use type (classification) appealed.

Performance Measure IV: By mid-year 2009, verify that the statewide productivity or yield of agricultural lands as determined by the department of revenue is within 10% of the productivity or yield determination made by the Natural Resource and Conservation Service (NRCS) for each land use type as defined by the Department of Revenue. (To our knowledge, the external information used to make the comparison for this performance measure is the best comparative information available.)

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

Major target dates for completion of the reappraisal process are included in the performance measures, above.

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

The measurements of the overall success of the Department's reappraisal efforts cannot be computed until the reappraisal process is complete. Prior to that time, the Property Assessment Division will continue to make every effort to discover and value all properties subject to reappraisal under the direction and guidance of regional and central office supervisors. Department staff can at any time provide decision makers their judgment of whether the process is proceeding in satisfactorily in relation to the goals.

With respect to those measurements that address agricultural land classification, using GIS technology, available imagery, Farm Services Agency data, and photo interpretation, all 56 Montana counties have had the initial desk top classification completed. Ground-truthing or on-site review of agricultural land classification has also been completed in all 56 counties.

Regarding forest land classification, 48 out of 49 counties have had the initial forest land classifications completed. They are now going through a secondary review, will be ground-truthed, and then be assigned a productivity level by the University of Montana – College of Conservation and Forestry.



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

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Agency Contact: Larry Finch / Gene Walborn/ Ed Caplis

Phone Number: 3526 / 0908/ 3531

Agency Name: Department of Revenue

Division: Business and Income Tax Division

Program (identify and briefly describe):

List a single goal and brief description:

Goal III: Prevent Tax Increases, Aid Taxpayers in Following the Law, Ensure Fiscal Responsibility, Protect Montana Businesses from Unfair Competition, and Improve Tax Fairness and Integrity in Montana's Current Tax Laws

Improve existing compliance programs to ensure that resident, nonresident and corporate taxpayers are meeting their filing obligations and paying their fair share of taxes. Fair compliance programs support the Schweitzer Administration's record and commitment to not raising taxes, to ensure fiscal responsibility and a state government that lives within its means. They also help ensure that Montana businesses do not face unfair competition from out-of-state businesses that do business in Montana but that may not pay their fair share of Montana taxes. Finally, these programs help citizens partner with each other in paying for the costs of government.

Employ a coordinated and comprehensive approach to compliance by combining audit, legal, public information and collections resources to provide compliance coverage for all taxes and fees, and to reduce differences in levels of compliance among different taxpayers and taxpayer groups, including but not limited to correcting the known shortfalls in compliance by nonresidents and out-of-state companies.

Describe the performance measures related to this goal:

Performance Measure I: On an on-going basis, evaluate forms, instructions, and taxpayer services through taxpayer satisfaction surveys including the current form and instruction feedback cards and post-audit surveys.

Performance Measure II: Measure the effectiveness of the new mineral withholding system and report the findings by mid-year 2009.

Performance Measure III: For nonresident sellers of property, establish a baseline rate of noncompliance and then periodically measure on-going rates of non-filing by the end of calendar 2008.

Performance Measure IV: For nonresident owners of pass-through entities, establish a baseline rate of noncompliance and then periodically measure on-going rates of noncompliance for non-filing and underreporting of income by mid year of calendar 2009.

Performance Measure V: Continue to identify taxpayers using abusive tax shelters and evaluate effectiveness of efforts under current law to curb such shelters by the end of calendar 2008.

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

The milestones are inherent in the performance measures listed above.

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

The Department's successful implementation of the new Gentax computer system for state tax administration provides the data foundation for the proposed performance measurement activities.

The performance measures are in the design and development stage.