

PROGRAM DESCRIPTION													
Department of Revenue Program Name: Field Compliance Bureau Program is found in the following core budget(s): Taxation	HB Section(s): 4.01												
<p><b>1a. What strategic priority does this program address?</b> Embed Transformational Purpose; Focus on Service Culture; Partnerships; IT Roadmap</p> <p><b>1b. What does this program do?</b> The <b>Field Compliance Bureau</b> (FCB) includes Audit Services, Nexus, and Tax Electronic services. FCB assists and educates Missouri customers to help them become compliant with Missouri statutory tax obligations by conducting audits, notifying customers of potential tax liability, and maintaining tax system data requests and security.</p> <p><b>2a. Provide an activity measure(s) for the program.</b></p> <p><b>i. Audits - Volume of Audits Conducted</b> The Audit Services section measures the number of audits conducted to monitor both internal production standards as well as external influence in the form of educational outreach to Missouri businesses. We treat every audit as an educational opportunity for future compliance. After the audit completion, customers gain a working knowledge to meet their tax obligations.</p>													
<p style="text-align: center;"><b>Total Audits Conducted</b></p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Number of Audits</th> </tr> </thead> <tbody> <tr> <td>FY 2020</td> <td>916</td> </tr> <tr> <td>FY 2021</td> <td>831</td> </tr> <tr> <td>FY 2022</td> <td>1,068</td> </tr> <tr> <td>FY 2023 Goal</td> <td>1,256</td> </tr> </tbody> </table>		Fiscal Year	Number of Audits	FY 2020	916	FY 2021	831	FY 2022	1,068	FY 2023 Goal	1,256		
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<p><b>2a. Provide an activity measure(s) for the program (cont).</b></p> <p><b>ii. Nexus - Number of 1st Letters Mailed</b> The Nexus section notifies businesses with Missouri activity of potential tax and fee obligations. Nexus programs were briefly suspended in FY 2020.</p>													
<p style="text-align: center;"><b>First Letters Mailed</b></p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>1st Letters</th> <th>Goal</th> </tr> </thead> <tbody> <tr> <td>FY 2021</td> <td>22,900</td> <td>20,000</td> </tr> <tr> <td>FY 2022</td> <td>23,034</td> <td>20,000</td> </tr> <tr> <td>FY 2023 Goal</td> <td></td> <td>20,000</td> </tr> </tbody> </table>		Fiscal Year	1st Letters	Goal	FY 2021	22,900	20,000	FY 2022	23,034	20,000	FY 2023 Goal		20,000
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<b>2a. Provide an activity measure(s) for the program (cont).</b>																					
<b>iii. Tax Electronic Services - Volume of Requests Worked</b>																					
<p>The Tax Electronic Services section measures total data and security requests worked. Data requests include identifying the number of taxpayers or returns that meet a specific set of criteria and preparing and maintaining Revenue Premier reports. This section also processes and maintains individual security access to Revenue Premier.</p>																					
<p><b>Total Requests Worked</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Number of Requests</th> </tr> </thead> <tbody> <tr> <td>FY2020</td> <td>1,223</td> </tr> <tr> <td>FY2021</td> <td>1,256</td> </tr> <tr> <td>FY2022</td> <td>1,411</td> </tr> <tr> <td>FY2023 Goal</td> <td>1,297</td> </tr> </tbody> </table>		Year	Number of Requests	FY2020	1,223	FY2021	1,256	FY2022	1,411	FY2023 Goal	1,297										
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<b>2b. Provide a measure(s) of the program's quality.</b>																					
<b>i. Audits - Findings per Hour</b>																					
<p>The Audit Services section's Audit Findings per Hour provide a measure of program quality by ensuring we are selecting the right businesses for audit.</p>																					
<p><b>Audit Findings per Hour</b></p> <table border="1"> <thead> <tr> <th>Audit Type</th> <th>FY 2020</th> <th>FY 2021</th> <th>FY 2022</th> <th>FY 2023 Goal</th> </tr> </thead> <tbody> <tr> <td>Sales/Use Not Large Audits</td> <td>\$407</td> <td>\$402</td> <td>\$486</td> <td>\$400</td> </tr> <tr> <td>Sales/Use Large Audits</td> <td>\$863</td> <td>\$805</td> <td>\$841</td> <td>\$500</td> </tr> <tr> <td>Corporate Audits</td> <td>\$2,559</td> <td>\$1,449</td> <td>\$4,659</td> <td>\$1,000</td> </tr> </tbody> </table>		Audit Type	FY 2020	FY 2021	FY 2022	FY 2023 Goal	Sales/Use Not Large Audits	\$407	\$402	\$486	\$400	Sales/Use Large Audits	\$863	\$805	\$841	\$500	Corporate Audits	\$2,559	\$1,449	\$4,659	\$1,000
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<p>The Department's Audit Model is the framework used to determine noncompliant businesses to audit. The degree of noncompliance is what determines the correct business for audit. A compliant taxpayer may not require our assistance or education. There were two extraordinary corporate audits in FY 2022, totaling \$48 million in audit findings, which inflated the average audit findings per hour in this period.</p>																					

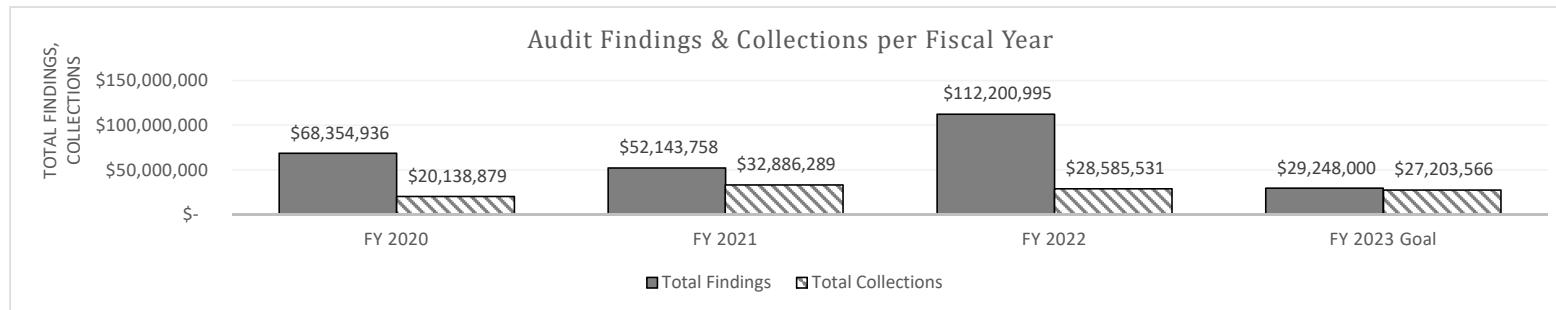
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<p><b>2b. Provide a measure(s) of the program's quality (cont).</b></p> <p><b>ii. Nexus - Ratio of Leads Resulting in Collections</b></p> <p>Beginning in FY 2021, Nexus began tracking the number of leads that resulted in collections. This will allow us to measure the quality of Nexus lead programs over time. Many programs will not begin to see collections until years after the programs are implemented.</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p style="text-align: center;"><b>Ratio of Leads Resulting in Collections</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2021</td> <td>1%</td> </tr> <tr> <td>FY 2022</td> <td>1%</td> </tr> <tr> <td>FY 2023 Goal</td> <td>2%</td> </tr> </tbody> </table> </div>		Year	Ratio (%)	FY 2021	1%	FY 2022	1%	FY 2023 Goal	2%									
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<p><b>2b. Provide a measure(s) of the program's quality (cont).</b></p> <p><b>iii. Tax Electronic Services - Types and Areas of Data Requests Received</b></p> <p>Beginning in FY 2021, Tax Electronic Services began tracking the percentage of requests that were completed within the ideal range. These ideal ranges are 3 days for high/medium priority requests and 30 days for low priority requests. Tracking the percentage of requests that meet these goals will ensure that we are providing quality service to our customers making data requests.</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p style="text-align: center;"><b>Percent of Tickets Worked Within Ideal Range Based on Priority</b></p> <table border="1"> <thead> <tr> <th>Request Type</th> <th>Year</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">High / Medium Priority Requests (% Within 3 Days)</td> <td>FY 2021</td> <td>72%</td> </tr> <tr> <td>FY 2022</td> <td>74%</td> </tr> <tr> <td>FY 2023 Goal</td> <td>73%</td> </tr> <tr> <td rowspan="3">Low Priority Requests (% Within 30 Days)</td> <td>FY 2021</td> <td>97%</td> </tr> <tr> <td>FY 2022</td> <td>99%</td> </tr> <tr> <td>FY 2023 Goal</td> <td>98%</td> </tr> </tbody> </table> </div>		Request Type	Year	Percentage (%)	High / Medium Priority Requests (% Within 3 Days)	FY 2021	72%	FY 2022	74%	FY 2023 Goal	73%	Low Priority Requests (% Within 30 Days)	FY 2021	97%	FY 2022	99%	FY 2023 Goal	98%
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**2c. Provide a measure(s) of the program's impact.**

**i. Audits - Audit Findings & Collections per Year**

The Audit Services section identifies unreported tax revenues that would have otherwise gone undetected. Impact in this area is measured by the amount of findings and collections resulting from completed audits.

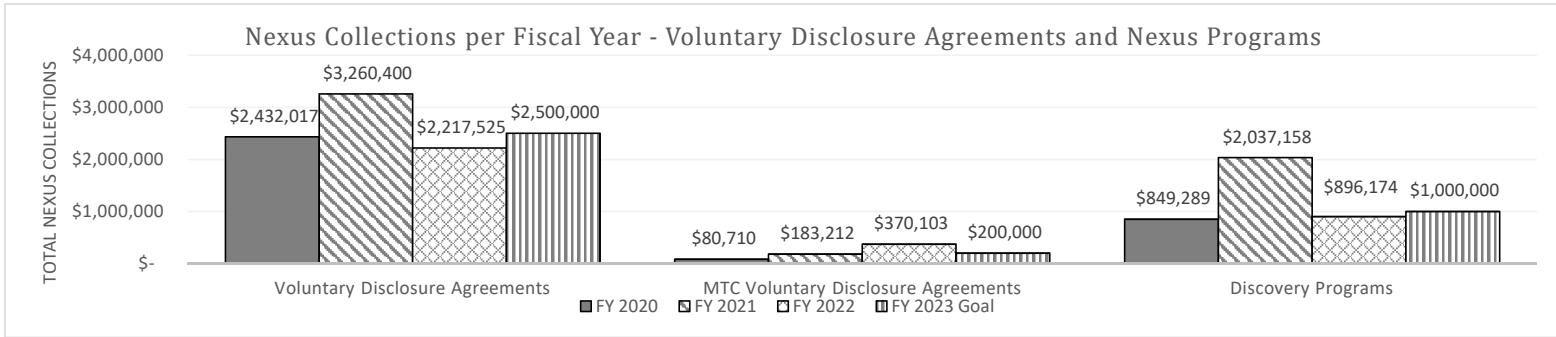


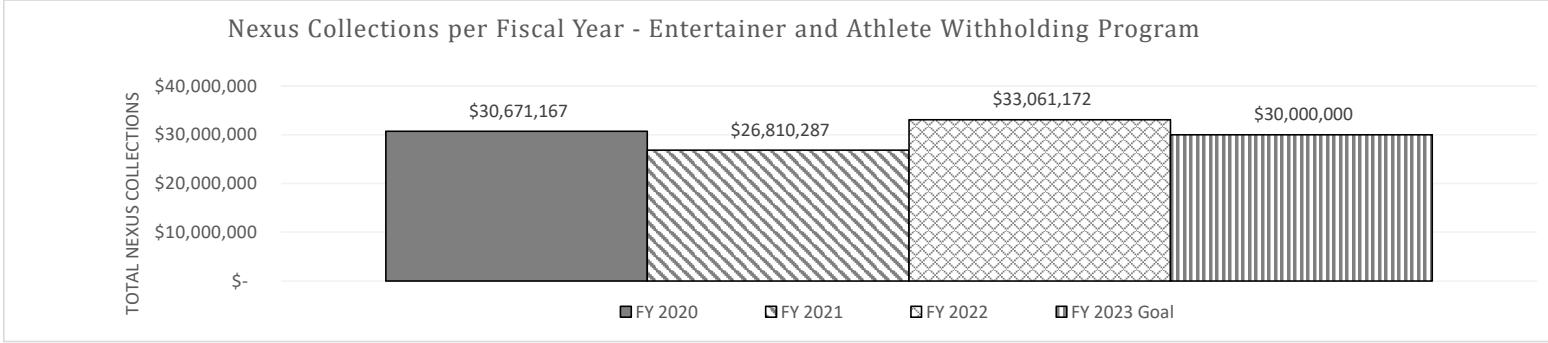
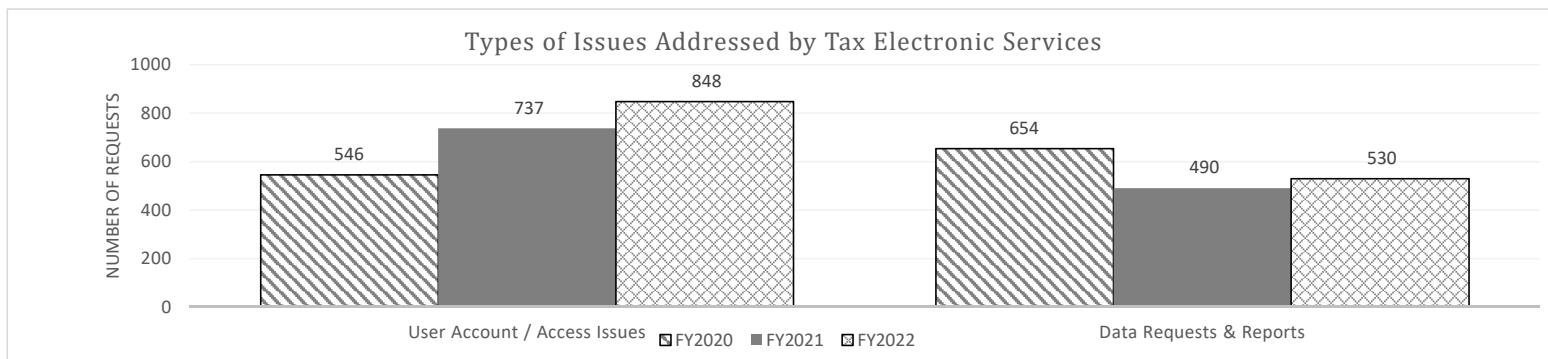
Audit services were briefly suspended for the last 3 months of FY 2020 due to the COVID-19 pandemic, which directly impacts FY 2021 audit findings. Audit assessments are sent and paid through the collections department. A collection may not be made by the customer until settlement or after hearing for appealed audits, unless they pay under protest. The actual collection, in most instances, is not influenced by FCB. There were two extraordinary corporate audits in FY 2022, totaling \$48 million in audit findings, which inflated the total audit findings in this period.

**2c. Provide a measure(s) of the program's impact (cont).**

**ii. Nexus - Collections per Year**

The Nexus Unit measures impact in the form of collections from Voluntary Disclosure Agreements (VDA), Multistate Tax Commission (MTC) Voluntary Disclosure Agreements, and various Discovery programs.



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<b>2c. Provide a measure(s) of the program's impact (cont).</b>														
<b>ii. Nexus - Collections per Year</b>														
<p>The Nexus Unit is also responsible for administering the entertainer and athlete withholding program.</p>  <p>The chart displays the total Nexus collections for each fiscal year. The Y-axis represents the total collections in millions of dollars, ranging from \$0 to \$40,000,000. The X-axis shows the fiscal years: FY 2020, FY 2021, FY 2022, and the FY 2023 Goal. The bars are stacked to show the breakdown of collections. The data is as follows:</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Total Collections</th> </tr> </thead> <tbody> <tr> <td>FY 2020</td> <td>\$30,671,167</td> </tr> <tr> <td>FY 2021</td> <td>\$26,810,287</td> </tr> <tr> <td>FY 2022</td> <td>\$33,061,172</td> </tr> <tr> <td>FY 2023 Goal</td> <td>\$30,000,000</td> </tr> </tbody> </table>			Fiscal Year	Total Collections	FY 2020	\$30,671,167	FY 2021	\$26,810,287	FY 2022	\$33,061,172	FY 2023 Goal	\$30,000,000		
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<b>2c. Provide a measure(s) of the program's impact (cont).</b>														
<b>iii. Tax Electronic Services - Impact of Requests</b>														
<p>Tax Electronic Services assists all areas of Taxation by fulfilling data, report and system access requests. These data requests and reports are used by the various areas of Taxation to improve their processes, see impact of system issues, or planning purposes. Measuring the types of issues addressed allows us to monitor how we are best impacting team members in the Division year after year.</p>  <p>The chart displays the number of requests for two categories: User Account / Access Issues and Data Requests &amp; Reports. The Y-axis represents the number of requests, ranging from 0 to 1000. The X-axis shows the categories: User Account / Access Issues and Data Requests &amp; Reports. The bars are stacked to show the breakdown of requests. The data is as follows:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>FY 2020</th> <th>FY 2021</th> <th>FY 2022</th> </tr> </thead> <tbody> <tr> <td>User Account / Access Issues</td> <td>546</td> <td>737</td> <td>848</td> </tr> <tr> <td>Data Requests &amp; Reports</td> <td>654</td> <td>490</td> <td>530</td> </tr> </tbody> </table>			Category	FY 2020	FY 2021	FY 2022	User Account / Access Issues	546	737	848	Data Requests & Reports	654	490	530
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<p><b>2d. Provide a measure(s) of the program's efficiency.</b></p> <p><b>i. Audits - Cycle Days from Open to Close</b></p> <p>The Field Compliance Bureau measures efficiency as the average Audit Cycle Days per audit category. Audit cycle days is the number of days to complete the audit from the start of field work until the audited returns are submitted to begin the assessment process. Monitoring our average cycle days ensures we are performing audits efficiently and with minimal disruption to Missouri business activities.</p> <table border="1"> <thead> <tr> <th>Audit Category</th> <th>FY 2020</th> <th>FY 2021</th> <th>FY 2022</th> <th>FY 2023 Goal</th> </tr> </thead> <tbody> <tr> <td>Sales/Use Not Large Audits</td> <td>207</td> <td>242</td> <td>189</td> <td>200</td> </tr> <tr> <td>Sales/Use Large Audits</td> <td>421</td> <td>489</td> <td>395</td> <td>300</td> </tr> <tr> <td>Corporate Audits</td> <td>191</td> <td>225</td> <td>200</td> <td>200</td> </tr> </tbody> </table>				Audit Category	FY 2020	FY 2021	FY 2022	FY 2023 Goal	Sales/Use Not Large Audits	207	242	189	200	Sales/Use Large Audits	421	489	395	300	Corporate Audits	191	225	200	200
Audit Category	FY 2020	FY 2021	FY 2022	FY 2023 Goal																			
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<p><b>2d. Provide a measure(s) of the program's efficiency (cont).</b></p> <p><b>iii. Tax Electronic Services - Turnaround Time for Requests, Tickets, and Bugs</b></p> <p>Beginning in FY 2021, Tax Electronic Services began tracking turnaround time for all requests, tickets, and bugs. This represents the number of days it takes to complete the request, measured from the time the ticket or request is submitted until the date it is completed. Monitoring the average time to complete requests allows us to ensure we are providing timely service in response to data and security request.</p> <table border="1"> <thead> <tr> <th>Turnaround Time (Days)</th> <th>FY 2020</th> <th>FY 2021</th> <th>FY 2022</th> <th>FY 2023 Goal</th> </tr> </thead> <tbody> <tr> <td>Average Turnaround Time to Close a Ticket</td> <td>4.7</td> <td>5.3</td> <td>3.9</td> <td>4.6</td> </tr> </tbody> </table>				Turnaround Time (Days)	FY 2020	FY 2021	FY 2022	FY 2023 Goal	Average Turnaround Time to Close a Ticket	4.7	5.3	3.9	4.6										
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<p>3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)</p> <div style="border: 1px solid black; padding: 10px;"> <p style="text-align: center;"><b>Program Expenditure History</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>GR</th> <th>FEDERAL</th> <th>OTHER</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>FY 2020 Actual</td> <td>\$7,223,620</td> <td>\$-</td> <td>\$-</td> <td>\$7,223,620</td> </tr> <tr> <td>FY 2021 Actual</td> <td>\$7,223,620</td> <td>\$-</td> <td>\$-</td> <td>\$7,708,871</td> </tr> <tr> <td>FY 2021</td> <td>\$7,708,871</td> <td>\$-</td> <td>\$-</td> <td>\$7,708,871</td> </tr> <tr> <td>FY 2022 Actual</td> <td>\$7,314,848</td> <td>\$-</td> <td>\$-</td> <td>\$7,314,848</td> </tr> <tr> <td>FY 2023 Actual</td> <td>\$7,415,780</td> <td>\$-</td> <td>\$-</td> <td>\$7,415,780</td> </tr> <tr> <td>FY 2023</td> <td>\$7,415,780</td> <td>\$-</td> <td>\$-</td> <td>\$7,415,780</td> </tr> </tbody> </table> </div>		Year	GR	FEDERAL	OTHER	TOTAL	FY 2020 Actual	\$7,223,620	\$-	\$-	\$7,223,620	FY 2021 Actual	\$7,223,620	\$-	\$-	\$7,708,871	FY 2021	\$7,708,871	\$-	\$-	\$7,708,871	FY 2022 Actual	\$7,314,848	\$-	\$-	\$7,314,848	FY 2023 Actual	\$7,415,780	\$-	\$-	\$7,415,780	FY 2023	\$7,415,780	\$-	\$-	\$7,415,780
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<p>4. What are the sources of the "Other" funds?</p> <p>Not Applicable</p> <p>5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)</p> <p>Missouri Constitution, Article IV, Sections 12, 15 and 22 and Chapters 32, 136, 142, 143, 144, and 147 RSMo.</p> <p>6. Are there federal matching requirements? If yes, please explain.</p> <p>No</p> <p>7. Is this a federally mandated program? If yes, please explain.</p> <p>No</p>																																				