

PROGRAM DESCRIPTION

Department of Revenue _____

HB Section(s): 4.01

Program Name: Field Compliance Bureau

Program is found in the following core budget(s): Taxation

1a. What strategic priority does this program address?

Embed Transformational Purpose; Focus on Service Culture; Partnerships; IT Roadmap

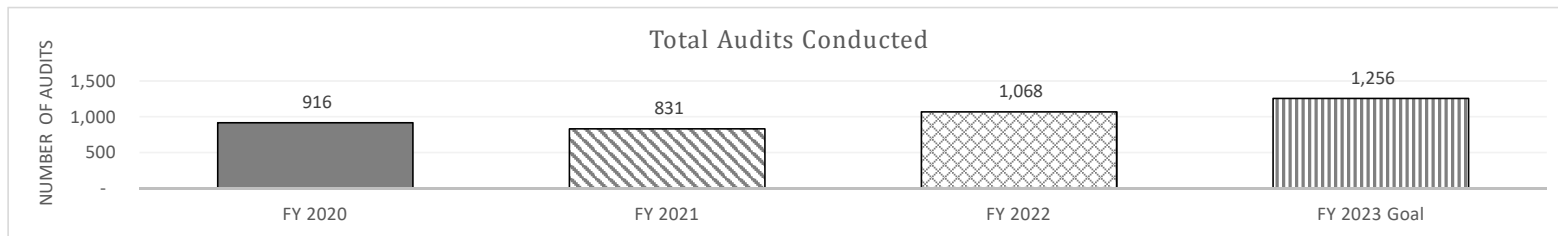
1b. What does this program do?

The **Field Compliance Bureau (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.

2a. Provide an activity measure(s) for the program.

i. Audits - Volume of Audits Conducted

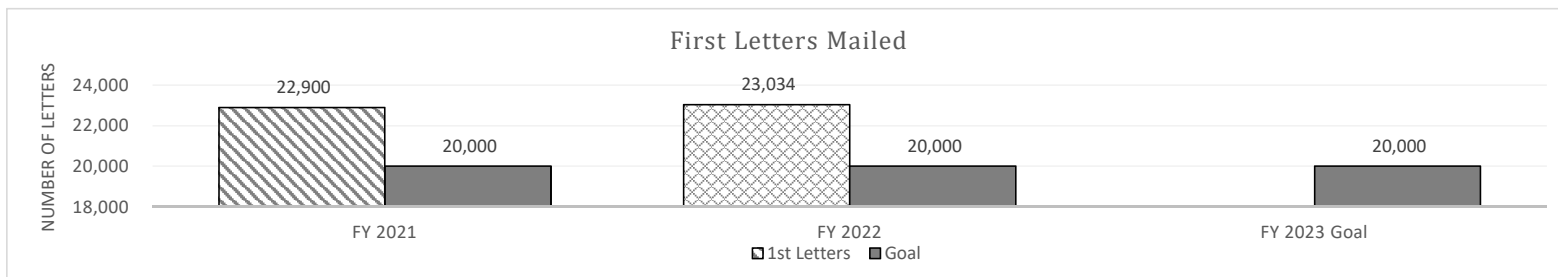
The Audit Services section measures the number of audits conducted to monitor both internal production standards as well as external influence in the form of educational outreach to Missouri businesses. We treat every audit as an educational opportunity for future compliance. After the audit completion, customers gain a working knowledge to meet their tax obligations.



2a. Provide an activity measure(s) for the program (cont).

ii. Nexus - Number of 1st Letters Mailed

The Nexus section notifies businesses with Missouri activity of potential tax and fee obligations. Nexus programs were briefly suspended in FY 2020.



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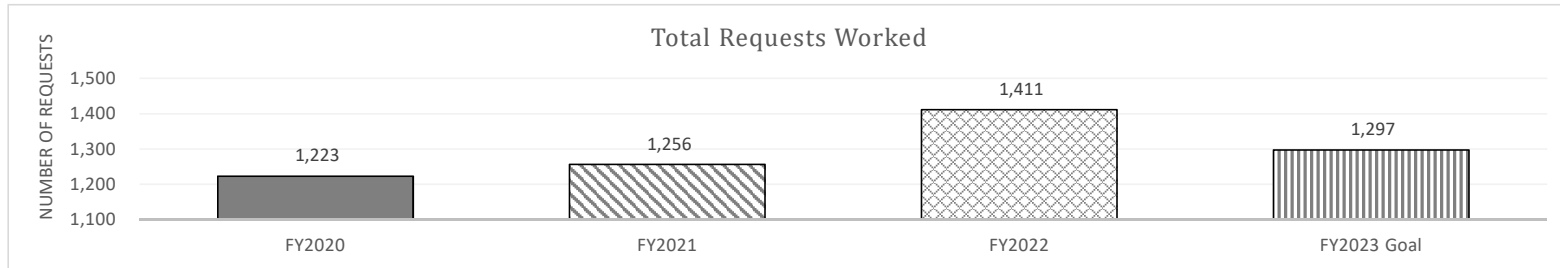
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2a. Provide an activity measure(s) for the program (cont).

iii. Tax Electronic Services - Volume of Requests Worked

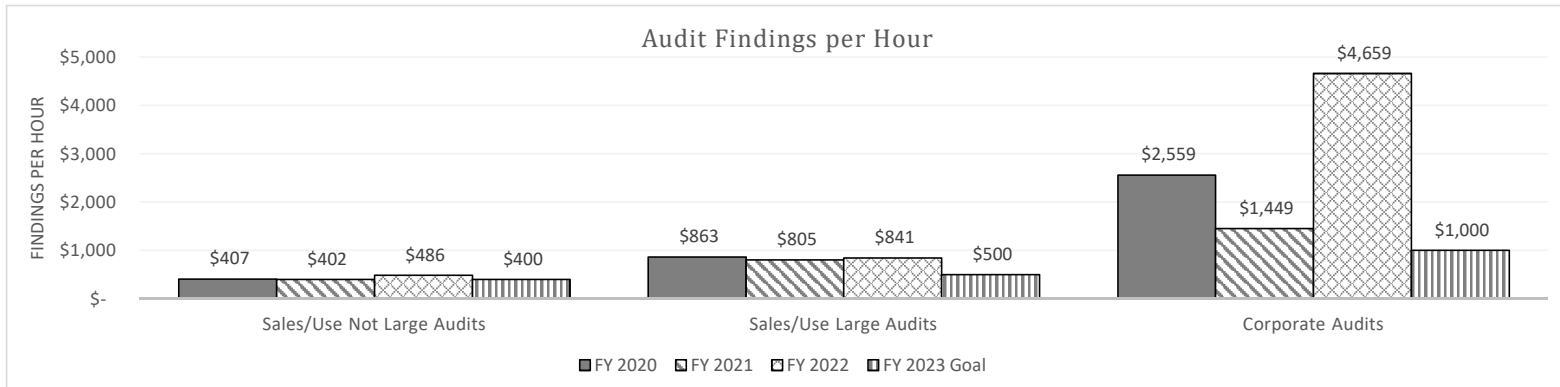
The Tax Electronic Services section measures total data and security requests worked. Data requests include identifying the number of taxpayers or returns that meet a specific set of criteria and preparing and maintaining Revenue Premier reports. This section also processes and maintains individual security access to Revenue Premier.



2b. Provide a measure(s) of the program's quality.

i. Audits - Findings per Hour

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.



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.

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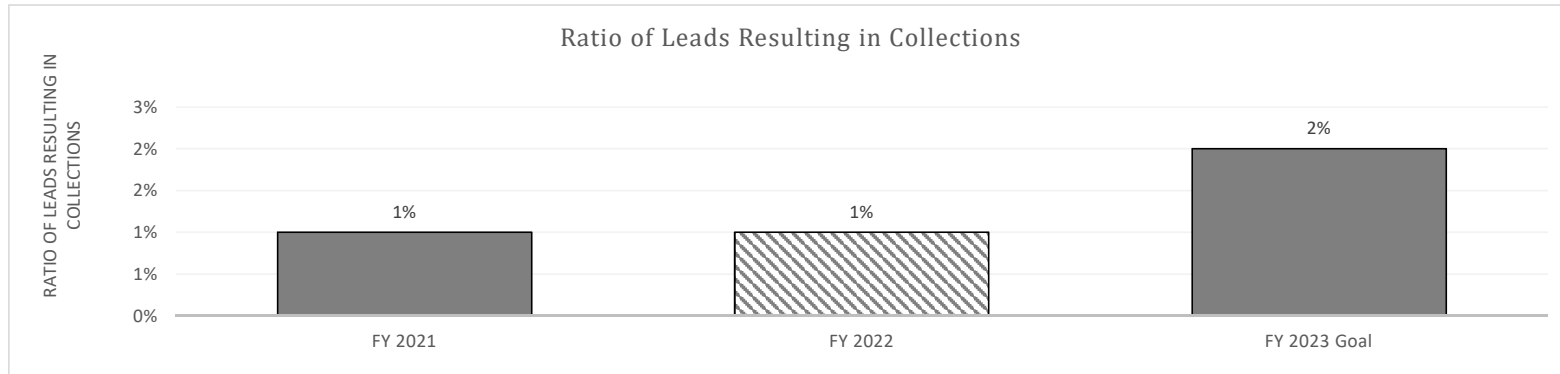
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2b. Provide a measure(s) of the program's quality (cont).

ii. Nexus - Ratio of Leads Resulting in Collections

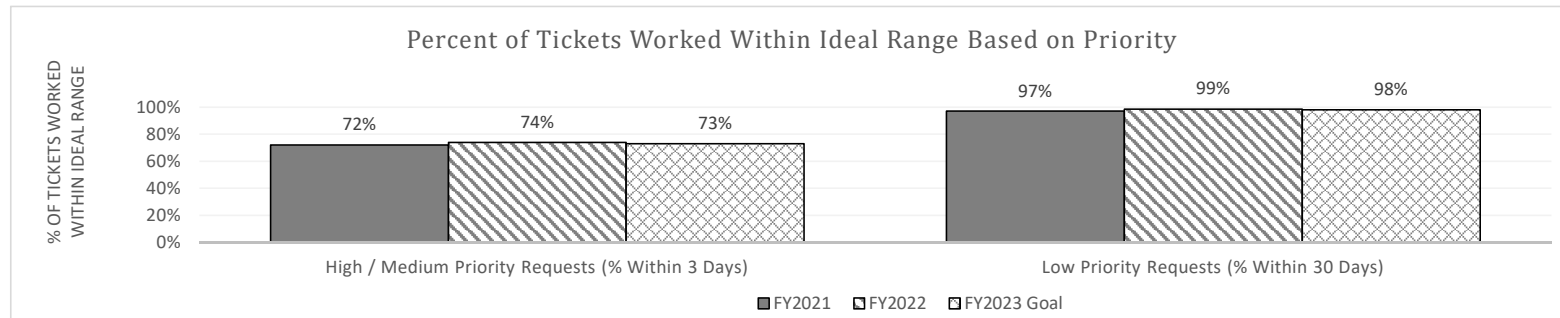
Beginning in FY 2021, Nexus began tracking the number of leads that resulted in collections. This will allow us to measure the quality of Nexus lead programs over time. Many programs will not begin to see collections until years after the programs are implemented.



2b. Provide a measure(s) of the program's quality (cont).

iii. Tax Electronic Services - Types and Areas of Data Requests Received

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.



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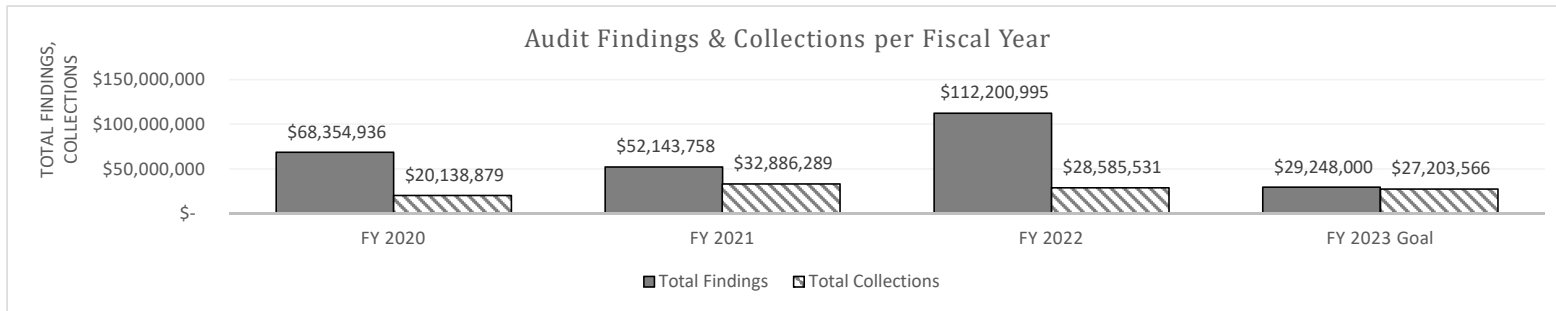
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2c. Provide a measure(s) of the program's impact.

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.

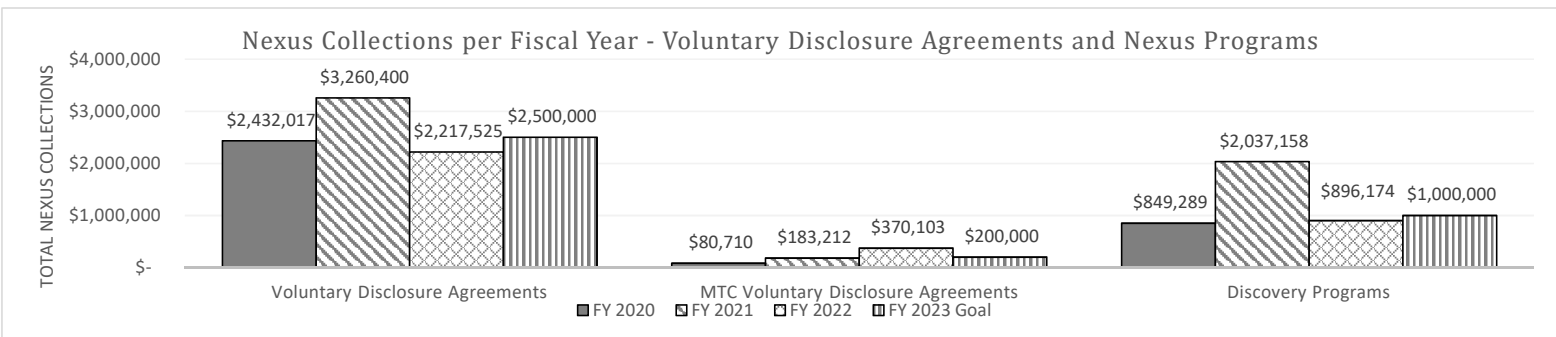


Audit services were briefly suspended for the last 3 months of FY 2020 due to the COVID-19 pandemic, which directly impacts FY 2021 audit findings. Audit assessments are sent and paid through the collections department. A collection may not be made by the customer until settlement or after hearing for 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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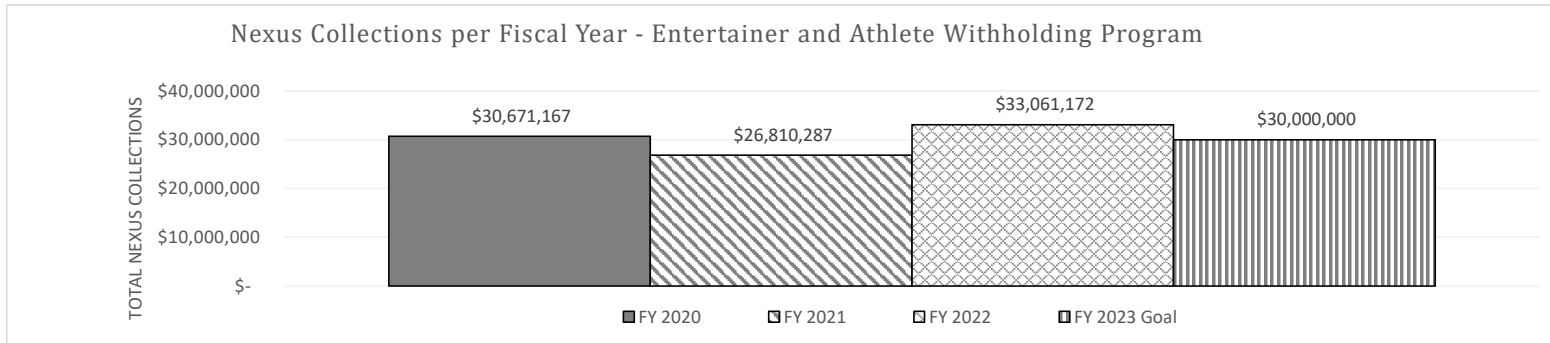
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2c. Provide a measure(s) of the program's impact (cont).

ii. Nexus - Collections per Year

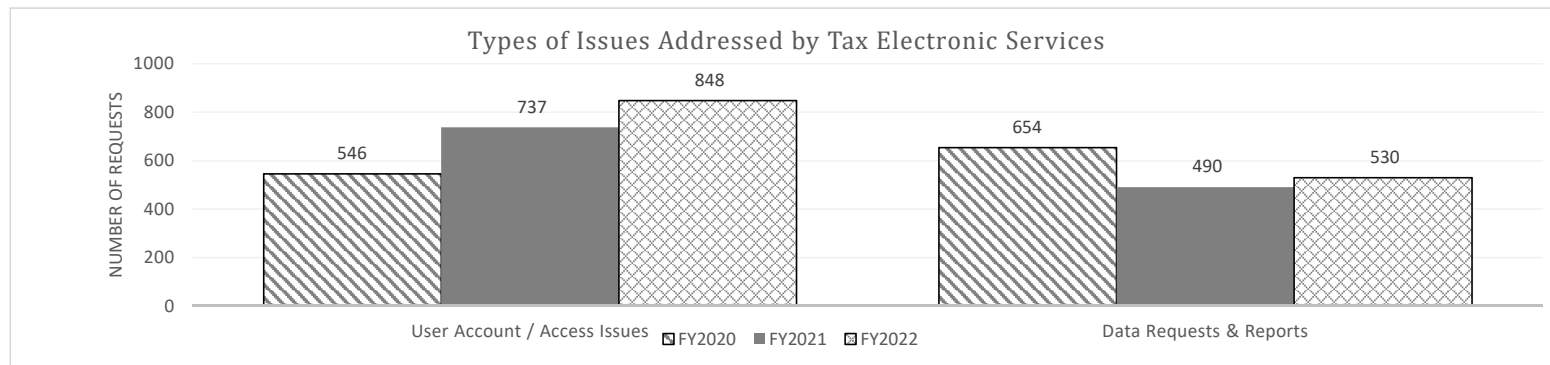
The Nexus Unit is also responsible for administering the entertainer and athlete withholding program.



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

iii. Tax Electronic Services - Impact of Requests

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.



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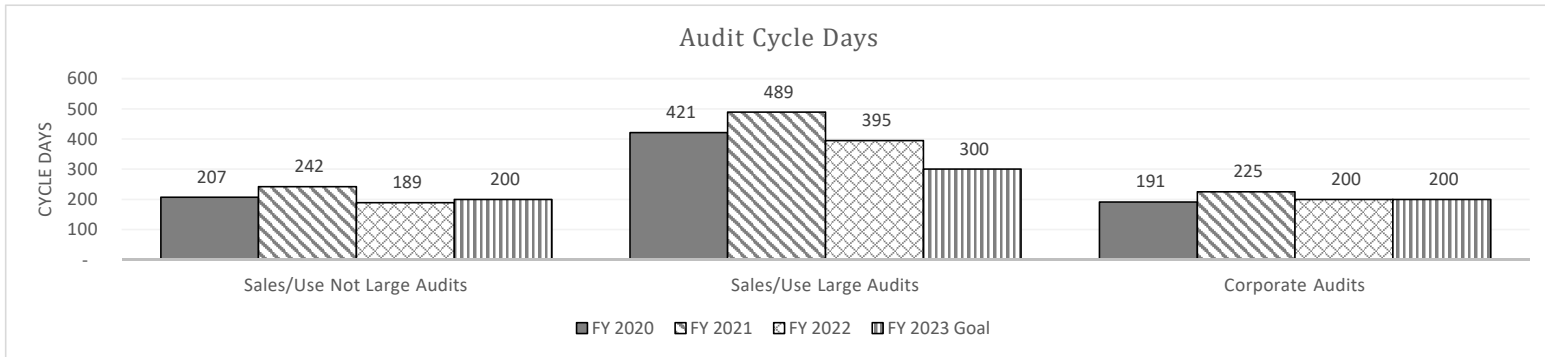
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2d. Provide a measure(s) of the program's efficiency.

i. Audits - Cycle Days from Open to Close

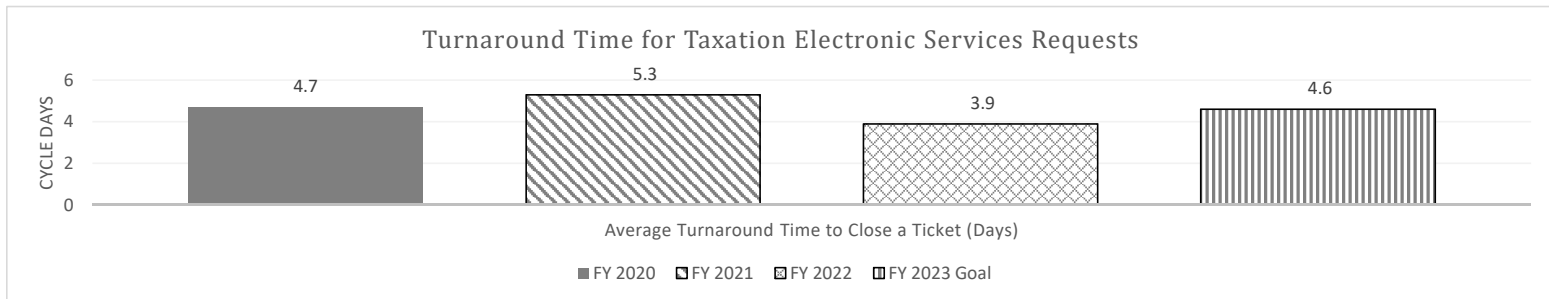
The Field Compliance Bureau measures efficiency as the average Audit Cycle Days per audit category. Audit cycle days is the number of days to complete the audit from the start of field work until the audited returns are submitted to begin the assessment process. Monitoring our average cycle days ensures we are performing audits efficiently and with minimal disruption to Missouri business activities.



2d. Provide a measure(s) of the program's efficiency (cont).

iii. Tax Electronic Services - Turnaround Time for Requests, Tickets, and Bugs

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.



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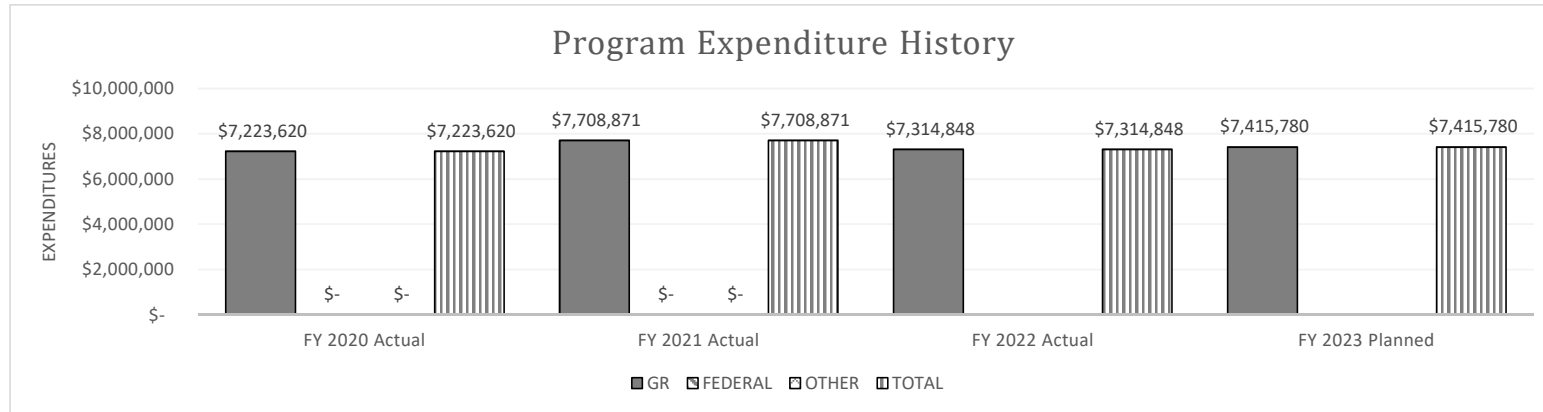
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3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

Not Applicable

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution, Article IV, Sections 12, 15 and 22 and Chapters 32, 136, 142, 143, 144, and 147 RSMo.

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No