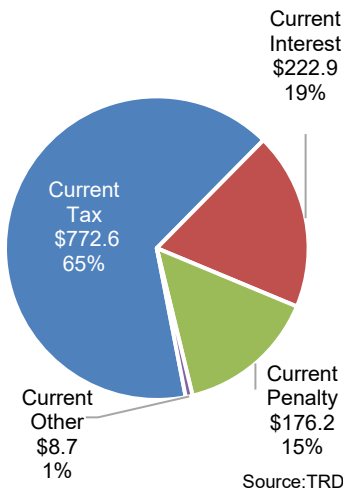


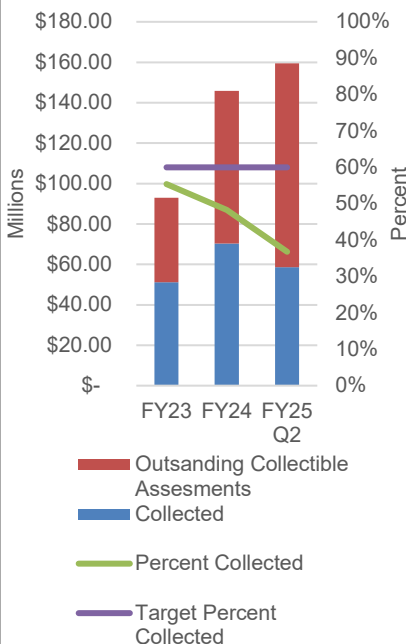
ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Outstanding Tax Amounts by Category
\$1.18 Billion Total
(In millions)



Collections as a Percent of Collectible Audit Assessments



In the second quarter of FY25, the Taxation Revenue Department (TRD) continued to make technological advancements in the Motor Vehicle Division (MVD) aimed at increasing the convenience of customers. The Audit Compliance Division of the Tax Administration Program has a collectable balance of \$1.5 billion and has collected \$195.4 million, or 13 percent of the collection goal. The total FY25 reduction in the fiscal year beginning accounts receivable is \$606.4 million or 31.7 percent, bringing the total balance to \$1.3 billion. The Tax Fraud Investigations Division (TFID) has seen some progress in judicial districts taking white-collar investigations. TRD leadership is working to integrate a special prosecutor who will provide legal support on TFID cases.

Tax Administration

The Audit and Compliance Division creates collection goals centered around return on investment (ROI) measures. Of the \$1.5 billion, ACD collected \$195.4 million, which is 13 percent. The beginning accounts receivable reductions are a result of amended returns, abatements, deactivations, bankruptcy, and reversals. The total FY25 reduction in the fiscal year beginning accounts receivable is \$606.4 million or 31.7 percent, bringing the balance to \$1.3 billion. As of January 9, 2025, ACD collected \$183.4 million of the \$279.7 million collection goal for the ROI Measure. The budget for FY25 is \$21.5 million with a collection goal of \$279.7 million. Assessments are deemed uncollectible by statute if cases are in protest, bankruptcy, deactivated, or less than 91 days old. FY25 2nd quarter assessments totaled \$173.4 million; of which \$0 is less than 90 days old, \$1.5 million is in protest, \$134.6 thousand in bankruptcies, and \$12.4 million has been abated. This leaves a collectible balance of \$159.4 million, of which \$58.6 million has been collected. This results in a collection percentage of 36.8 percent.

Budget: \$28,463.8	FTE: 340.66	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year*		15.8%	22.6%	20%	9.4%	13.0%	Y
Collections as a percent of collectible audit assessments generated in the current fiscal year		55.4%	48.3%	60%	31.9%	36.8%	G
Program Rating		R	R				Y
*Accompanying graph is from FY24							

Compliance Enforcement

The Internal Investigations Bureau opened 49 cases and completed 46 cases during the second quarter of FY25. All closed cases were within the 60-day timeframe, and there are three cases still pending completion. During the second quarter of FY25, TFID had five tax investigation cases referred for prosecution and opened 12 investigations for additional review. TFID has 34 open investigations which will require in-depth analysis, subpoena returns and investigative action. There are also nine preliminary investigations which require additional review before being assigned as an open case. TFID currently has two tax fraud cases in the prosecution process, with 24 cases pending prosecutions in several district courts.

PERFORMANCE REPORT CARD

Taxation Revenue Department
Second Quarter, Fiscal Year 2025

Average Waiting Time in Q-matic MVD Call Centers and Q-matic MVD Offices (in minutes)



Source: TRD

Budget: \$2,097.1 FTE: 21

Tax investigations referred to prosecutors as a percent of total investigations assigned during the year

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
-------------	-------------	-------------	---------	---------	--------

10%	41%	30%	80%	42%	G
-----	-----	-----	-----	-----	---

Successful tax fraud prosecutions as a percent of total cases prosecuted

100%	100%	50%	0%	0%	R
------	------	-----	----	----	---

Program Rating

R	R				Y
---	---	--	--	--	---

Motor Vehicle

The Motor Vehicle Division (MVD) launched two digital tools for consumers this quarter: the Mobile Driver License (MDL) and the In-State Age Verifier app. The purpose of the MDL is to offer consumers a secure, convenient way to carry their driver's license. The digital version is supposed to enhance accessibility by reducing the need to use a physical card in everyday situations. Since the launch of MDLs in November, 28,324 customers have enrolled for an MDL. MVD also launched the In-State Age Verifier App to streamline age verification processes for both businesses and individuals. The purpose of the app is to allow users to efficiently and accurately confirm the age of a person based on their state-issued ID.

The MVD call center and office wait times have not changed since the first quarter, which is a result of the division's new queueing system. The new system has allowed improved customer satisfaction by providing clear expectations about waiting times and service processes. During the second quarter, MVD served 179,023 customers, which is slightly lower than its quarterly average from FY24. MVD has been working with an outside vendor to analyze the division's weaknesses and find areas of opportunity to improve the quality of its service.

Budget: \$55,161.1 FTE: 332

Registered vehicles with liability insurance

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
-------------	-------------	-------------	---------	---------	--------

91.0%	90%	95%	90%	91%	Y
-------	-----	-----	-----	-----	---

Average wait time in Q-matic equipped offices, in minutes

4:48	4:50	12:00	6:30	6:22	G
------	------	-------	------	------	---

Average call center waiting time to reach an agent, in minutes

6:18	4:19	8:00	5:26	5:35	G
------	------	------	------	------	---

Program Rating

G	G				G
---	---	--	--	--	---

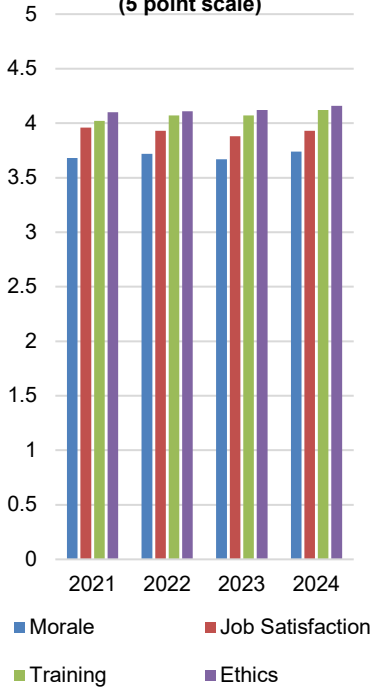
Property Tax

The Property Tax Division (PTD) is working with its software supplier, Catalis, in bridging the gap between county software uploads and the State system. PTD is projecting the Catalis software to be fully updated by the end of the third quarter, which will allow the system to provide the total value of every property sold at each auction. PTD held 15 auctions in quarter two, which led to an increase in property tax collections.

PERFORMANCE REPORT CARD

Taxation Revenue Department
Second Quarter, Fiscal Year 2025

Employee Year-to-Year Survey Results (5 point scale)



Budget: \$6,491.4 **FTE:** 39

Delinquent property tax collected and distributed to counties, in millions

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
-------------	-------------	-------------	---------	---------	--------

\$13.9	\$10.8	\$11.0	\$2.4	\$3.4	Y
--------	--------	--------	-------	-------	---

Percent of total delinquent property taxes recovered

21.0%	17.0%	15.0%	3.5%	4.0%	Y
-------	-------	-------	------	------	---

Program Rating

G	G	Y
---	---	---

Program Support

During the second quarter of FY25, the Office of Internal Oversight (OIO) reported 386 of 2,317 tax protest cases were resolved. OIO has resolved a total of 801 tax protest cases for FY25, which is 46 percent of the end of year target of 1,738. Program Support can send protest cases to the Administrative Hearings Office (AHO) for specialized hearings and 58 cases of the total number of cases were sent to AHO. Currently there are three internal auditor positions vacant, which impacts the internal audit team's efforts to implement internal audit recommendations. OIO managed to reach its quarterly goal of three by recommending six internal audits.

Budget: \$12,047.2 **FTE:** 102

Tax protest cases resolved

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
-------------	-------------	-------------	---------	---------	--------

1,892	1,593	1,738	415	801	Y
-------	-------	-------	-----	-----	---

Internal audit recommendations implemented

90%	92%	90%	100%	100%	G
-----	-----	-----	------	------	---

Program Rating

R	G	Y
---	---	---