

Department of Revenue Services



At a Glance

KEVIN B. SULLIVAN, Commissioner

Joseph W. Mooney, Deputy Commissioner

Established – 1901

Statutory authority – C.G.S. Sec. 12-1

Central office – 450 Columbus Blvd., Ste 1, Hartford, CT 06103

Internet Address - <http://www.ct.gov/drs>

Number of authorized positions – 660

Recurring operating expenses – \$67,164,862

Organization structure – Four bureaus: General Counsel, Administration, Operations, and Audit and Compliance

Mission

The mission of the Department of Revenue Services (DRS) is to instill public confidence in the integrity and fairness of state tax collection; achieve the highest level of voluntary taxpayer compliance; continuously improve agency performance; contribute to the fiscal and economic well-being of the state; and provide a positive and professional workplace.

Statutory Responsibility

The Department administers state taxes and collects state revenue while safeguarding and protecting Connecticut taxpayer rights and privacy. The agency provides information, education and taxpayer assistance. When necessary, DRS may initiate actions to collect unpaid taxes, and civil and criminal enforcement and litigation. The Department also provides research, data and advice concerning state taxes to support state fiscal and economic policies.

Public Service

The Department is first and foremost a service agency, where serving taxpayers and providing funds to The State of Connecticut that support the public in general is the foundation of the Department's mission and work. For DRS, being taxpayer friendly means accurate, efficient, timely, and respectful customer service.

- Our Taxpayer Service Center (TSC) offers a user-friendly, secure, and free automated system to register for business taxes, make payments, enter into payment plans, and file returns for the vast majority of tax types. Taxpayers may also use this website resource to update and maintain their accounts, as well as to directly view previous filing and payment history.
- Through the TSC, 76% of taxpayer registrations were submitted online and over 1.8 million electronic payments were made for all tax types.
- Of the 1.9 million personal income tax returns processed by the Operations Bureau, 86% were filed electronically and electronic business filing requirements resulted in a 3% increase in returns filed through the TSC, which helped to reduce processing time and costs. Total electronic payments have increased to \$13.6 billion.
- Utilizing a team approach to give taxpayers a single point of assistance for everything from billing to refunds, the Operations Bureau handled more than 423,919 calls in FY16.
- Taxpayers and tax practitioners may subscribe to the latest state tax information through e-alerts, with **over** 10,275 subscribers to date.
- Automated telephone responses enabled more than 192,674 taxpayers to check of the status of refunds.
- Department staff responded to 8,243 email inquiries both through general email and secure personal mailboxes, while the agency overall handles a high volume of written inquiries from taxpayers and tax practitioners.
- The Department's regional walk-in taxpayer assistance offices located in Bridgeport, Norwich Waterbury and Hartford served 13,914 taxpayers in FY16.
- Additionally, the website provides on-line access to DRS information and services as well as useful links -- receiving 3,213,983 visits in FY16.
- The Commissioner and agency staff regularly make public presentations of interest to taxpayers, civic and business organizations, and tax practitioners.

Improvements/Achievements 2015-2016

At DRS, recent improvements and achievements include:

- The Audit and Compliance Bureau generated \$349,116,851 from audit assessments during FY16. Additionally 131,616 audits were processed which was an increase of 21% from the year before.
- The Audit and Compliance Bureau “collections unit” brought in a total of \$166,433,244 in overdue taxes.
- Collecting more than \$12 million through the agency’s Voluntary Disclosure Program.
- DRS cooperative offset programs with the IRS, several states (MD, NJ, NY, RI), and other CT agencies resulted in more than \$11 million in payments. Internal offsets generated an additional \$14 million in collected overdue taxes.
- Processing 4.3 million tax returns, collecting \$17.2 billion in revenue, and issuing 1.2 million refunds totaling \$1.2 billion.
- Implementing a significant number of legislative tax changes and providing informational outreach to taxpayers and tax practitioners.
- The Appellate Division Resolved 1,806 protests (703 assessments and 1103 refund disallowances) valued at over \$46.5 million.
- The anti-fraud measures continue to prevent approximately \$14 million in improper refunds from being issued. While this is less than last year, it indicates a change in the fraud landscape. We have made great progress in discouraging tax fraud via identity theft and are continuing to investigate other areas of tax fraud.
- The criminal enforcement activities of the Special Investigations Section (SIS), recently renamed Criminal Investigations Division (CID), resulted in 243 arrests and more than \$1.655 million in revenue recovered. Within CID, the Master Settlement Agreement MSA unit ramped up the due diligence enforcement activities in the tobacco arena.

Strategic Planning/Business Planning

DRS continues to become a leaner and flatter state agency while enhancing performance through strategic projects, cross-agency project management, and initiatives that advance the agency’s responsibility to add public value. Several notable projects underway in FY16 include:

- Planning for the next generation of information technology systems. An analysis is being conducted on the current and future state of IT processes. The plan, once complete, will address the question of continued investment in the current system versus investments in new platforms and technologies.
- The agency has embarked on a project to create an Enterprise Content Management (ECM) system to store, control, monitor, and report on a repository of documents to improve efficiency, productivity and information management for better compliance and litigation outcomes.
- A new process is being developed to move the current Real Estate Conveyance Tax process from paper to an electronic filing and payment method. E-filing will allow attorneys the option to not only file the return and pay electronically via software packages or through DRS Taxpayer Service Center website, but also remove the barrier for the real estate deed to be submitted electronically directly to the municipality as allowed for by State Library Regulations.
- The Hartford main office was moved to 450 Columbus Boulevard. The new building space offers a more efficient office design that maximizes both the capacity of the work space, as well as worker productivity in a central location where the public has easier access to more transportation options. The modern, more energy-efficient heating and cooling (HVAC) systems at the new location will provide ongoing cost savings to the state and Connecticut's taxpayers.
- The space at 25 Sigourney St. where the Hartford office held for 26 years will be decommissioned.
- Training in support of agency initiatives included 3,885 hours of classroom, e-learning and webinars. In addition, 120 employees participated in in-service training classes.
- The agency data centers were consolidated and now reside within the DAS/BEST data facilities in Groton, CT and Springfield, MA. Two separate locations provides enhanced data security and redundancy in case of power failure or fire.

The DRS Operations Bureau continued to review and improve processes, including:

- The Fraud team was moved to the Operations Bureau where rules and thresholds were reviewed, additional staff identified and training conducted.
- A mini-lean initiative was conducted on the EITC process resulting in changes to correspondence, scanning of documents sooner to allow work to flow electronically, fewer second requests for documentation, and denials of claims that were previously left unresolved due to taxpayers' lack of response.

- Rules and thresholds for return posting were reviewed and adjusted to better align our resources with the workload.
- Revenue Examiners who provide tax interpretation services received cross training to broaden their knowledge of multiple tax types.

Affirmative Action, Diversity and Equity

DRS strives for a diverse and equitable workplace where employees can grow professionally. The Department's Diversity and Opportunity Committee (DOC), with employee representatives from all parts of the agency, continues to be a catalyst for opportunity and inclusion. In FY16, the Department's efforts were reviewed, approved and commended by the state Commission on Human Rights and Opportunities.