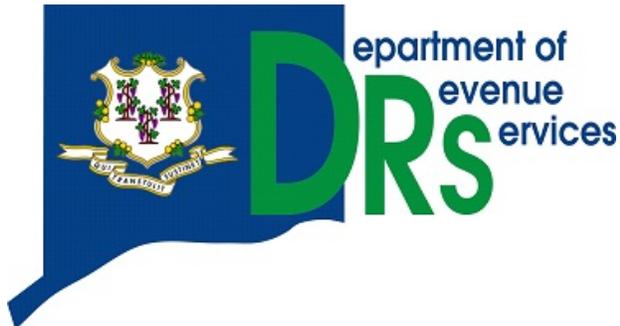


Department of Revenue Services



At a Glance

KEVIN B. SULLIVAN, Commissioner

Joseph W. Mooney, Deputy Commissioner

Established – 1901

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

Central office – 25 Sigourney Street, Hartford, CT 06106-5032

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

Number of authorized positions – 665

Recurring operating expenses – \$67,088,676

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, other civil and criminal enforcement and litigation. The Department also provides research and advice concerning state tax policy related to state fiscal and economic policies.

Public Service

The Department is first and foremost a service agency, which makes serving taxpayers and the public in general the foundation of the Department's mission and the work of its employees. 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, 83% taxpayer registrations were submitted electronically and 1,784,000 coupon payments were made.
- Of the 1.8 million personal income tax returns processed by the Operations Bureau, 84% were filed electronically and electronic business filing requirements resulted in a 19% increase in returns filed through the TSC, which helped to significantly reduce costs and increased total electronic payments to \$12.9 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 495,919 calls in FY15.
- Taxpayers and tax practitioners may subscribe to **the latest state tax information through e-alerts, with** over 16,774 subscribers to date.
- Automated telephone responses enabled more than 186,404 taxpayers to check of the status of refunds.
- Department staff responded to 9,819 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 13,578 taxpayers in FY15.
- During FY15, more than 392,397 frequently-asked questions were viewed on the DRS website (www.ct.gov/DRS), which is available to the public 24-hours-a-day.

- Additionally, the website provides on-line access to DRS information and services as well as useful links -- receiving 3,318,148 visits in FY15.
- The Commissioner and agency staff regularly make public presentations of interest to taxpayers, civic and business organizations, and tax practitioners.

Improvements/Achievements 2014-2015

At DRS, recent improvements and achievements include:

- The 2014-2015 Tax Gap Initiative generated more than \$86 million in previously uncollected taxes. This was achieved through better sourcing of complex business income, enhancing collection scoring with new federal data, refusing sales tax permit renewals to delinquent taxpayers, retraining collections staff, adding mobile field audit capacity, and using more hands on enforcement.
- The Audit and Compliance Bureau generated \$416,356,691 from audit assessments which resulted in a 22.44% increase in revenue from the previous year. Additionally 103,585 audits were processed which was an increase of 86.26% from the year before.
- The Audit and Compliance Bureau collected a total of \$185,091,735 in overdue taxes.
- Collecting more than \$10 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 \$8.6M in payments. Internal offsets generated an additional \$1.4M in collected overdue taxes.
- Processing 4.2 million tax returns, collecting \$16.8 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.
- Resolving 1,457 appeals (681 assessments/776 refund denials) valued at over \$32 million.
- The anti-fraud measures implemented during the prior fiscal year, continue to prevent more than \$38.4 million in improper refunds from being issued. Other criminal enforcement activities resulted in 197 arrests and more than \$ 1.507 million in revenue recovered. The program also collected \$3.73 million in overdue accounts specifically through Offer of Compromise and payment plans.

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 LEAN initiatives that advance

the agency's responsibility to add public value. Some of the projects completed in FY15 include:

- Training in support of agency initiatives like plain language reached over 620 employees, it was a unique blend of facilitator lead video, activities and discussion.
- A follow-up to the Operations reorganization saw 146 employees complete nearly 1,500 hours of training developed by in-house experts with the assistance of training staff.
- In-Service training grew by 29% and webinar offerings on tax and management topics grew 28%.
- E-Learning was introduced to the Department in March 2015, with more than 70 employees completing 138 total courses, which accounted for more than 10% of our staff participating in on-line learning.
- Because of LEAN initiatives, DRS was awarded a mobility grant for \$79,275.00. This grant allowed the Department to improve technology that provides business taxpayers with more options when agents meet with them in the field. It allows staff to work more efficiently, eliminate paper processes, handoffs, and duplicate work efforts. This technology also provides more secure handling of taxpayer data and improves the public's trust in the Department.
- Established an MSA Unit that became operational in January of 2015. With assistance from dedicated staff within the Office of the Attorney General, the MSA Unit was created specifically to ensure diligent enforcement of the Tobacco Master Settlement Agreement ("MSA") and conforming statutes, as well as to ensure compliance with the state's cigarette and tobacco tax laws. This unit consists of five special agents with full police powers, a forensic fraud examiner, and a revenue examiner.

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 FY14, the Department's efforts were reviewed, approved and commended by the state Commission on Human Rights and Opportunities.