

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 – \$61,870,424

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 online 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, 79% of taxpayer registrations were submitted online and over 1.9 million electronic payments were made for all tax types.
- Of the 1.8 million personal income tax returns processed by the Operations Bureau, 87% were filed electronically and electronic business filing requirements resulted in a 1% increase in returns filed through the TSC, which helped to reduce processing time and costs. Total electronic payments have increased to \$14.3 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 466,092 calls in FY17.
- Taxpayers and tax practitioners may subscribe to the latest state tax information through e-alerts, with over 17,000 subscribers.
- Automated telephone responses enabled more than 220,750 taxpayers to check of the status of refunds.
- Department staff responded to 10,125 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 14,177 taxpayers in FY17.
- Additionally, the website provides on-line access to DRS information and services as well as useful links -- receiving 9,266,713 visits in FY17.
- The Commissioner and agency staff regularly make public presentations of interest to taxpayers, civic and business organizations, and tax practitioners.

Improvements/Achievements 2016-2017

At DRS, recent improvements and achievements include:

- The Audit and Compliance Bureau generated \$551,327,129 from audit assessments during FY17. Additionally 167,702 audits were processed which was an increase of 27% from the year before.
- The Audit and Compliance Bureau “collections unit” brought in a total of \$168,344,887 in overdue taxes.
- Collected more than \$16.5 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 \$10 million in payments. Internal offsets generated an additional \$18 million in collected overdue taxes.
- Processing 4.3 million tax returns, collecting \$17.3 billion in revenue, and issuing 1.17 million refunds totaling \$1.27 billion.
- Implementing a significant number of legislative tax changes and providing informational outreach to taxpayers and tax practitioners.
- The Appellate Division Resolved 3,853 protests (734 assessments and 3,119 refund disallowances) valued at over \$456.8 million.
- The anti-fraud measures prevented approximately \$3.5 million in improper refunds from being issued. While this is less than last year, it indicates a change in the fraud landscape. We continue to make progress in discouraging tax fraud via identity theft and are continuing to investigate other areas of tax fraud. The Fraud team increased its efforts in identifying fraudulent Schedule C business reporting and referred over 550 cases to the Audit Division for follow-up and assessment.
- The criminal enforcement activities of the Criminal Investigations Division (CID), resulted in 227 arrests and more than \$1.56 million in revenue recovered. Within CID, the Master Settlement Agreement MSA unit ramped up the due diligence enforcement activities in the tobacco arena.

Several notable strategic projects underway in FY17 include:

- The agency is focused on a large scale modernization of the State's core tax management systems in an effort to enhance taxpayer services, optimize data security, decrease processing times and maximize revenue.
- The agency has operationalized an Enterprise Content Management (ECM) system to scan for OCR and 3D barcode, and store, control, monitor, and report on a repository of documents. This replaces the outdated remittance processing system. ECM will improve efficiency, productivity and information management for better compliance and litigation outcomes.
- Connecticut is among the first tax jurisdictions to set commercial tax preparers standards of conduct and professional standards. Designed with a phased-in approach beginning October 2017. This initiative will better protect taxpayers who purchase the services of a paid tax preparer.
- A new online process is being developed to move the 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 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.
- An agency LEAN was conducted to improve processing of the Earned Income Tax Credit (EITC) which improved efficiency by 50%. Taxpayers will benefit with improved and timelier acknowledgement letters and faster turnaround times.
- 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.

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 FY17, the Department's Affirmative Action Plan was reviewed, approved and commended by the state Commission on Human Rights and Opportunities.