

State Tax Collection & Administration

Mission

To administer the tax laws of Indiana in an equitable and courteous manner and to promote the highest degree of public trust and voluntary compliance.

Summary of Activities

The **Department of Revenue** (DOR) serves as the state's primary administrator for tax laws, collecting over 40 taxes and fees from taxpayers. The DOR closed out FY 2000 with collections exceeding \$10.9 billion.

The total tax filing population consists of 2.8 million individual income tax returns -- 96,000 corporate, 180,000 sales and use tax, 155,000 withholding tax, 55,000 fiduciary, 14,500 inheritance tax, 800 financial institutions tax, 50,000 motor carriers, 36,000 insurance and authority carriers, 250 various other motor fuel filers along with alcoholic beverage and tobacco filers. Also included as customers are approximately 1,000 annual charity gaming (bingo) license holders and 30,000 International Registration Plan permit holders.

The Audit Division of the DOR promotes voluntary tax compliance throughout the state and country in all tax areas through quality examinations. The Audit Division is divided into two sections, Income / Sales and Special Taxes. The DOR Criminal Investigation Division works closely with the auditors regarding enforcement.

External Factors

The Department of Revenue is impacted by growth in the total number of tax filers, increasing costs for traditional forms of communication such as printing and postage, and the rapid emergence of new technologies. These factors present both challenges and opportunities for the. While traditional methods of communicating with tax filers cannot be abandoned in the foreseeable future, information technology tools can be use to supplement traditional methods, and, to some extent, offset their increasing costs.

Evaluation and Accomplishments

The new "I-File" program implemented in 2000 allows Hoosiers to file their IT-40, IT-40EZ and IT-40PNR tax forms at no additional charge directly through the Internet via the DOR web site. Partial or total tax payments may be made

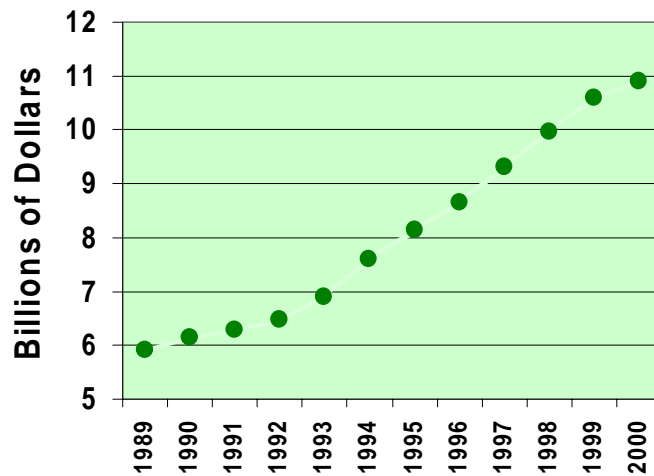
using American Express, Discover, MasterCard, or Visa. Taxpayers may also use I-File to prepare their returns, print them at home, and submit them vis U.S. Mail.



INDIANA DEPARTMENT OF REVENUE

INTERNET TAX FILING

Indiana Department of Revenue Tax Collections

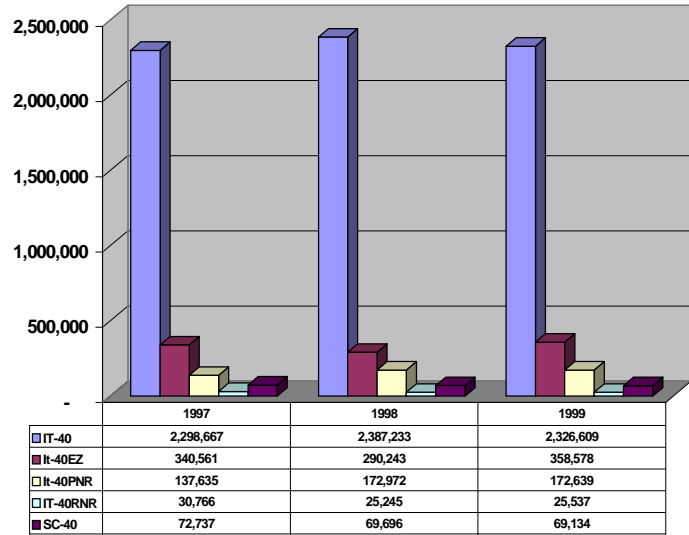


Indiana is also the first state in the nation to utilize bar-coding technology for tax returns, through a cooperative arrangement with H&R Block that produces faster, more accurate processing of tax filings. This program reduces the cost of processing by \$.69 to \$.79 per return.

Upgrades to DOR tax return processing computer equipment have increased the speed and efficiency of deposits of quarterly tax payments, resulting in greater interest earnings for the state.

The DOR also implemented a “One Stop Shop” program for motor carrier taxpayers, providing comprehensive and streamlined services related to fuel tax filings, license plates, drivers licenses, and permits.

Department of Revenue Individual Returns Processed



A taxpayer satisfaction survey conducted by the DOR quality assurance division following the first year of implementation of the electronic filing system found that 86% of respondents said that the service met or exceeded their expectations, and that most would continue to use it for future filings due to increased efficiency over the traditional paper method.

Plans for the Biennium

The Department of Revenue will continue to develop and implement innovative processes that will enhance customer service, improve efficiency, and create a more reliable, customer-focused revenue system.



<i>Program: 0915</i>	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Appropriation (All Funds)	\$54,613,881	\$56,136,333	\$56,136,333	\$58,541,077	\$58,476,077
Expenditures	\$68,395,014	\$63,878,808	\$60,174,012		

<p>Sources of Funds FY 2001 (Approp)</p> <p>■ General ■ Dedicated ■ Federal ■ Other</p>	<p>Uses of Funds FY 2001 (Approp)</p> <p>■ Personal Services ■ Distributions ■ Capital ■ Other</p>
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