
BUDGET UNIT BRIEF – FY 2018

Fiscal Services Division

December 6, 2017



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Department of Revenue Operations

Background

The Department of Revenue is responsible for the administration of the major sources of State and local tax revenue. The responsibilities for tax administration include the collection of revenue totaling nearly \$9.0 billion from various sources. The Department is also in charge of administering various property tax-related functions performed by local government officials.

The Department is structured along functional lines and divided into five divisions. The major divisions of the Department include:

- **Business Services Division:** Responsible for general management of the Department. The Division administers the Department's budget; provides centralized accounting services within the Department; performs personnel, payroll, and training functions; and assists with strategic planning and program measurement. It also oversees the procurement process for the Department and maintains facilities management.
- **Property Tax Division:** Assists local governments in making property tax assessments fair and consistent by acting as the general supervisor over the administration of property tax laws. The Division focuses its work on four separate areas:
 - **Equalization:** This area of the Division issues tax equalizations to county auditors each odd-numbered year. These equalizations are based on aggregate abstract valuations and median sales ratios. Assessment limitations for residential and agricultural property classes are calculated annually.
 - **Assessor Education:** This area of the Division administers assessor and deputy examinations and is responsible for maintaining assessor and deputy registries. Technical assistance and educational programs are provided to both assessors and boards of tax review. The Division also provides opportunities for continuing education for both assessors and deputy examiners in order to fulfill and maintain their education requirements.
 - **Central Assessments and Appraisal:** This area of the Division is responsible for annually assessing telephone, railroad, pipeline, and water companies, as well as administering the replacement tax for gas and electric utility companies. It provides appraisal support for tax equalization procedures and technical assistance for appraisal practices.
 - **Local Government, Credits, Exemptions, and Transfer Tax:** This area of the Division provides general and technical assistance to local governments regarding property tax issues, including tax credits and exemptions. It also provides reimbursement for State-funded credits and exemptions.

More Information

Department of Revenue: tax.iowa.gov
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- **Tax Management Division:** Responsible for all facets of tax processing. The Division has two sections:
 - The Collection Services Section operates the accounts receivable system for the Department, contacts taxpayers who do not pay their accounts by the expiration of the appeal period, issues bills for the Department, coordinates the Department's collection activities, and provides collection services to other State agencies.
 - The Compliance Services Section issues refunds, adjustments, and assessments based on the outcome of field audits conducted throughout Iowa. The audits include office examinations of returns and other related tax documents.
- **Research and Analysis Division:** Performs departmental research and specific types of analysis. These types are as follows:
 - **Tax Research and Program Analysis:** This type of analysis estimates the fiscal impact of proposed State and federal tax legislation. This part of the Division prepares monthly reports that track the direction of Iowa's economy, as well as annual individual sales and income tax statistical reports. Through a complete and unbiased study of tax credits, the Division also tracks, analyzes, and forecasts tax receipts and refunds, providing support to the members of the State Revenue Estimating Conference (REC) and members of the General Assembly. The Division also administers the Tax Credit Tracking and Analysis Program, and posts Department data on the Iowa DataShare website.
 - **Performance Analysis:** In this type of analysis, the Division prepares visual presentations of Department key performance indicators, assisting other Divisions in the tracking of performance measures as well. In addition to the Department annual reports, the Division prepares various legislatively mandated reports and conducts analysis for other third-party customers.
- In addition to the four Divisions listed above, the DOR also oversees four sections that operate under the philosophy that a knowledgeable taxpayer voluntarily complies with the tax laws and this, in turn, increases revenue collections. The DOR believes that new and expanded tax programs promote voluntary compliance through education and information services. These services are divided into four sections:
 - The Taxpayer Services Section consists of taxpayer service specialists, who assist more than one million taxpayers by telephone, email, mail, Internet, or in person, and assist with business and income tax electronic filings.
 - The Audit Services Section works to resolve protests through informal settlements or through formal proceedings that include appeals to the Director, the State Board of Tax Review, and the Iowa district courts. Staff works with the Attorney General's Office to review protests, obtain information on each case, and represent the Department.
 - The Tax Policy Analysis Section writes administrative rules, prepares formal rulings, compiles topical papers, responds to complex written and oral inquiries related to tax law and policy, drafts legislation, and monitors the legislative process.
 - The Communications Section researches, writes, and produces educational materials in a variety of media. Section staff members provide training for taxpayers and preparers and manage the Department's website and social media output.

Funding

The Department of Revenue receives an annual General Fund appropriation.

Related Statutes and Administrative Rules

Iowa Code chapters [421](#) through [453D](#) and Iowa Administrative Code [701](#)