



DEPARTMENT OF REVENUE

Annual Performance Report Update September 2024

*To be the nation's most citizen-oriented,
efficiently administered state tax agency*

The Department of Revenue administers approximately 40 Montana taxes and fees to achieve equity and integrity in taxation. Additionally, the department:

- Values all property as accurately as possible and supervises Montana's property tax system
- Administers alcohol and cannabis laws to protect public health and safety
- Receives abandoned property and seeks to return it to its rightful Montana owners
- Administers unlocatable mineral trusts
- Informs and advises the governor, the legislature, and the public on tax trends and issues; and
- Cooperates with local, state, tribal, and federal governments to advance the public interest under the law

DIRECTOR'S OFFICE

The Director's Office (DO) supports the agency's director and the other department divisions and is comprised of the Executive, Financial Services, Citizen Outreach, Taxpayer Advocate, Human Resources, Legal Services, Dispute Resolution, Procurement, Contracts, and Facilities, and Tax Policy & Research offices.

ALCOHOLIC BEVERAGE CONTROL DIVISION

The Alcoholic Beverage Control Division provides effective and efficient administration of the Montana alcoholic beverage laws, with an emphasis on customer service and public safety.

BUSINESS & INCOME TAXES DIVISION

The Business and Income Taxes Division is responsible for the administration and collection of roughly 40 Montana taxes and fees. The division also determines the valuation of all centrally assessed property in the state.

INFORMATION MANAGEMENT & COLLECTIONS DIVISION

The Information Management and Collections Division provides consistent service to Montana citizens, businesses, and nonresident taxpayers through electronic data and records management, account registration, collection of delinquent accounts, and data and remittance processing operations.

PROPERTY ASSESSMENT DIVISION

The Property Assessment Division administers Montana's property tax laws, which includes the valuation and classification of all taxable property. The division ensures all classes of property are valued uniformly and equally throughout the state. These classifications include but are not limited to agricultural and forest land, residential and commercial property, industrial facilities, exempt properties, and business equipment personal property.

TECHNOLOGY SERVICES DIVISION

The Technology Services Division serves as the technological foundation for the department's business units, leveraging IT systems and services to increase internal business operations efficiencies and optimize citizen services.

CANNABIS CONTROL DIVISION

The Cannabis Control Division ensures the health and safety of all Montanans through fair administration, education, and enforcement of the Montana Marijuana Regulation and Taxation Act.

GOAL:

The department's primary objective in the coming year is improving its citizen service in order to administer the department's statutory requirements more effectively.

Strategic Outcome #1

Improve citizen interactions

Initiatives	Key Measures	Status
• Mail assessment notices to all property owners every two years per statute	🔑 Mail 100% notices by statutorily required deadline	<input checked="" type="checkbox"/> Completed for 2023
• Improve written communications with citizens	🔑 Review all department letters on an every two-year basis	<input type="checkbox"/> In progress
• Respond to cannabis licensee inquiries timely	🔑 Respond to all licensee contacts within two business days	<input type="checkbox"/> In progress
• Communicate personally with five stakeholder entities and division subgroups	🔑 Complete five stakeholder meetings by December 31, 2023	<input checked="" type="checkbox"/> Completed
• Meet personally with five local taxing entities	🔑 Complete five meeting with local taxing entities by December 31, 2023	<input checked="" type="checkbox"/> Completed
• Compile input from stakeholders to improve central assessment and unclaimed property	🔑 Compile input from stakeholders by November 15	<input checked="" type="checkbox"/> Completed centrally assessed stakeholder survey. Drafting unclaimed property program improvement recommendations. Will seek stakeholder input soon.
• Create and implement tax rebate packages and communications	🔑 Host 60 Town Hall meetings in 2023 on property reassessment 🔑 Host 26 Town Hall meetings in 2024 on property reassessment	<input checked="" type="checkbox"/> Completed for 2023 <input checked="" type="checkbox"/> On track for 2024
• Develop citizen outreach surveys to inform and evaluate agency service and efficiency	🔑 Create survey by June 30	<input checked="" type="checkbox"/> Completed
• Implement legislator education series	🔑 Hold first education series meeting by December 31, 2023 🔑 Hold FY 2025 education series meetings by Feb. 15, 2025	<input checked="" type="checkbox"/> Completed <input type="checkbox"/> On track for FY 2025

Strategic Outcome #1

Improve citizen interactions

Initiatives	Key Measures	Status
<ul style="list-style-type: none"> Update the division's webpage with necessary resources including Enterprise Fund reports, fact sheets, and maps 	<ul style="list-style-type: none"> Update division webpage monthly 	<ul style="list-style-type: none"> <input type="checkbox"/> On track
<ul style="list-style-type: none"> Update the division's webpage with necessary resources including the Taxpayer Valuation, Agricultural, and Forest Land manuals, and the Reappraisal Plan 	<ul style="list-style-type: none"> Complete by December 31 even years 	<ul style="list-style-type: none"> <input type="checkbox"/> Ongoing
<ul style="list-style-type: none"> Update the division's webpage with current information related to taxes 	<ul style="list-style-type: none"> Complete by December 31 annually 	<ul style="list-style-type: none"> <input type="checkbox"/> Updated website as needed
<ul style="list-style-type: none"> Provide taxpayer outreach by presenting at ABC clinics, webinars, and tax forums 	<ul style="list-style-type: none"> Complete 10 outreach activities per year 	<ul style="list-style-type: none"> <input type="checkbox"/> On track. Participated in a number of ABC clinics and webinars about the upcoming income tax simplification changes, centrally assessed property, unclaimed property, and cannabis taxation.
<ul style="list-style-type: none"> Create an education video regarding filing requirements 	<ul style="list-style-type: none"> Complete by December 31, 2023 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Completed and posted numerous webinars
<ul style="list-style-type: none"> Meet with production companies at the beginning of their setup process to improve accuracy of MEDIA credit applications 	<ul style="list-style-type: none"> Meet with 100% of production companies 	<ul style="list-style-type: none"> <input type="checkbox"/> Sent invitations to all production companies to meet with us, and have met with those who have responded. We are also working on a creating a presentation that we can share with industry about the credit.
<ul style="list-style-type: none"> Update the division's webpage with necessary resources, including tutorials for worker training and packaging and labeling submissions 	<ul style="list-style-type: none"> Complete by December 31 annually 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Completed; reviewed monthly for additional updates.
<ul style="list-style-type: none"> Update the Livestock Per Capita Fee webpage 	<ul style="list-style-type: none"> Update webpage annually 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Completed January 2024

Strategic Outcome #1

Improve citizen interactions

Initiatives	Key Measures	Status
• Create a collections services webpage	🔑 Complete by June 30, 2024	<input checked="" type="checkbox"/> Completed April 2024
• Update the TransAction Portal webpage with general taxpayer self-help resources	🔑 Complete by June 30, 2024	<input type="checkbox"/> On track continually
• Host statewide town hall meetings and publish PSAs after property assessment notices	🔑 Complete during May-June, 2023	<input checked="" type="checkbox"/> Completed
• Begin implementation of red tape reduction rules	🔑 Begin implementation by June 30, 2024	<input checked="" type="checkbox"/> Completed and ongoing
• Track the number of cases the Taxpayer Assistance Office has resolved	🔑 Track total resolved cases per year	<input checked="" type="checkbox"/> Resolved 148 cases for calendar year 2023
• Develop an online filing application for property exemption requests	🔑 Complete by January 1, 2024	<input type="checkbox"/> Re-prioritized online filing options. Complete exemptions by July 2025
• Open two additional county offices within the next 2 years	🔑 Opened by December 31, 2024	<input type="checkbox"/> Opened Powell Co.; working on Park Co.
• Implement legislation permitting DOR/DOJ drivers' license cross match	🔑 Complete by February 29, 2024	<input type="checkbox"/> MOU signed and project is underway.

Strategic Outcome #2

Accurate valuation of property

Initiatives	Key Measures	Status
• Complete appraisals of all residential, commercial, industrial, and agricultural/forest land properties in Montana by the statutory deadline	📌 Completed by May 1, 2023	☑ Completed for 2023
• Complete Centrally Assessed property appraisals by department deadline	📌 Complete by June 1 annually	☑ Completed for 2024
• Provide accurate and timely certified taxable values to all taxing jurisdictions	📌 Provide values to counties no later than the first Monday in August	☑ Completed for 2023; on track for 2024

Strategic Outcome #3

Alcoholic beverage control regulation/efficiency

Initiatives	Key Measures	Status
• Process alcoholic beverage licenses efficiently to reduce red tape for applicants and licensees	📌 Meet quarterly with DOJ and licensees through our Alcohol Licensing Advisory Committee to determine where efficiencies can be made.	<input type="checkbox"/> On track
• Complete the liquor warehouse expansion to improve the efficient operation of the warehouse	📌 Complete warehouse expansion project by summer 2025	<input type="checkbox"/> On track

Strategic Outcome #4

Efficient processing of data and revenue

Initiatives	Key Measures	Status
• Process paper returns in timely manner	🔑 Open paper returns within 5 days of receipt	☑ Completed
• Process tax refunds (scanning & keying) in a timely manner	🔑 Process all timely filed paper refund returns within 45 days of due date	☑ Completed TY 2023
• Process money in a timely manner	🔑 Process all money within 2 days of receipt	☑ Completed
• Implement payroll software vendor approval table	🔑 Implement prior to 12/31	☑ Completed

Strategic Outcome #5

Develop electronic filing and payment services

Initiatives	Key Measures	Status
• Increase the use of the WTH Taxes Application Program	🔑 Track the number of enhanced or added services in the biennium and the number of users on board	<input type="checkbox"/> On track - 2 new vendors for TY 23; added payments for TY 23; looking to add 1099s for TY 24
• Enhance user experience on the TransAction Portal	🔑 Measure number of enhancements, using user experience surveys	<input type="checkbox"/> On track

Strategic Outcome #6

Equitable collection practices

Initiatives	Key Measures	Status
<ul style="list-style-type: none">• Increase the number of collection cases resolved in under 6 months	<ul style="list-style-type: none">↓ Increase 5% in fiscal year 2023	<input checked="" type="checkbox"/> Completed
<ul style="list-style-type: none">• Increase efficiencies in resolving delinquent collection accounts	<ul style="list-style-type: none">↓ Create/implement electronic methods for financial institutions, employers, and courts to remit responses and payments	<input type="checkbox"/> On track continually
<ul style="list-style-type: none">• Develop new payment plan options to allow for a single payment agreement for multiple tax types	<ul style="list-style-type: none">↓ Decrease the number of payment plans required for a single citizen with multiple delinquent accounts, increase the payment plan activation percentages, and increase the percentage of resolved delinquent accounts	<input type="checkbox"/> On track

Strategic Outcome #7

Secure confidential information

Initiatives	Key Measures	Status
• Require annual disclosure awareness and security awareness trainings	🔑 Complete by 100% of employees	<input type="checkbox"/> On track
• Require annual signing of confidentiality and disclosure of information form	🔑 Complete by 100% of employees	<input type="checkbox"/> On track
• Require dual approval on all security access and audit access regularly	🔑 Report by 100% of employees	<input type="checkbox"/> On track
• Monitor all systems and perform vulnerability scans	🔑 Monitor on a weekly basis	<input type="checkbox"/> On track

Strategic Outcome #8

Provide a simple and seamless process for business registration and licensing through the eStop Program

Initiatives	Key Measures	Status
• Replace current antiquated software	🔗 Working with Department of Labor & Industry to see if it is viable to move the program to their licensing software system.	☐ On track-MOU in place to move eStop licensing program to DLI's licensing system.

Strategic Outcome #9

Hire and retain qualified and competent employees

Initiatives	Key Measures	Status
• Continue regular internal town hall meeting to engage and educate agency personnel across the state	📌 Hold quarterly internal meetings	<input type="checkbox"/> On track
• Hold all managers meeting annually	📌 Held October 2023 📌 Held October 2024	<input checked="" type="checkbox"/> Completed <input type="checkbox"/> On track for 2024
• Revamp job postings	📌 Began March 2023	<input checked="" type="checkbox"/> Completed
• Attend job fairs	📌 Attend three per year	<input type="checkbox"/> On track - participated in 4 recruitment events in 2023
• Create day in the life of videos -interviews with staff	📌 Create "day-in-the-life-of" video interviews with staff	<input type="checkbox"/> On track
• Offer telework opportunities	📌 Update all job postings by March 2023 to include telework availability language	<input checked="" type="checkbox"/> Completed
• Implement career ladders	📌 Create career ladders for all appropriate positions by July 1, 2024	<input checked="" type="checkbox"/> Completed
• Welcome from executive leadership personnel to all new staff on first day of work	📌 Welcomed 100% of new employees	<input type="checkbox"/> On track
• Implement Professional Development Working Group recommendations	📌 Complete implementation of PDWG recommendations by Dec. 31, 2023	<input checked="" type="checkbox"/> Completed
• Increase senior management presence in field offices	📌 Complete five field office visits by December 31, 2023	<input checked="" type="checkbox"/> Completed
• Implement recommendations of climate assessment	📌 Complete implementation of climate assessment improvement plan by December 31	<input checked="" type="checkbox"/> Completed plan in August 2023, with ongoing efforts
• Communicate agency mission and goals to department personnel	📌 Emphasize agency mission and goals during quarterly town hall meetings	<input type="checkbox"/> On track
• Hold monthly director meetings with individual division administrators	📌 Conduct formal monthly check-ins with division administrators	<input type="checkbox"/> On track

Strategic Outcome #9

Hire and retain qualified and competent employees

Initiatives	Key Measures	Status
• Complete semiannual check-ins and annual performance appraisals	🔑 Complete 99% of check-ins and performance appraisals	<input checked="" type="checkbox"/> Completed 68% of check-Ins <input checked="" type="checkbox"/> Completed 94% of annual reviews