

## **An Interview With Florida Revenue Director Leon Biegalski**

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In this edition of *Across State Lines*, Hogan and Rodriguez interview Leon Biegalski, executive director of the Florida Department of Revenue.

At a March 2016 Florida Cabinet meeting, Leon Biegalski outlined his desire to become the executive director of one of the state's largest agencies, the Department of Revenue. He had prepared extensively for the moment, but it was not your average job interview.

"At the start of my interview, I thanked the governor, attorney general, chief financial officer, and the commissioner," Biegalski said. "Although a seemingly obvious and appropriate way to begin, I truly felt the weight of the honor — to be considered at this point, let alone lead — as I addressed each one of them."

His presentation focused on a customer-centric method for operations. Asked by Gov. Rick Scott (R) why he wanted to become head the DOR, he responded: "The simple question: Why? It's because I care."

A native Floridian who began his career in public service more than two decades ago, Biegalski was familiar with state government operations. Before applying for the DOR, he held posts at the Department of Transportation, Department of Agriculture and Consumer Services, and most recently was deputy secretary of the Department of Business and Professional Regulation. Biegalski earned his undergraduate degree in political science at Florida State University and his law degree from Nova Southeastern University Law School. For part of his career, he practiced law at Akerman Senterfitt LLP.

"I considered my legal background an asset and expressed this in the interview," Biegalski recalled. "Understanding the complex laws that are a part of everyday decisions made at the department is a crucial component of this leadership position. I know that this foundational knowledge of the law and how it applies, specifically to matters of state government, helps make sure I'm asking the right questions when issues are presented to me."

The DOR comprises over 5,000 positions in offices throughout Florida and in six other states: California, Georgia, Illinois, New Jersey, Pennsylvania, and Texas. Asked during the 2016 interview what his first 100 days would look like, Biegalski committed to going into the field to meet with employees and stakeholders to understand what was or was not working and how to enhance the department's operations.

"I also made sure that the governor and cabinet understood that in their travels across the

state, if they came across anyone who had a department-related issue, that they can give that individual my card and I'll take care of it," Biegalski said. "Throughout my experience, I've built a good reputation with stakeholders. I'm honest with them — they'll know, no matter the answer, that I thought it through and that they were treated equally and fairly. This means a great deal."

A few days after his interview with the governor and cabinet, Biegalski started at the DOR.

**Steven M. Hogan and Nicholas J.**

**Rodriguez:** In your early days, you had to set the tone for your team. What is your vision for the department?

**Leon Biegalski:** In my interview I explained that throughout my career, my personal approach to my professional responsibilities can be summed up in three words: clarity, communication, and compliance. Since joining the department, I've added a fourth — consistency — to compose what I call the four Cs.<sup>1</sup> These guiding principles are shared with the team throughout the department.

As they say, following a moving target is hard. From business owners to parents to our team members — if a person knows what is expected of them, they can plan accordingly and meet those expectations. I've always operated with a belief that whoever you're working with, whatever the situation, if you clearly and consistently communicate, there's a higher likelihood you'll achieve compliance, and most people want to be in compliance. The four Cs are applicable to the responsibilities of the department — responsibilities to our fellow team members, to our stakeholders and principals, and to the people of Florida.

The department's vision is to be an agency that is accessible and responsive to citizens,

<sup>1</sup> Biegalski said clarity means ensuring the DOR's internal and external audiences have positive interactions with the agency, and that all department information and instruction is thorough and easy to understand. Communication means that the DOR is responsive and provides easily accessible, understandable information. It also includes effective follow-up with customers and stakeholders. Compliance means creating an environment that eases the burden on taxpayers by promoting voluntary conformance with laws and regulations through increased awareness, education, and collaboration. Consistency means ensuring the DOR's processes and procedures are implemented fairly, reliably, and uniformly.

provides fair and efficient tax and child support administration, and achieves the highest levels of voluntary compliance. In my interview, I spoke of a customer-centric approach to operations. It's important that our team feels empowered to do all we can within our authority to make compliance as easy as possible. The team at the department has done an excellent job ensuring that the customer experience in each of our outward-facing programs is a positive one at every turn.

**Hogan and Rodriguez:** What has surprised you most in your role at the department?

**Biegalski:** Along with our support services teams, the department manages three main outward-facing programs: the Child Support Program, General Tax Administration, and Property Tax Oversight. The Department of Revenue has a significant impact across the state, particularly on Florida taxpayers, Florida families, and county officers. In preparing for the position, it was amazing to me the volume of interactions that take place within the department on an annual basis — millions of interactions.<sup>2</sup>

Many outside the department are surprised to learn that along with our responsibilities to collect and distribute taxes and fees, the department also houses Florida's Child Support Program, which provides services not only to cases in Florida, but with interstate cases as well. Last year, we collected and distributed more than \$1.6 billion to families. Florida's Child Support Program is one of the top performing programs in the nation.

**Hogan and Rodriguez:** The DOR is somewhat unique in that it is organized under the governor and cabinet rather than just reporting to the governor's office as most other agencies do. What unique issues does this give rise to as you lead the department?

<sup>2</sup> A few numbers for background: The Child Support Program provides services to more than 1 million cases involving 1.2 million children and 1.8 million parents each year; the General Tax Administration program is responsible for collecting, processing, and distributing more than \$40 billion in state taxes and fees, and reconciling more than 9 million tax returns; and Property Tax Oversight is responsible for ensuring all 67 Florida counties administer property taxes equitably and uniformly, through the DOR's oversight and educational assistance.



Leon Biegalski

**Biegalski:** The department has gone through significant changes over the last nearly five decades. In fact, before there was a Department of Revenue, Florida's revenue collection and tax administration activities were scattered through state government. These activities grew dramatically in size and complexity during the 20th century, and by the early 1960s, Florida's leaders recognized the need for a single agency whose sole focus would be administering Florida's taxes and other revenue sources.<sup>3</sup>

Ensuring that the governor and cabinet remain informed regarding the operations of the department is important. We are charged with carrying out our public service responsibilities through administering

<sup>3</sup>The DOR was established by the Governmental Reorganization Act of 1969. This action was taken to centralize most of the state general revenue, assessments, and collections activities. This was when overall control of the department was vested in the executive director, who was ultimately responsible to the governor and the cabinet. In 1994 Florida's child support activities were moved to the DOR.

activities within our authority under the laws of the state; we do not make policy decisions. In Florida, that task is left up to lawmakers.

Our job at the department is to serve the people of Florida with integrity and to operate efficiently, upholding procedures that are consistent across the board. It's imperative that no matter who we are working with — whether a business owner, a parent, or an elected official — that person must be treated fairly and with respect. This is what is expected of us from the governor and cabinet, and this is the positive customer experience our team strives to create every day.

**Hogan and Rodriguez:** What has been the most challenging issue you have faced in your term so far?

**Biegalski:** Considering the varying services and differing audiences of the department, our leadership team has to be nimble. Daily, we jump from one topic to the next, and although it's all connected through a revenue aspect, each program has its own distinctive arrangement of responsibilities, customers, and operational procedures. You must be able to shift gears and remain engaged on a deeper level in all aspects of the department. You could be meeting with an elected official one minute and on a call with a tax practitioner the next.

This is not a homogenous position by any means — [there are] different audiences [and] different sections of the law. This can certainly be seen as a challenge. Yet, I like that each day is unique. Each challenge presents an opportunity for our team to think outside the box and put their best ideas forward. I'm continually impressed by the dedication and perseverance of our team members to go above and beyond to assist customers. Their knowledge and skills combined with their commitment to public service is truly the key to the department's success.

**Hogan and Rodriguez:** Florida had a very active hurricane season in 2017. What role did the DOR have in helping the state recover?

**Biegalski:** In Florida, you have to be prepared for a variety of events that could affect operations. With hurricanes, you have a situation in which there is advance notice and

time to prepare, but the collective impact of these storms can often be unpredictable.

At the department, the team has put a lot of effort into emergency response preparations. Our plans consider all facets of the department — from facilities management and employee communication to data and equipment security and the various process and functions that are the driving force behind the services we provide. Everything that happens before, during, and after an emergency event is strategic and coordinated; however, we have to remain flexible to ensure our plans can be tailored to respond appropriately to the needs of our employees and customers depending on the situation.

Hurricane Irma had the entire state on watch.<sup>4</sup> It is an experience like no other being in the Emergency Operations Center and observing so many state leaders gather in one place to launch a collaborative response to protect and defend our state against this massive threat. Large and small businesses stepped up to lend a helping hand. Other states' entities offered their assistance. There's so much that goes into it.

The department's goal was to proactively prepare our team for what may come. Decisions were made keeping in focus the safety of our employees, the security of our data and equipment, and the needs of our customers. As a team, we understood the roller coaster of emotions that many of our customers faced during this time. We have a duty to carry out our public service responsibilities, but we always remain sensitive to the external forces that impact the lives of those individuals we work with.<sup>5</sup>

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<sup>4</sup>In September 2017 Hurricane Irma loomed off the Florida coast and the state Emergency Operations Center was fully activated in preparation for landfall. This command center is a facility where federal, state, and local representatives from the public and private sectors can gather in one location to work together to assist the state before, during, and after an emergency event like a hurricane. It is one of the top facilities of its kind in the nation.

<sup>5</sup>After Hurricane Irma passed, DOR management contacted employees, assessed damage to department facilities, and moved forward to resume full operations. Under the authority of the governor's declaration of a state of emergency, Biegalski announced an extended deadline for corporate income tax filers; implemented an emergency order extending the due date for sales and use tax and fuel tax returns; and signed an emergency order waiving statutory timing requirements for local tax authorities regarding their millage and budget hearings.

The effects of Hurricane Irma on Florida businesses were felt across the state, as eventually all of Florida's counties were included in the FEMA disaster area designation. Each business owner faced unique challenges, and we understood that each day following the storm's passing was critical in their efforts to restore operations. Following the lead of Gov. Rick Scott and other state leaders, the department issued the due date extensions to provide the hundreds of thousands of businesses we work with more time to focus on recovery priorities.

**Hogan and Rodriguez:** Florida is one of the most populous states and has a high proportion of citizens over 65 years of age. What unique challenges does this pose to the DOR in fulfilling its mission?

**Biegalski:** The outward-facing programs of the department are uniquely positioned to serve a distinct set of customers and stakeholders. Also, the department's support services work with each of the programs and are key to its operational success. Going back to the customer-centric approach, we want to continue to ensure, no matter the reason for the interaction, that working with the department is a positive experience. That's what's in our control and top-of-mind.<sup>6</sup>

Whether you are tech-savvy or prefer to speak to someone in person, the department offers and continues to consider additional ways that customers can receive information and take actions. We've expanded services to include informational webinars, surveys,

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<sup>6</sup>Biegalski explained that depending on an individual's preferences for communicating with the DOR, there are multiple contact options. Service centers are in key locations across the state, customers can write to the department via email or traditional mail, and the DOR takes millions of customer calls each year at its call centers for general tax and child support issues.

mobile applications, online account management, and online payment options over the years to meet the needs of our customers.<sup>7</sup>

No matter who we are working with from a demographic standpoint, our goal is to make it convenient to comply by offering a variety of viable options for people to communicate and connect with the department. That's why we've focused a lot of our efforts on enhancing and expanding the customer service options available to our customers.

**Hogan and Rodriguez:** And lastly, what issue has been the most rewarding for you to engage with?

**Biegalski:** There's a sense of fulfillment when you help someone out. As a leader, you want to guide your team, provide a vision, help them navigate through issues, and ensure they feel supported. It's not necessarily one issue that stands out, but the overall experience of working with the team at the department that has been the most rewarding.

During my first year at the department, I traveled the state and met with employees at each of our field offices to learn more about their time at the DOR and our operations in the service centers where customers visit daily. I also made a point to meet with various stakeholders to gather their feedback in working with the department. It was of the utmost importance to me to build relationships with all parties to encourage open and constructive dialogue.

We administer the department's responsibilities as provided for by law. Our team works within our authority to drill down into department processes to find ways to improve the customer experience. We can't and shouldn't do this in a vacuum, which is why we want to hear from those who work with us. We also put emphasis on educating taxpayers and tax practitioners. I often say that we collect tax because it is due, not because we can; we're not here to play "gotcha games." Running businesses out of business doesn't do anyone any good. We want business owners to come to us with questions.<sup>8</sup>

The team hears me from time to time say, "Polite doesn't always equal helpful." Along with our program directors and managers, I encourage our employees to go beyond being cordial and take time to really understand an issue a customer may be having. Is there a simple solution? Is this an opportunity for education?<sup>9</sup>

Empowering our team to educate customers on topics from the basic to the complicated can make a difference in the lives of those we work with. As I've heard before, people don't go into businesses because they're passionate about paperwork; they go into businesses to do what they love. Our role at the department is to do our best to make compliance easier so our customers can get back to business, literally. ■

<sup>7</sup> Over the years, the DOR's General Tax Administration has expanded its eServices capabilities to allow taxpayers to electronically file returns and submit payment for most of the taxes the department administers. The General Tax Administration program also offers guides for new registrants, as well as tax tutorials for new and established businesses and tax practitioners available through the DOR's website.

Most recently, the department formed a partnership with SCORE, a nonprofit association of volunteer business counselors supported by the U.S. Small Business Administration. Through this collaboration, SCORE and the DOR host webinars on various tax-related topics to provide businesses the tools and resources they need to be successful in Florida.

The department also maintains a technical assistance and dispute resolution team, which assists taxpayers and tax practitioners with written advice on taxability determinations and informal protests of audit assessments. The Taxpayer Rights Advocate, also housed at the DOR, is available to help taxpayers promptly resolve problems that haven't been resolved through normal department administrative processes.

To make it more convenient for parents to apply for the DOR's child support services, the Child Support Program recently launched an online application process. A few years ago, the department began offering a web chat feature that has been a popular option for parents to communicate with the DOR regarding child support questions.

<sup>8</sup> With an operation as large as the DOR, some processes must be automated. However, Biegalski said his team does not take for granted that people are affected by each process. The team strives for a personal approach to department operations.

<sup>9</sup> For example, Biegalski said that if a taxpayer continued to be selected for audit on the same issue, a simple call to explain how to properly fill out the return could address the issue.