

AGENDA
FLORIDA DEPARTMENT OF REVENUE

Meeting Material Available on the web at:
<http://dor.myflorida.com/dor/opengovt/meetings.html>

MEMBERS

Governor Rick Scott
Attorney General Pam Bondi
Chief Financial Officer Jeff Atwater
Commissioner Adam H. Putnam

September 20, 2011

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9:00 A.M.
LL-03, The Capitol
Tallahassee, Florida

ITEM	SUBJECT	RECOMMENDATION
1.	Respectfully request permission to submit the Department of Revenue's: <ul style="list-style-type: none">• Performance Contract of the Executive Director for FY 2011–2012• Long Range Program Plan FY 2012–2013 through 2016–2017 to the Executive Office of the Governor and Legislature.• Capital Improvement Program Plan FY 2012–2013 through 2016–2017 to the Executive Office of the Governor and Legislature.	RECOMMEND APPROVAL
	(ATTACHMENT 1)	
2.	Respectfully request permission to submit the Department of Revenue's 2012–2013 Legislative Budget Request to the Executive Office of the Governor and Legislature.	RECOMMEND APPROVAL
	(ATTACHMENT 2)	
3.	Respectfully request permission to submit the Department of Revenue's 2012 proposed legislative concepts.	RECOMMEND APPROVAL
	(ATTACHMENT 3)	
4.	Respectfully request approval and authority to publish Notice of Proposed Rule in the Florida Administrative Weekly for the following rules: Statutory Changes to Documentary Stamp Tax: propose rules clarifying the application, reporting, and payment of the tax due on transfers of ownership interests in legal entities. [Rules 12B-4.003 and 12B-4.060, Florida Administrative Code (F.A.C.)]	

Statutory Extension of Florida Estate Tax Exemption Period: propose amendments extending the period in which no Florida estate tax return is due through December 31, 2012, pursuant to statutory change. *[Rules 12C-3.0015 and 12C-3.008, F.A.C.]*

Statutory Changes to Calculation of Communications Services Tax, Tax Rates and Terminology; Clarification of Collection Allowance Requirements: propose amendments updating the method of calculating tax, local tax rates, and terminology, in accord with statutory changes; clarifying the requirements necessary for a dealer to qualify for a higher collection allowance. *[Rules 12A-19.041 and 12A-19.100, F.A.C.]*

Clarify Fuel Tax Licensing Requirements; Refund Procedure; Update Tax Rates: propose amendments to terminology and bonding requirements in response to a request made by the Joint Administrative Procedures Committee; provide procedure for obtaining a refund on fuel used for commercial fishing; update annual fuel tax rates. *[Rule Chapter 12B-5, F.A.C.]*

Statutory Changes to Florida Tax Credit Scholarship Program: propose amendments to eliminate the 75% credit limitation, eliminate restriction on rescindment of the credit, and extend the carryforward of unused tax credits to five years, in accord with statutory changes. *[Rules 12-29.002 and 12-29.003, F.A.C.]*

Clarify Confidentiality Requirements: propose amendments clarifying confidentiality requirements of employees handling confidential tax information under the Registration Information Sharing and Exchange (RISE) Program. *[Rule 12-22.007, F.A.C.]*

Update Annual Tax Returns: propose amendments removing obsolete or unnecessary provisions for Sales and Use Tax; Solid Waste Fees and Rental Car Surcharge; Severance Taxes; Insurance Premium Tax; Corporate Income Tax and Emergency Excise Tax; and Tax on Governmental Leasehold Estates. *[Rules 12-3.0015, 12-6.0015, 12-16.003, 12-18.001, 12-18.004, 12-22.005, 12A-1.0142, 12A-1.097, 12A-1.107, 12A-16.008, 12B-7.008, 12B-7.026, 12B-8.001, 12B-8.0012, 12B-8.003, 12B-8.006, 12B-8.007, 12B-8.016, 12C-1.003, 12C-1.051, 12C-1.343, and 12C-2.0115, F.A.C.]*

(ATTACHMENT 4)

RECOMMEND APPROVAL

5. Respectfully request final adoption and approval to file and certify with the Secretary of State under Chapter 120, F.S., the following proposed rule:

Clarify Procedures for Undistributable Collections: propose amendments to child support enforcement rule relating to monies that cannot be distributed due to death of or inability to locate recipient. *[Rule 12E-1.0051, F.A.C.]*

(ATTACHMENT 5)

RECOMMEND APPROVAL



Florida Department of Revenue
Annual
Performance
Contract

Fiscal Year 2011-2012
Lisa Vickers, Executive Director

Annual Performance Contract Fiscal Year 2011-12

Lisa Vickers, Executive Director
Florida Department of Revenue

Thank you for the privilege of serving our state as the Department of Revenue's executive director. Revenue employees continue to rise to the challenge of meeting an increasing demand for services during a time of economic hardship for our customers and budget reductions for state agencies. During Fiscal Year 2010-11, all three of our operational programs increased their productivity by implementing strategies developed through our planning process, which includes measurement of results, trend analysis, employee input, and best practices research.

Following are highlights of our increased productivity, cost reductions, and strategies for continuing to improve our cost-effectiveness.

Increasing Productivity

Child Support Enforcement

Total Collections The total amount of child support collected and distributed annually by the Department of Revenue continues to increase, with \$1.58 billion collected and distributed in State Fiscal Year (SFY) 2010-11.

Total Child Support Collected and Distributed (in billions)			
SFY 2007-08	SFY 2008-09	SFY 2009-10	SFY 2010-11
\$1.331	\$ 1.414	\$ 1.467	\$ 1.580

Percentage Growth in Collections For Federal Fiscal Year (FFY) 2009-10, the amount collected and distributed by Florida's Child Support Enforcement Program increased 5.0 percent over the prior year, while the eight other largest states realized a 0.2 percent increase and the nation as a whole increased by 0.7 percent. Florida's percentage growth in distributed collections was fourth highest in the nation.

Incentive Earnings As a result of its increase in annual collections, Revenue will receive a higher percentage of federal performance incentive earnings for FFY 2009-10 than for the prior year. Revenue's performance incentive earnings percentage is projected to remain at the higher level for FFY 2010-11, which ends on September 30, 2011.

Child Support Enforcement Program Federal Performance Incentive Earnings			
FFY 2007-08 Actual	FFY 2008-09 Actual	FFY 2009-10 Preliminary ¹	FFY 2010-11 Estimated ²
5.38%	5.62%	5.91%	5.91%
\$25,981,157	\$28,316,508	\$29,788,734	\$30,261,571

Support Order Establishment Revenue established 58,484 new support orders in SFY 2010-11, a 16.8 percent increase from the SFY 2009-10 total of 50,087.

¹ Based on the Office of Child Support Enforcement Preliminary Data Report for FFY 2009-10.

² Estimated conservatively assuming that Florida's distributed collections percentage increase from FFY 2009-10 to FFY 2010-11 will at least equal the percentage increase of the nation as a whole.

General Tax Administration

Total Receipts Total receipts for taxes and fees administered by Revenue were approximately \$32.4 billion in FY (State Fiscal Year) 2010-2011. The Department also processed \$5.2 billion in receipts for other state agencies.

Accounts Receivable Percentage The Department's tax accounts receivable total is approximately 1.4 percent of annual revenues, significantly better than the industry standard of 2 percent.

Audit Collections The Department's efforts to improve audit selection and audit quality, together with the 2011 Tax Amnesty authorized by the Legislature, produced a major increase in audit collections in FY 2010-11.

Tax Audit Collections (in millions)			
FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
\$ 196.9	\$ 176.2	\$ 257.0	\$ 323.3

Criminal Investigation Results Revenue's General Tax Administration Criminal Investigation Process collected a total of \$6.23 million in FY 2010-11, up 33 percent from \$4.67 million the year before. For the second year in a row, the Department's favorable disposition rate was 99 percent. The success of the criminal investigation process acts as a deterrent to deliberate noncompliance.

Property Tax Oversight

Equity and Uniformity With improved oversight and assistance from the Department, Florida's 67 county property appraisers achieved an estimated 99.6 percent statewide average level of assessment in 2011. Greater uniformity in assessments results in more equitable tax burdens across property types, and the appropriate amount of revenue for public schools and other vital services.

Statewide Average Level of Assessment			
2008	2009	2010	2011
96.8%	96.8%	96.2%	99.6%^e

Decreasing Costs

Revenue's management team continually seeks opportunities to decrease costs throughout the agency. All employees are encouraged to identify opportunities to reduce costs in their work processes, and many cost reduction strategies begin as employee suggestions. The following are some examples of cost savings realized in FY 2010-11:

- Renegotiated Child Support Enforcement Program contracts for location of parents, staff augmentation support, and other services, and terminated a legal services contract (following clarification of rules related to attorney representation), for a total cost reduction of \$705,000.
- Decreased the number of contractors supporting the Child Support Enforcement module of the FLORIDA system, saving \$2 million.
- Decreased processing and mailing costs approximately \$400,000 for the General Tax Administration Program by implementing remote deposit, promoting e-filing, and increasing electronic communication with taxpayers.
- Reduced five-year projected leasing costs by more than \$4.5 million through better lease management and space consolidation.
- Reduced annual lease costs for Tallahassee employees by approximately \$1.3 million by relocating to the Capital Circle Office Center (CCOC).
- Reduced copier lease costs by approximately \$289,000 per year by evaluating copying and printing practices for efficiency, implementing consistent guidelines for leasing copiers, and negotiating new agencywide copier contracts.
- Eliminated approximately \$415,000 in annual utilities costs through the move to the CCOC.

Strategies for the Future

We have established four basic criteria for strategy development within our current operating environment:

- Reduce costs.
- Increase performance through process improvement and more effective use of technology.
- Improve customer service within existing resources.
- Maintain a skilled, effective workforce.

The following are some of the key strategies Revenue is implementing, each of which meets one or more of these criteria:

Direct resources more effectively through analysis of business data

- Increase tax collections through collection analytics—using historical account information to help prioritize collections work.
- Improve tax audit selection to increase audit effectiveness.
- Analyze Florida's Tax Gap—review and identify strategies to better leverage resources.
- Identify critical manual child support tasks that will increase the number of cases available for automated and manual actions, and reassign employees to focus on those tasks.

Use third-party business data to increase tax collections

- Compare reports received from wholesalers/distributors of alcohol and tobacco products to tax reporting of retailers to identify underreporting of sales tax.
- Implement Financial Information Data Match (FIDM) to identify bank accounts of businesses that have outstanding tax warrants.

Use internet technology to improve efficiency for customers and the Department

- Create one-stop registration for Florida businesses.
- Promote e-filing, increasing efficiency for both the Department and businesses.
- Increase electronic communication to promote taxpayer compliance and reduce program expenditures.
- Expand the Child Support e-Services portal to include all customer types, case actions, and employers.
- Establish e-portals for submission of property tax documents by local officials.

Increase child support collections using the Child Support Enforcement Automated Management System (CAMS)

- Complete the transition from the twenty-year-old FLORIDA system to CAMS by implementing Phase II (scheduled for early calendar year 2012).
- Maximize the use of automation and manual intervention through staff awareness and understanding of CAMS compliance activities.
- Analyze CAMS performance to identify and prioritize improvements to the system.

Improve customer service effectiveness

- Develop a standard communication approach to maximize the effectiveness of child support staff's interactions with noncompliant noncustodial parents.
- Implement a new service delivery model in child support service centers that includes walk-up customer service stations and self-service computer terminals.
- Improve child support contact center performance by implementing skills-based routing that aligns with the CAMS system.

Increase employee productivity using low-cost, flexible, software tools

- Decrease development and maintenance costs by creating new applications in one of the standard software tools already licensed to the Department and by migrating existing applications into the standard environment.
- Streamline workflows and eliminate time-consuming tracking and review processes.
- Develop an integrated property tax business warehouse to ensure accuracy and allow the Department and local officials to access information more quickly.

More information on Revenue's accomplishments and strategies is contained in our Long Range Program Plan and Capital Improvements Program Plan, which will be posted on the Florida Fiscal Portal.

I am grateful for your leadership and support. Thank you again for the privilege of serving the people of Florida.

**Florida Department of Revenue
Performance Measures and Standards**

Measure	Approved FY 2010-11 Standard	Prior Year Actual FY 2010-11	Meets Standard	Approved FY 2011-12 Standard
Property Tax Oversight Program				
Percent of classes/subclasses studied (for in-depth counties) & found to have a level of assessment of at least 90%	90.0%	90.7%	Exceeds	Request for Deletion
Statewide Level of Assessment	Approved measure for FY 2011-12	96.2%	N/A	96.8%
Percent of users of PTO Compliance Assistance satisfied with the services provided	90.8%	95.3%	Exceeds	94.0%
Child Support Enforcement Program				
Percent of IV-D cases missing critical data elements necessary for next appropriate action	16.0%	14.8%	Exceeds	15.5%
Percent of State Disbursement Unit collections disbursed within 2 business days of receipt	98.0%	99.2%	Exceeds	98.0%
Percent of IV-D cases with an order for support (federal definition)*	75.5%	75.5%	Meets Standard	74.5%
Percent of current support collected (federal definition)*	54.0%	53.3%	Below**	53.0%
General Tax Administration Program				
Percent of tax returns reconciled within 30 days	99.0%	97.9%	Below***	Request for Deletion
Percent of tax returns reconciled within 25 days	Approved measure for FY 2011-12	N/A	N/A	98%
Percent of educational information/assistance rendered meeting or exceeding taxpayers' expectations	96.0%	88.0%	Below ****	88.0%
Percent of tax compliance examinations resulting in an adjustment to a taxpayer's account	65.0%	61.0%	Below *****	65.0%
Percent of collection cases resolved in less than 90 days	66.0%	60.3%	Below *****	66.0%

*Estimated performance level. Final data will be available in January 2012.

** CSE – Florida's unemployment rate averaged 11% during the state fiscal year. Due to the high unemployment rate as well as the effects of the Deepwater Horizon Oil Spill, business partners ordered to provide child support were not able to meet their full obligation. These events had an adverse effect on this measure. Income Deduction is the most reliable way to get support payments timely. The Program initiated several strategies to close the gaps in our income withholding process. In an effort to increase payments through income deduction, the Program sent notices to employers who are not complying with new hire reporting laws. In addition, the Program targeted income sources such as unemployment in other states and pending Social Security benefits to ensure income withholding is initiated for all available income types.

The Program initiated monthly reviews of cases with a current support obligation and no payments in one, two and three years. These reviews generated various actions, some of which resulted in support payments.

The Child Support Enforcement Automated Management System (CAMS) is scheduled to be operational in February of 2012. The Program will then be able to implement projects to enhance enforcement activities.

*** GTA – A delay in processing unemployment compensation tax (UCT) first quarter 2011 returns impacted the performance measure outcome. The delay was a result of the Department's decision to hold these returns for processing until resolution regarding the potential legislative rate change was finalized. The Department submitted a budget amendment during the 2010-11 fiscal year requesting a new measure reducing the number of days for reconciling returns from 30 to 25 to demonstrate increased timeliness and performance.

**** GTA – Implementation of a new phone system at the beginning of FY 2010-11 altered the Department's survey process by automating the phone surveys, which resulted in fewer participants. The Department continues to explore options for improving our survey tools.

***** GTA – Performance for compliance examinations resulting in an adjustment to a taxpayers' account, although improved from last year's performance of 57%, needs further improvement to reach the desired level in FY 2011-12. Enhanced case selection techniques (data mining, use of third-party data) are being put into place to reduce the number of non-productive examinations. Performance for collection cases resolved in less than 90 days is near the desired standard. GTA received additional funding and has contracted with a private vendor to implement a collection analytics system that is anticipated to substantially improve performance in this area. The Program's efforts to resolve collection cases in a timely fashion has reduced the accounts receivable balance to 1.4% of annual revenues, exceeding the financial industry standard of 2%.

The Government Performance and Accountability Act of 1994 requires that agencies meet performance standards as specified in the annual General Appropriations Act. This “contract” contains the performance expectations for each of the Florida Department of Revenue’s programs for Fiscal Year 2011-12. Results of program performance will be reported quarterly, and a final report will be submitted to the Cabinet and Legislature at the end of the fiscal year.

Signed this _____ day of _____, 2011

The Honorable Rick Scott
Governor

The Honorable Jeff Atwater
Chief Financial Officer

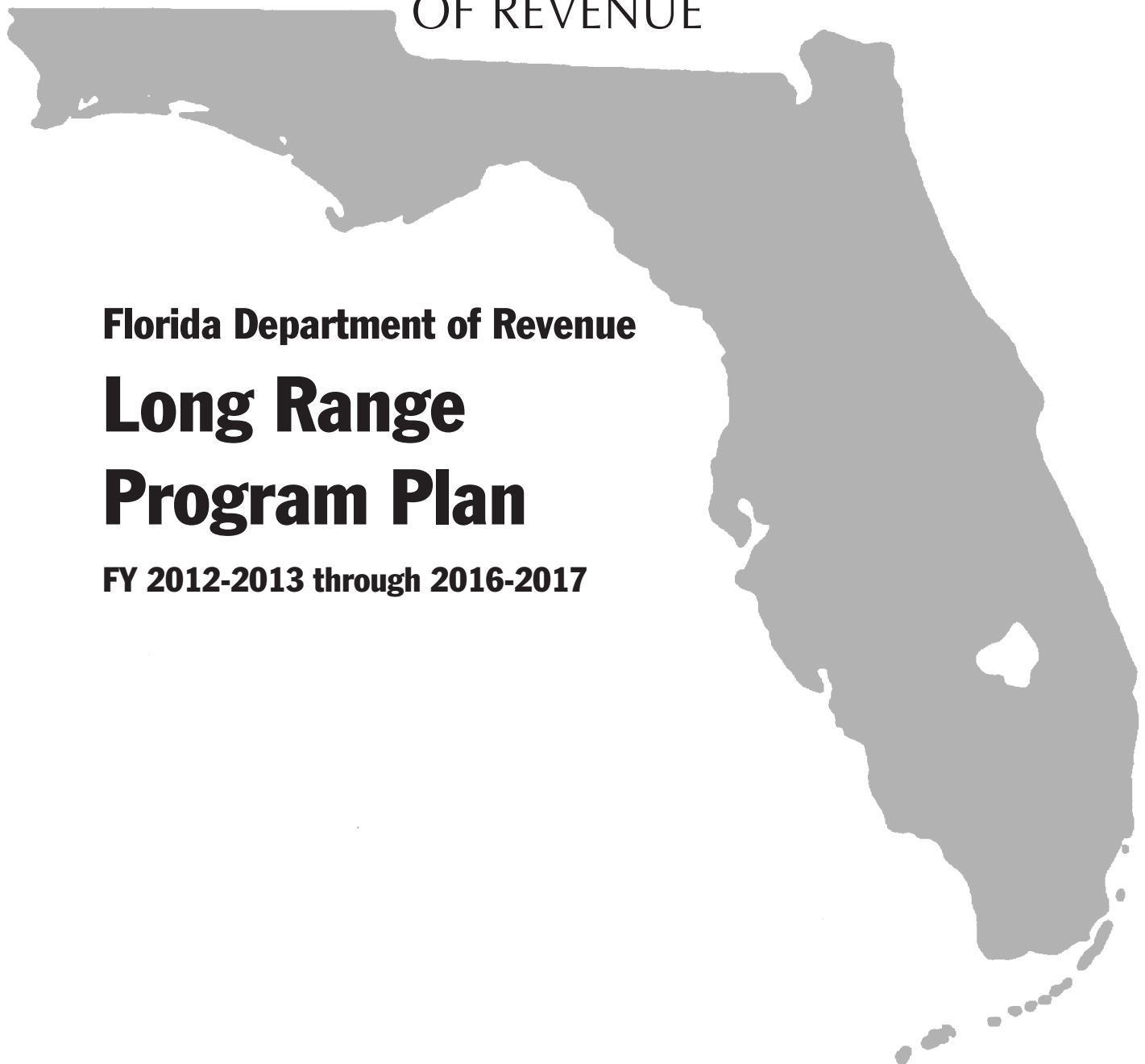
The Honorable Pam Bondi
Attorney General

The Honorable Adam Putnam
Commissioner of Agriculture

Lisa Vickers
Executive Director
Florida Department of Revenue



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Florida Department of Revenue

**Long Range
Program Plan**

FY 2012-2013 through 2016-2017



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Director
Lisa Vickers

Child Support
Enforcement
Ann Coffin
Director

General Tax
Administration
Jim Evers
Director

Property Tax
Oversight
James McAdams
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September 30, 2011

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JoAnne Leznoff, Staff Director
House Appropriations Committee
221 Capitol
Tallahassee, Florida 32399-1100

Terry Rhodes, Staff Director
Senate Budget Committee
201 Capitol
Tallahassee, Florida 32399-1300

Dear Directors:

The Department of Revenue's Long Range Program Plan is submitted in accordance with Chapter 216, Florida Statutes, and in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our mission, goals, objectives and measures for Fiscal Years 2012-13 through 2016-17. As executive director of the Department of Revenue, I have approved this plan, pending review and approval by the Governor and Cabinet. The plan is posted on the Florida Fiscal Portal, with a link on the "About Us" page of our website (http://dor.myflorida.com/dor/about_us.html).

Revenue employees continue to increase productivity, reduce costs, and manage growing workloads. In the state fiscal year just ended, our Child Support Enforcement Program increased collections to \$1.58 billion, 7.7 percent more than the previous year—Florida now ranks fourth in the nation in percentage increase in collections. The General Tax Administration Program's audits brought in \$323 million in FY 2010-11, a 25.7 percent increase. Our Property Tax Oversight Program's effective implementation of new property tax laws was recognized with a Davis Productivity Eagle Award, and our facilities program received national recognition for its cost reduction strategies.

On behalf of all Revenue employees, I want to express our appreciation for the support of the Governor, the Cabinet, and the Legislature as we strive to provide the best service possible to our state and its citizens. If you have any comments or questions, please call Lia Mattuski, Director of Financial Management (850-717-7059) or me (850-617-8950).

Sincerely,

Lisa Vickers

Lisa Vickers

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Department Vision, Mission, Values, and Guiding Principles

Vision of the Florida Department of Revenue:

VISION

An agency that is accessible and responsive to citizens, provides fair and efficient tax and child support administration and achieves the highest levels of voluntary compliance.

MISSION

- ◆ To serve citizens with respect, concern and professionalism;
- ◆ To make complying with tax and child support laws easy and understandable;
- ◆ To administer the laws fairly and consistently; and
- ◆ To provide excellent service efficiently and at the lowest possible cost.

WHAT WE BELIEVE

We believe that we must make a positive difference in the lives of the people we serve. We commit to being accessible and responsive, and serving with integrity.

We believe that public service is a public trust. The public deserves a government that is open and honest. We will display the highest ethical standards and serve taxpayers, parents, local governments, and our partners fairly and professionally.

We believe that we must make it as easy as possible for people and businesses to pay their taxes and pay and receive child support. We will communicate in a clear, easily understood manner to explain their responsibilities, and we will enforce the law consistently and fairly.

We believe that we must continue to improve the way we do our work. We will provide excellent service at the lowest possible cost. We will seek innovations from public and private organizations, our employees, and the people we serve.

We believe that people in public service have a responsibility to each other. We will ensure an atmosphere of respect and trust throughout our organization. We will succeed only if we trust each other, invest in each other and bring honest, willing hearts to our daily work.

Department Vision, Mission, Values, and Guiding Principles

V ALUES

The Department of Revenue subscribes to the following fundamental beliefs that guide the actions of every individual member of the agency, as well as the agency collectively. In our recruitment and hiring processes, we seek individuals who display these values, and we recognize and reward employees who model these values in the daily performance of their jobs. It is as a result of the exceptional display of these values that we are able to create an environment in which the value of diversity is appreciated and the organization thrives.

Of Character

- Integrity*** – We conduct and express ourselves in accordance with our values.
- Honesty and Trust*** – We have the courage to be honest and to trust others.
- Fairness*** – We treat everyone without bias and based upon facts.
- Respect*** – We appreciate, honor, and value others.
- Concern for Others*** – We empathize with and care for others.

Of Performance

- Service*** – We provide quality customer service.
- Excellence*** – We achieve quality performance through our commitment to continual improvement.
- Innovation*** – We seek ways to be innovative in our programs and services.
- Commitment*** – We achieve our mission through enablement and determination.
- Communication*** – We express ourselves freely and share information openly.
- Teamwork*** – We cooperate to get things done and never willingly let a team member fail.
- Knowledge*** – We grow through education, experience, and communication.

G UIDING P RINCIPLES

As employees of the Florida Department of Revenue, we will:

- ◆ Increase voluntary compliance.
- ◆ Reduce the burden on those we serve.
- ◆ Increase productivity.
- ◆ Reduce costs.
- ◆ Improve service.

Department Goals, Objectives and Performance Projection Tables

Department goals based on our guiding principles are listed in priority order. After each prioritized Department goal, the program's related objectives and outcomes are listed alphabetically.

Goal #1: Increase voluntary compliance.

Child Support Enforcement (CSE)

CSE 1A:

Objective: Increase collections on current obligations in IV-D cases.

Outcome: Percent of current support collected (federal definition).

FY 1998-99 (Baseline Actual)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
48.6%	54.0%	54.5%	55.0%	55.5%	56.0%

General Tax Administration (GTA)

GTA 1A:

Objective: Improve the quality of educational information/assistance rendered.

Outcome: Percent of educational information/assistance rendered meeting or exceeding taxpayers' expectations.

FY 2010-11 (Baseline Actual)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
88.0%	88.0%	89.0%	90.0%	91.0%	92.0%

*Although the outcome measure has been maintained since FY 2004-05, FY 2010-11 is now referenced as baseline actual based on methodology change in FY 2010-11.

Property Tax Oversight (PTO)

PTO 1A:

Objective: Improve the just valuation and uniformity of all classes and subclasses of property studied.

Outcome: Statewide level of assessment for Real Property

2009-10 (Baseline Actual)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
96.8%	97.0%	97.0%	97.1%	97.2%	97.3%

Department Goals, Objectives and Performance Projection Tables

Goal #2: Increase productivity and reduce costs.

Child Support Enforcement (CSE)

CSE 2A:

Objective: Ensure that all cases are available for any appropriate action.

Outcome: Percent of IV-D cases missing critical data elements necessary for next appropriate action.

FY 2007-08 (Baseline Actual)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
17.0%	15.0%	15.0%	15.0%	15.0%	15.0%

CSE 2B:

Objective: Increase support order establishment for children in IV-D cases.

Outcome: Percent of IV-D cases with an order for support (federal definition).

FY 1998-99 (Baseline Actual)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
48.9%	75.5%	76.5%	77.5%	78.0%	78.0%

General Tax Administration (GTA)

GTA 2A:

Objective: Improve the productivity of tax compliance examinations.

Outcome: Percent of tax compliance examinations resulting in an adjustment to a taxpayers account.

FY 2009-10 (Baseline Actual)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
57.0%	65.0%	66.0%	67.0%	68.0%	69.0%

GTA 2B:

Objective: Improve the timeliness of resolving collection cases.

Outcome: Percent of collection cases resolved in less than 90 days.

FY 2009-10 (Baseline Actual)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
60.0%	66.0%	67.0%	68.0%	69.0%	70.0%

Department Goals, Objectives and Performance Projection Tables

Goal #3: Improve service.

Child Support Enforcement (CSE)

CSE 3A:

Objective: Improve distribution of identifiable IV-D and appropriate non-IV-D payments to families and other states.

Outcome: Percent of state disbursement unit collections disbursed within two business days of receipt.

FY 2000-01 (Baseline Actual)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
96.5%	98.0%	98.0%	98.0%	98.0%	98.0%

General Tax Administration (GTA)

GTA 3A:

Objective: Improve the timeliness of processing a tax return.

Outcome: Percent of tax returns reconciled within 25 days.

FY 2004-05 (Baseline Actual)	FY 20012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Unavailable	98.0%	99.0%	99.0%	99.0%	99.0%

**Approved new measure as of FY 2011-12 with standard change from 30 days to 25 days.*

Property Tax Oversight (PTO)

PTO 3A:

Objective: Improve customer/supplier satisfaction with program products and services.

Outcome: Percent of users of PTO Compliance Assistance satisfied with the services provided.

FY 2004-05 (Baseline Actual)	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
90.0%	95.0%	95.0%	96.0%	96.0%	96.0%

Linkage to Governor's Priorities

How do Department goals link to the Governor's seven priorities?

As the state's primary revenue collection department, the Department of Revenue's purpose is to collect and distribute the revenue that funds government. Our goals are directly linked to the accomplishment of several of the Governor's priorities.

	Governor's Priorities	DOR's Programs/Goals
1	Accountability budgeting	Goal #2: Increase productivity and reduce costs
2	Reduce government spending	Goal #2: Increase productivity and reduce costs
3	Regulatory reform	Goal #1: Increase voluntary compliance Goal #2: Increase productivity and reduce costs
4	Focus on job growth and retention	Goal #1: Increase voluntary compliance
5	World class universities	N/A
6	Reduce property taxes	Property Tax Oversight ensures fair and equitable administration of Florida's local property tax system, which provides the funding for public education programs.
7	Eliminate Florida's Corporate Income Tax over seven years	General Tax Administration ensures that state taxes are administered fairly and uniformly.

Organizational Overview

The Department of Revenue's primary areas of responsibility are established in section 20.21 of the Florida Statutes. Revenue carries out these responsibilities through its three operational programs: Child Support Enforcement, General Tax Administration, and Property Tax Oversight. The tables on the next page and in the "Stakeholders" section of the "Organizational Overview" describe Revenue's organization, functions, and stakeholders.

Child Support Enforcement

Each state is required by the federal government to operate a child support enforcement program as a condition for receiving the Temporary Assistance for Needy Families federal block grant. The purpose of the program is to help children get the financial support they need when it is not received from one or both parents. To accomplish this purpose, Revenue locates parents, establishes paternity, establishes and enforces child support orders, and receives and distributes child support payments.

A parent or caregiver who applies for or is receiving temporary cash assistance, Medicaid, or food assistance on behalf of a child is automatically referred to the Department of Revenue for assistance. Most of the child support payments collected by the Department are disbursed to the parent or caregiver of the child. Payments are also used to reimburse the federal and state governments for the amount of temporary cash assistance the family received. Any parent can ask the Department to provide child support services, even if the family is not receiving public assistance.

General Tax Administration

The purpose of Revenue's General Tax Administration Program is to collect and distribute state taxes accurately and efficiently. The Department administers 32 taxes and fees, including sales and use tax, corporate income tax, motor fuel tax, documentary stamp tax, communications services tax, unemployment tax, and insurance premium tax. Revenue is responsible for registering taxpayers and processing tax payments, and for using education, collection, dispute resolution, investigation, and enforcement methods to bring taxpayers into compliance with the law, resulting in the collection of taxes that are owed to the State.

Businesses are Revenue's partners in tax administration, collecting most of the state's taxes and remitting them to the Department. Revenue strives to promote voluntary compliance by making compliance as easy as possible, assisting taxpayers, and enforcing the law fairly and effectively.

Property Tax Oversight

Local governments administer Florida's property tax, including assessment, tax collection, and dispute resolution. Revenue's Property Tax Oversight Program is charged with overseeing this process. The Department's key responsibility is the review and approval of all county tax rolls to ensure that they are uniform and equitable, within each county and across the state.

Revenue oversees local governments' compliance with constitutional and statutory requirements for property valuation, property classification and exemptions, Truth in Millage (TRIM) and millage levying, refunds and tax certificate cancellations, value adjustment board proceedings, and annual budgets. Revenue also offers technical and legal assistance to local governments, provides education and certification for property tax officials, and coordinates statewide efforts such as mapping and aerial photography for Florida's Geographic Information System (GIS).

Trends and Conditions

Department of Revenue Programs, Functions, and Outcomes

Program & Purpose	Primary Functions	Outcomes
Child Support Enforcement		
To help children get the financial support they need when it is not received from one or both parents	<ul style="list-style-type: none"> • Locate parents. • Establish paternity. • Establish child support orders. • Enforce child support orders. • Receive and distribute child support payments. • Educate and assist parents and the public. • Work with other entities that carry out critical steps in the child support process, including state agencies, county officials, other states and countries. 	<ul style="list-style-type: none"> • Legal establishment of paternity • Legal obligations to pay support • Support payments to families • Health insurance and medical support for children • Reimbursements to federal and state governments for temporary cash assistance payments <p>Total child support collected and distributed to Florida families was \$1.58 billion in SFY 2010-11, a 7.7 percent increase from SFY 2009-10's total of \$1.467 billion.</p>
General Tax Administration		
To collect and distribute state taxes and fees accurately and efficiently Revenue administers 32 taxes and fees.	<ul style="list-style-type: none"> • Register businesses for the collection of taxes. • Receive and deposit tax payments. • Review tax returns and notify taxpayers of errors. • Help taxpayers with questions and problems. • Audit taxpayers to ensure compliance with the law. • Investigate tax fraud. • Collect overdue taxes. • Process tax refunds. • Distribute funds to state accounts & local governments. • Receive & process payments for other state agencies. 	<ul style="list-style-type: none"> • Registration of Florida businesses for the taxes that apply to them • Timely and accurate payments by taxpayers • Collection of past due amounts • Prompt deposits into state, local, and trust fund accounts of payments received by the Department • Taxpayer compliance with the law <p>Total receipts for taxes and fees administered by Revenue were approximately \$32.4 billion in FY 2010-11. Revenue also processed approximately \$5.2 billion in receipts for other state agencies.</p>
Property Tax Oversight		
To ensure fair and equitable administration of Florida's local property tax system	<ul style="list-style-type: none"> • Review and approve the property tax rolls for each of Florida's 67 counties every year. • Review and approve the annual budgets of property appraisers and most tax collectors. • Ensure that Florida's 644 local levying authorities comply with millage levying procedures, and public disclosure laws. • Provide technical and legal guidance to local officials. • Review certain property tax claims for refunds. • Provide training to elected officials, levying authorities. • Provide training and oversight to value adjustment boards. • Centrally assess railroad properties. • Respond to questions from the public. 	<ul style="list-style-type: none"> • Property tax rolls in compliance with constitutional and statutory standards. • Millage levies in compliance with constitutional and statutory standards. • Local officials trained and in compliance with property tax laws and standards. <p>In 2010, Florida's local governments and taxing authorities levied more than \$25.8 billion in property taxes on 11 million parcels of real and tangible personal property, total market value: \$1.93 trillion. Statewide average level of assessment was 96.2%.</p>
Executive Direction and Support Services		
To lead the Department to increased effectiveness and cost efficiency, and better service to the state of Florida To provide support services that help each program reach its goals	<ul style="list-style-type: none"> • Provide day-to-day leadership for the agency. • Lead the planning process, ensuring that all employees can contribute their ideas, and that all programs follow Revenue's Strategic Leadership planning process. • Respond to requests and requirements from the Governor, Cabinet, and Legislature. • Provide financial management oversight and support. • Provide human resources support. • Develop and provide agency wide training. • Manage legal matters and provide legal counsel. • Review operations for compliance with legal requirements. • Inform employees of work-related issues and actions. • Prepare for and manage emergency situations. 	<ul style="list-style-type: none"> • An effective, continually improving agency • An appropriately trained and skilled workforce • Safe, economical workplaces that meet the needs of our customers and our employees • Compliance with legal requirements • Efficient use of resources and accurate accounting • An engaged and committed workforce • Emergency preparedness
Information Services		
To provide technology services to enable the Department to operate efficiently and effectively	<ul style="list-style-type: none"> • Provide, manage, and maintain computer system infrastructure. • Select, implement, and support software solutions to meet the needs of the Department. • Provide information and support the effective use of technology resources by Revenue employees. • Ensure that the Department's information resources are protected against internal and external threats. 	<ul style="list-style-type: none"> • Secure, effective information systems • Increased efficiency in carrying out Revenue's responsibilities

Results

Strategy development, streamlining of processes, efficient resource allocation, automation, and the elimination of less productive functions—by applying these principles throughout the organization, the Department of Revenue continues to increase productivity while improving service and decreasing costs. Our accomplishments and external recognition through the end of State Fiscal Year 2010-11 include the following:

Child Support Enforcement

\$1.58 billion collected for Florida families

The Child Support Enforcement Program collected and distributed \$1.58 billion in State Fiscal Year 2010-11, an increase of 7.7 percent over the previous year.

Fourth in the nation in increasing collections

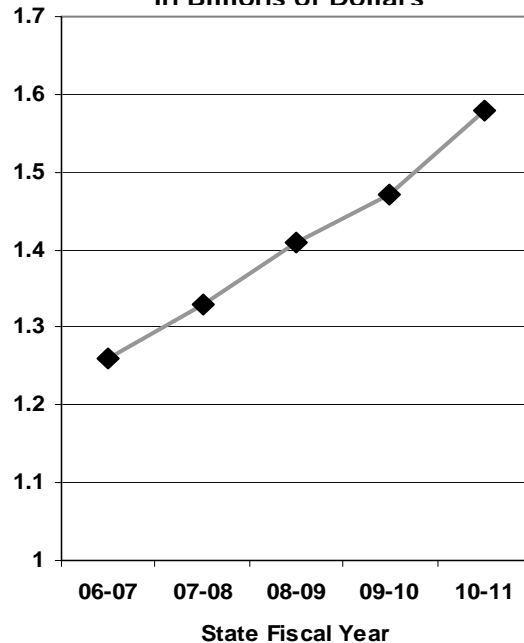
For Federal Fiscal Year (FFY) 2010 (ending September 30, 2010), Florida's Child Support Enforcement Program collected and distributed \$1.48 billion, an increase of 5.0 percent over the prior year, while the eight other largest states (in population) realized a 0.2 percent increase and the nation as a whole increased by 0.7 percent. Florida's percentage growth in distributed collections was fourth highest in the nation.

Child Support Enforcement		
Percentage Increase in Collections FFY 2009 – FFY 2010		
Florida	Large States	All States
5.0 %	0.2 %	0.7 %

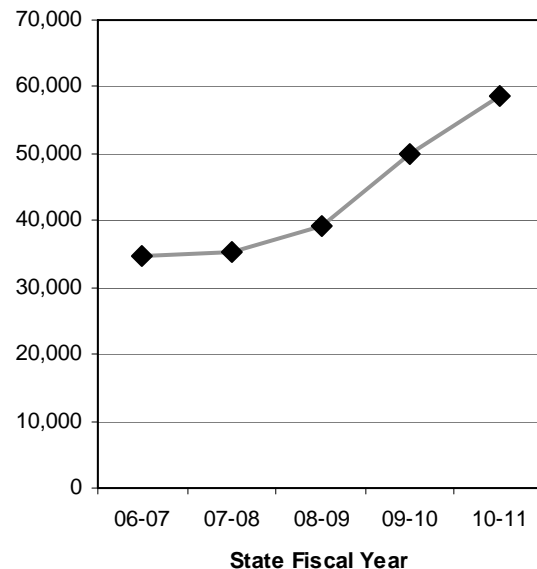
Increased order establishment

In State Fiscal Year (SFY) 2010-11, the Department established 58,484* new support orders, a 16.8 percent increase from the previous year's total of 50,087** and a 49 percent increase from two years ago.

Child Support Collections
in Billions of Dollars



Child Support Orders Established



* As of June 30, 2011 – Number may increase due to the time lag in order entry.

** This number has increased from the amount reported in last year's LRPP (49,090) due to the time lag in order entry.

General Tax Administration

Audits produce record collections

Collections resulting from audits totaled \$323 million in FY 2010-11, a record for the General Tax Administration Program and a 25.7 percent increase over the prior year's amount of \$257 million. The 2010 tax amnesty program and improvements in the audit process contributed to the increase.

Tax amnesty brings in over \$277 million

From July 1 through September 30, 2010, the Department of Revenue conducted a tax amnesty program authorized by the 2010 Legislature. Through the end of the fiscal year, the Department collected over \$277 million in payments under amnesty agreements and paved the way for additional increases in tax collections by registering more than 2,800 businesses to pay taxes or fees on an ongoing basis.

Accounts receivable percentage beats the industry standard

At the end of FY 2010-11, Revenue's accounts receivable were approximately 1.4 percent of annual revenues, significantly better than the financial industry standard of 2 percent, and an improvement over the previous year's percentage of 1.95. The accounts receivable balance at the end of FY 2010-11 was approximately \$148 million (21.4 percent) less than the prior year.

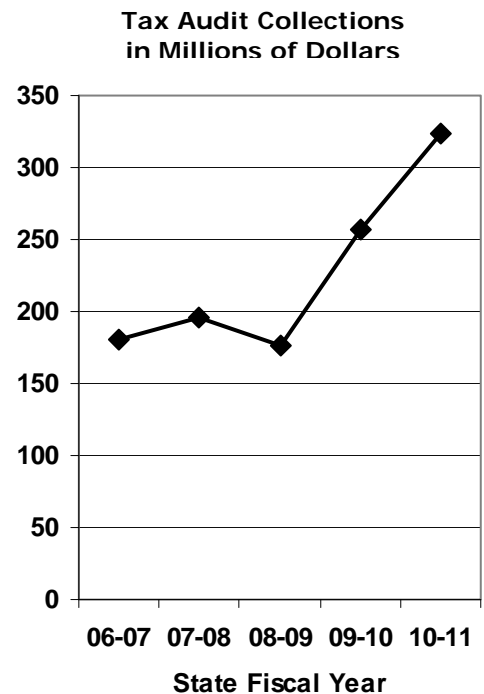
Electronic deposit gets tax money in the bank four to five days sooner

During FY 2010-11, the Department implemented remote deposit of checks via ICL (image cash letter) technology for sales tax at 16 in-state service center and headquarters locations. Over 140,000 deposits exceeding \$125.5 million were processed using this technology. The State began earning interest on these funds four to five days earlier because checks were deposited on the day received instead of being bundled and mailed to Tallahassee for deposit.

Criminal investigation collections up 33 percent

Revenue's General Tax Administration Criminal Investigation Process collected a total of \$6.23 million in FY 2010-11, up 33 percent from \$4.67 million the year before. Specifically, collections associated with the Tax Collection Enforcement Diversion Program (TCEDP) increased by 30 percent from the prior fiscal year. This amount does not include the significant sums directly or indirectly collected through our non-prosecution dispositions.

For the second year in a row, Revenue's Criminal Investigation Process achieved a 99 percent favorable disposition rate on its prosecution referrals, a significant improvement over our historical benchmark of 93-95 percent. An important but unmeasurable effect of the success of Revenue's Criminal Investigation Process is as a deterrent to deliberate noncompliance.



Property Tax Oversight

Equity and Uniformity

With improved oversight and assistance from the Department, Florida's 67 county property appraisers achieved an estimated 99.6 percent statewide average level of assessment in 2011. Greater uniformity in assessments results in more equitable tax burdens across property types, and the appropriate amount of revenue for public schools and other vital services.

Statewide Average Level of Assessment			
2008	2009	2010	2011
96.8%	96.8%	96.2%	99.6%^e

Business association ranks Florida one of the top five states in property tax fairness

In 2010, the Council On State Taxation (COST), an association of approximately 600 multistate corporations, conducted a study on the fairness of the property tax systems of all 50 states.

The only one of the nation's five most populous states to be ranked among the top five is Florida. Florida and three other states received a B+; only the State of Maryland achieved a higher grade. COST's criteria for fairness include efficient, standardized filing, remittance, and appeal procedures throughout the state; centralized oversight of local property tax procedures (when the tax is administered locally); an independent appeals process; and a property tax burden that is balanced and uniform.

COST Property Tax Scorecard		
Top Five States		
State	Grade	Rank
Maryland	A-	1
Oregon	B+	2
Georgia	B+	3
Florida	B+	4
Kentucky	B+	5

Revenue's Property Tax Oversight Program receives Davis "Eagle" Exemplary Agency Award

Since 2007, the Department of Revenue's Property Tax Oversight Program has successfully guided the implementation of 12 reform initiatives that saved Florida citizens approximately \$2.4 billion in property taxes between 2008 and 2009. For this accomplishment, the Property Tax Oversight Program was awarded the 2011 Davis Productivity "Eagle" award, which is the highest award in the Sustained Exemplary Performance category.

Support Programs

National recognition for facilities management

The Department of Revenue is one of two state agencies nationwide to receive recognition in the 2011 Innovation Awards competition of the National Association of State Facilities Administrators. The Innovation Award recognizes a state facilities organization for establishing an innovative program that produces cost savings and measurable improvements, and that could serve as a model for other state agencies.

The Department was awarded "Honorable Mention" for reengineering its management of leases of privately-owned facilities. Using the new lease management process, Revenue has negotiated more favorable lease terms and reduced the total square footage of its service centers, resulting in a projected cost avoidance of over \$4.5 million over the next five years. (More information on Revenue's efforts to reduce leasing costs is provided in the "Agency Response to a Changing Environment" section of this report.)

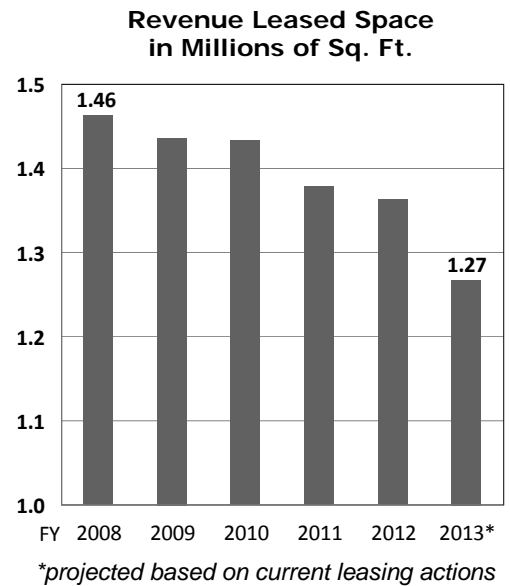
Saving money on copying and printing

By evaluating copying and printing practices for efficiency, implementing new, consistent guidelines for leasing copiers, and negotiating new copier contracts, the Department has reduced its copier lease costs by approximately \$289,000.

Additional savings are being realized through the elimination of desktop printers, setting defaults to duplex, and converting paper processes to electronic.

Realizing savings from consolidation of Tallahassee offices

Now that the State's new Revenue facilities at the Capital Circle Office Center in Tallahassee have been fully occupied for more than six months, the Department is beginning to realize the savings projected for this move. Leasing cost for housing these approximately 2,000 employees has been reduced from approximately \$7.9 million to \$6.6 million; \$415,000 in annual utilities costs has been eliminated, and additional cost reductions are being achieved through increased efficiency and resource sharing.



Stakeholders

To carry out its responsibilities, each of the Department's programs depends on the support and cooperation of external stakeholders. A stakeholder may have one or more of the following relationships with the Department:

- Directors: Establish policy, requirements, and expectations.
- Customers: Receive services.
- Partners: Perform tasks that are an essential part of the Department's work processes.
- Suppliers: Provide information or resources as inputs to the Department's processes.

Major Stakeholders—Child Support Enforcement		
Stakeholder	Relationship	Role
Congress	Director and Supplier	Establish legal requirements for child support programs. Provide funding.
Federal Government	Director	Establish expectations and evaluate performance.
Florida Legislature	Director and Supplier	Establish state child support law. Provide funding.
Governor and Cabinet	Director	As head of the agency, provide direction and guidance.
Children	Customer	Have legal paternity established if needed. Receive the support they need and deserve.
Parents and Caregivers	Customer and Supplier	Receive or remit support payments. Receive assistance with child support matters. Provide the information necessary for child support actions.
State of Florida	Customer	Avoid costs to public assistance programs when families receive child support payments. Receive reimbursement for temporary cash assistance paid to families.
Citizens	Customer	Benefit from children growing up with support from both parents. Benefit from reduced public assistance program costs.
Other states and countries	Partner	Collaborate on interstate and international cases.
Circuit Courts	Partner	Issue court orders based on judicial filings.
County Clerks of Court	Partner	Maintain all court and support payment records.
Law enforcement officials	Partner	Serve summonses and execute arrest warrants for parents ordered to pay support who fail to appear in court for nonpayment.
Hospitals	Partner	Assist parents in establishing paternity.
Department of Children and Families	Supplier and Partner	Refer parents to Revenue for services. Share data used to locate parents. Assist parents in establishing paternity.
Internal Revenue Service	Supplier and Partner	Withhold tax refunds to pay past-due child support obligations. Share data used to locate parents.
Other state agencies	Supplier and Partner	Share data used to locate parents. Assist parents in establishing paternity.
Employers	Supplier and Partner	Report newly hired employees. Implement wage withholding to make support payments. Enroll children in health insurance.

Trends and Conditions

Major Stakeholders—General Tax Administration		
Stakeholder	Relationship	Role
Florida Legislature	Director and Supplier	Establish state tax law. Provide funding.
Governor and Cabinet	Director	As head of the agency, provide direction and guidance.
State of Florida	Customer	Receive revenues to pay for government programs and service.
Businesses (registered taxpayers)	Supplier and Customer	Collect sales tax and other taxes and remit to the State. Receive assistance in understanding and complying with tax law.
Employers	Supplier and Customer	Remit unemployment tax to the State. Receive assistance in understanding and complying with tax law.
Other tax filers	Supplier and Customer	Remit taxes to the State. Receive assistance in understanding and complying with tax law.
Local governments	Supplier and Customer	Collect some taxes on behalf of the State. Receive shared state revenues.
Other state agencies	Customer	Use Revenue's fee collection services.
Agency for Workforce Innovation / Department of Economic Opportunity	Partner	Collaborate in the administration of unemployment tax.
Internal Revenue Service	Supplier	Share data to identify patterns of potential tax evasion.

Major Stakeholders—Property Tax Oversight		
Stakeholder	Relationship	Role
Florida Legislature	Director and Supplier	Establish state property tax law. Provide funding.
Governor and Cabinet	Director	As head of the agency, provide direction and guidance.
State of Florida	Customer	Benefit from oversight of the State's property tax system to ensure compliance with the law.
Property Owners	Customer	Benefit from oversight that helps ensure fair and accurate property assessments. Receive assistance in understanding property tax law.
Citizens	Customer	Benefit from a fair and equitable property tax system that is local government's largest single source of revenue. Receive assistance in understanding property tax law and their appeal rights.
Department of Education & School Boards	Customer	Receive property tax information from Revenue for use in determining school millage rates and local effort funding requirements.
Local governments Tax collectors, property appraisers, levying authorities, and value adjustment boards	Customer	Administer Florida's property tax system. Submit tax rolls, budgets, and other documents for review and approval by Revenue. Receive education, certification, and assistance from Revenue.

Operating Environment

Economic Conditions

The nation continues to recover from the longest and most severe recession in post–World War II history. Florida's economy began to decline as early as November 2007, a full year earlier than the nation as a whole. This decline was driven primarily by the real estate crisis, as a real estate boom of many years' duration in the state came to a sudden end.

The impact of the collapse of the real estate market can be seen in the amount of real estate–related tax collections. Local government property tax revenues have been adversely impacted by the fourth consecutive year of falling property values, with tax valuations dropping 24 percent for school purposes from 2007 to 2011. Collections of state taxes related to real estate—documentary stamp tax and mortgage intangibles tax—fell for three consecutive years, then stabilized in State Fiscal Year (SFY) 2010-11 at only 30 percent of the revenues that were received in FY 2005-06. The level of documentary stamp tax collections in FY 2010-11 compares to FY 1998-99 collections in nominal terms.

As indicated by sales tax collections, much of the economic activity outside of the real estate market has stabilized as well, although also at substantially reduced levels compared to peak FY 2006-07 activity. Business investment has declined 22 percent from its FY 2006-07 high, the purchase of taxable durable goods is down 32 percent, and automobile-related activity is down 25 percent. On a more positive note, FY 2010-11 sales tax collections on tourism and recreation spending were only 3.6 percent below peak FY 2006-07 activity, and consumer nondurable taxable consumption was only 2.5 percent below its peak.

Many of the State's tax sources are dependent on income and/or population growth. Personal income in Florida fell in calendar year 2009 for the first time since 1946, declining 3.3 percent. Florida resident population fell by 0.3 percent in 2009. The State has historically relied on population growth to bolster revenue collections. However, the national recession was much more widespread throughout all regions of the U.S. than has typically been the case, and many who would like to move to Florida have been unable to because they cannot sell their existing homes. Net migration to the state has stalled—projections are for only a 0.4 percent annual growth rate between 2009 and 2021. The result has been declining employment and falling revenue collections through 2010. Florida's unemployment rate peaked in December 2010 at 12 percent and has since fallen to 10.7 percent in July 2011.

Florida's recovery will be dependent on a number of factors including business expansion and the real estate recovery. Construction-related activity is not expected to return to normal until the marketplace has absorbed the large number of foreclosed homes, as well as those that are pending foreclosure.

Florida's current tax laws affect the ability of businesses in the state to fairly compete on price for similar products. Sales tax statutes that were predominantly written before 1950 do not contemplate such changes as movement from tangible goods to digitally delivered media, internet purchases, and remote reservation services. These marketplace changes are creating a shift in business activity from Florida's main street merchants, who employ Floridians and contribute to state and local tax bases.

The decline in business activity and the high unemployment rate make it more difficult for some taxpayers and parents to meet their remittance obligations. In some cases, they may delay payment as they deal with financial stress. This puts an additional demand on the Department of Revenue's resources to maintain and improve compliance rates.

Trends and Conditions

Social Trends

While 67 percent of children in the United States live with both parents, 29 percent live with just one parent (the remaining four percent live with relatives, are in foster care, etc.). In Florida during calendar year 2010, there were 101,966 births to unwed mothers. The Florida Department of Health's Office of Vital Statistics reported that 33,992 marriages were dissolved in 2009, affecting 48,804 minor children. The persistently high divorce rate and the number of births to unwed mothers suggest that the national and state trend of increased demand for child support services will continue.

Regulatory Environment

A proposed constitutional amendment to limit assessment increases on non-homestead properties to five percent a year is scheduled to be on the November 2012 ballot. If the amendment is enacted, both local governments and the Department of Revenue will be required to devote resources to its implementation.

Resource Availability

The economic conditions Florida has been facing and is forecast to face in the next few years have resulted in reduced operating budgets for state agencies. Positions have been reduced each year for the past five years, and funding for new technological solutions to increase productivity is limited. Agencies are challenged to meet increasing demand for services with fewer resources.

Gradually decreasing resource availability presents several challenges for state agencies:

- sharing workload among fewer employees
- ensuring that critical activities are maintained at the same (or greater) level of performance
- keeping up with evolving customer expectations at little or no cost
- implementing new requirements within existing resources
- identifying and eliminating services or activities of less value to citizens
- responding to emergency situations without additional resources

Workforce Trends

In the current economic climate, there are many qualified job seekers applying for positions at government agencies as well as private sector businesses. However, as economic conditions improve, it will become more difficult to attract and retain qualified individuals.

For some specialized Department of Revenue positions, it is already difficult to attract qualified applicants and retain current employees. When attempting to fill tax auditor positions in some regions, the Department is not able to offer salaries that are competitive with other employers. Because of high turnover in these positions and the difficulty in finding replacements, Revenue frequently does not have a full complement of trained, productive employees to perform the critical task of auditing. Other positions that are difficult to fill are in the fields of property appraisal and information technology.

Social and communication trends are evolving rapidly, creating significant differences in what workers expect from their employers and employment experiences. Many workers who are just entering the workforce have grown up with instant electronic communication that is not tied to a work or home location. They expect greater flexibility in their work schedules and work environments than previous generations.

As employers adjust to meet the needs and expectations of an influx of employees who are new to the workforce, economic conditions are keeping some seasoned workers in the workplace longer. To be successful, organizations must be flexible enough to attract and retain workers just entering the workforce while continuing to benefit from the contributions of longtime employees.

Trends and Conditions

Although some employees plan to work longer because of economic conditions, others may choose to retire sooner because of changes to employment conditions or benefits. The Department of Revenue currently has about 470 employees in the Deferred Retirement Option Program and approximately 1,000 employees (20 percent of our workforce) who will become eligible to retire within the next five years. Succession planning and knowledge transfer will be important to maintain continuity of operations and avoid losses in productivity as longtime employees retire and new employees take on their responsibilities.

Trends in State Government

The Governor, Cabinet, and Legislature continue looking for ways to reduce state spending while maintaining key services. For several years, all agencies have been actively participating in the consolidation of information technology services. (See "Technology Environment – State Information Technology Management" below.) Another concept currently under discussion is the centralization of administrative support functions that are common to all agencies. The Governor has asked all agencies to review their administrative processes and identify those that could be efficiently administered centrally.

Technology Environment

Advances in Technology

Information technology hardware and software are evolving so rapidly that organizations must constantly be on the alert for changes and trends that could benefit their operations. In addition to providing enhanced performance, new solutions often save money. Hardware components now available are smaller, perform better, and are much less expensive to purchase, operate, and maintain. The cost of new hardware can often be recouped within one year through the reduced cost of maintenance. Powerful and flexible off-the-shelf software packages can meet many business needs without extensive programming, enhancing employee productivity without creating a burden on information technology staff. These opportunities to reduce costs and increase productivity are especially important when resources are scarce.

Trends in Internet Use

Continuous access, self-service, and the use of social media have become the norm in customer expectations for both public and private sector services. Citizens expect government information systems to perform accurately, securely, consistently, and continuously. Risks associated with hackers, viruses, and network or system outages are increasing as more government services become automated and people begin to rely on these online services. Cooperative interagency planning is required to maintain statewide data integrity and consistency, to reduce costs and redundancies, and to help ensure programmatic effectiveness and efficiencies.

State Information Technology Management

Over the past few years, the Florida Legislature has passed several measures that require the centralization of many of the information technology functions of state agencies.

Full Service Transfer/Data Center Consolidation

The transfer of positions, budget, and responsibilities to the two Primary Data Centers where Revenue equipment is currently housed was completed in September 2010. Revenue transferred selected hardware and software contracts to the Southwood Shared Resource Center (SSRC) in June of 2011, retaining the hardware and software contracts for assets at the Northwest Regional Data Center (NWRDC). Under the direction of the Agency for Enterprise Information Technology, the

Trends and Conditions

final wave of data center consolidation is currently under way. The transfer of information technology assets from the Department of Revenue data center at 5050 West Tennessee Street to the SSRC is scheduled for FY 2012-13 and will complete the incorporation of the Department's technology systems into the State's Shared Resource Centers.

Email Transition

With the Agency for Enterprise Information Technology taking the lead, the State has selected Microsoft Outlook as the single email service for all state agencies. The Department of Revenue is included in Phase One of the implementation, which is scheduled for completion by the end of calendar year 2011. Revenue will be transitioning from Novell GroupWise to Outlook.

Security

Effective November 15, 2010, Rule 71-A of the Florida Administrative Code, the "Florida Information Technology Resource Security Policies and Standards," established uniform procedures for all state agencies to follow to ensure the security of information systems. Revenue's Information Security Manager participated on the interagency team that developed the security strategic planning process, which is established in the rule. The rule affects agencies' hiring and personnel management practices as well as the management of information systems and the data they contain. As directed by the Agency for Enterprise Information Technology, Revenue is reviewing all security policies, procedures, and systems to identify and correct gaps between our practices and the requirements of the rule.

Agency Response to the Changing Environment

The Department of Revenue's planning process is based on an annual environmental assessment, identification of upcoming challenges, and evaluation of operational effectiveness. All employees are encouraged to share improvement ideas and participate in strategy development. The Strategic Leadership Board, which includes Revenue's Deputy Executive Director, Chief of Staff (who serves as program director for the Executive Direction and Support Services Program), and four program directors, reviews proposed strategies and projects and makes recommendations to the Executive Director.

Our biggest challenge for the next several years is to find ways to improve performance and cost-effectiveness without decreasing the quality of our service. The Department has developed four basic criteria for strategy development within our current operating environment:

- Reduce costs.
- Increase performance through process improvement and more effective use of technology.
- Improve customer service within existing resources.
- Maintain a skilled, effective workforce.

Each of Revenue's five programs has developed many specific strategies for the next five years, each of which is based on one or more of these criteria. Below are listed each program's key strategies.

Child Support Enforcement Strategies

Understanding the impact of the current economic climate on customers and resource availability, the Child Support Enforcement Program has identified four critical areas of strategic focus for the next five years.

- Implement the Child Support Enforcement Automated Management System (CAMS).
- Increase new support order establishments.
- Increase performance on current support and total collections.
- Implement new service delivery models.

Implement CAMS

For the next two to three years, increasing productivity through the implementation and refinement of CAMS will be Revenue's highest priority for the Child Support Enforcement Program. Several years ago, the Department realized that an effective automated system would be critical for the ongoing management of its ever-increasing workload (865,461 cases as of June 30, 2010). The legacy system Revenue has been using to manage child support was created in 1991, and is inefficient and inflexible compared to computer systems being developed today. User action is required for hundreds of routine tasks and modifying or improving the system is difficult and costly.

The first phase of CAMS was implemented in 2006. The functionality of Phase I includes: compliance determination, enforcement, location activities, and customer assistance support for enforcement.

The development of the second phase of CAMS began in February 2008. Implementation is planned for early in calendar year 2012. This phase includes functionality to support case creation, paternity establishment, support order establishment and modification, payment processing and funds distribution activities. With the completion of this second phase, CAMS will replace the legacy Title IV-D automated system that is currently part of the Florida Online Recipient Integrated Data Access (FLORIDA) system, which is managed by the Department of Children and Families.

Trends and Conditions

The full implementation of CAMS is expected to produce the following results:

- Automate routine tasks to free up staff time for more complex tasks.
- Increase collections.
- Improve data integrity and reporting.
- Improve performance on federal incentive measures to increase the potential for additional federal funding.
- Increase customer access to services.
- Reduce the expense and difficulty of implementing modifications to accommodate changes in federal and state requirements.

Following any major new technology implementation, the system's operations must be carefully monitored to identify functions or workflows that are not producing the intended results. The performance of CAMS will be systematically analyzed and improved to ensure that the Child Support Enforcement Program meets performance requirements for receiving federal incentive funding, and that the children and the State are receiving the most benefit possible from this system. The Program has identified the performance measures that will provide leading indicators of performance successes and possible declines post-CAMS implementation. These measures will be monitored closely to allow the Program to quickly prioritize system changes as well as to identify changes needed to overall strategies, performance targets, and allocation of resources.

Increase new support order establishments

Many enforcement and collection activities are being automated through CAMS. But before child support can be collected, a support order must be established. To take full advantage of the productivity potential of CAMS, we must establish support orders as quickly as possible. Over the past two years, the Department has implemented several strategies for increasing the number of support orders established, including flexible staffing, workflow improvements, and streamlining tasks using available technology. The number of orders established per year has increased 49 percent, from 39,279 in State Fiscal Year (SFY) 2008-09 to 58,484 in SFY 2010-11. However, the number of new requests for services per year also continues to increase, to approximately 165,000 in SFY 2010-11.

Strategies for increasing new support order establishments:

- Increase docket capacity by working with partners to add temporary hearing officers in judicial circuits with high pending workloads.
- Improve the efficiency of judicial referrals by changing the workflow of business processes leading up to initial judicial filing. These changes will reduce the number of judicial filings that result in dismissal.
- Increase the number of judicial referrals available for new order establishment by focusing resources on the business process and by continuing new performance measures and incentives implemented in FY 2010-11.

Increase performance on current support and total collections

To help families become and remain self-sufficient, Revenue must improve the reliability of child support payments. During the last federal fiscal year completed (FFY 2009-10), collections of current support increased 6.3 percent over the previous year. With increased support order establishment and more than 15,000 new service requests annually for enforcement of an existing order, the Program must increase its efficiency in bringing about the regular payment of support obligations.

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Strategies for increasing performance on current support and total collections:

- Maximize the use of both automation and manual intervention through staff awareness and understanding of the CAMS design for compliance activities.
- Develop a standard communication approach that will maximize the effectiveness of staff interactions with noncompliant noncustodial parents.
- Improve the income withholding process.
- Select cases with no payments for review by region staff.
- Study the impact of policy decisions on performance.

Implement new service delivery models.

An important component of increasing productivity is handling customer service requests more effectively. The Department is implementing new service delivery models based on customer expectations, best practices research, pilot projects, and technology developments. In SFY 2010-11, the Department began the implementation of two strategies that are part of this focus. One is the implementation of a new call center system that has advanced capabilities for increasing efficiency. The system provides more flexibility for managing call volumes and can be configured for skill-based routing, directing calls to specialists based on their skill level. We expect to implement skill-based routing in 2012 with the deployment of CAMS. By providing a better service experience for the caller and enabling the resolution of more issues on first contact, our new call center system has the potential to make more productive use of employee time.

The second new service delivery model implemented in SFY 2010-11 is our first e-Services portal, through which parents can update their personal information and obtain case information. At its initial implementation in August of 2010, e-Services were available to approximately 442,000 customers. In May 2011, access was made available to an additional 225,000 customers. So far, more than 70,000 customers have signed up for e-Services.

Strategies for implementing new service delivery models:

- Expand the e-Services portal to include all customer types, case actions, and employers.
- Implement a new walk-in service delivery model that includes walk-up customer service stations and self-service computer terminals where customers can access the e-Services portal. The Program has also applied for a federal grant to pilot web-chat capabilities.
- Improve contact center performance by implementing skills-based routing that aligns with the CAMS system.

General Tax Administration Strategies

To improve effectiveness in collecting the tax dollars owed to the State in the current economic environment, Revenue's General Tax Administration Program is focusing on strategies in three key areas:

- Focus resources and staff time effectively through data analysis.
- Increase efficiency by automating processes.
- Make compliance easier for taxpayers through internet technology.

Employ collection analytics to increase tax collections

SUNTAX (Florida's unified tax administration system) was designed to make data available for reporting and analysis, so Revenue can allocate resources in a more effective manner. While the data is readily available, tools must be added to the system to evaluate, analyze, and report on the data. Currently, through a contract with a consultant, Revenue is developing collection analytics tools to work with

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SUNTAX. These tools use the historical account information in SUNTAX to prioritize collections work and assign staff to cases with the highest potential for collecting more of the tax money owed to the State. The 2009 Revenue Estimating Conference (REC) projected additional revenues of approximately \$16.3 million annually through the use of collection analytics

Use third-party data to improve effectiveness

Alcoholic beverage and tobacco products data

The Governor's approval of HB 641 authorizes the Department of Revenue to receive reports from wholesalers and distributors of alcoholic beverages and tobacco products regarding their sales to dealers in Florida. By comparing a retailer's net wholesale purchases of alcohol and tobacco products with the amount of sales and use tax the retailer reports, the Department will identify retailers that are underreporting sales and use tax on these products.

Financial Information Data Match

The Department is currently exploring options for implementing a Financial Information Data Match (FIDM) program. In a FIDM program, an electronic file of the names and federal tax identification numbers of entities with outstanding tax warrants is compared to a bank's electronic file of account holders, providing the Department with immediate reports of possible matches for further collection activity.

Improve the audit selection process

Third party data will enhance and improve audit selection, enabling the Department to assign its auditors more effectively and increase its focus on tax gap issues. We will be partnering with the IRS beginning in 2012 (when the IRS will be able to provide this information) to receive vendor credit card transaction information to compare with taxpayer-reported sales. An additional strategy currently being developed is the use of third-party data to identify businesses that are using transfer pricing schemes as a means of minimizing corporate income tax due for either state or federal tax purposes.

Study the tax gap

The Department of Revenue continues work on determining and categorizing the Florida "tax gap." As the tax gap is better defined, existing strategies are reviewed and new strategies are identified for collecting these taxes that are owed to the State to ensure resources are applied for the best return on investment. For the current year, efforts are focusing on sales and use, corporate income, and communications services taxes. The increased use of third party data will play a critical role in identifying strategies to close the gap. The Department also is exploring options to leverage the agency's Rewards Program as a means of providing additional leads in an environment of diminishing resources.

Create one-stop registration for Florida businesses

One-stop registration for all business activities regulated by the State is the next logical step in making it easier for businesses to identify and comply with their obligations. Revenue has implemented online and paper one-stop registration for all the taxes and fees it administers, and looks forward to working with the Department of State, the Department of Business and Professional Regulation, the Florida Lottery, and others to expand this concept to all of state government.

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The initial focus for one-stop registration will be to:

1. Establish a common online portal for new businesses to complete registration requirements with various agencies, including the Department of Business & Professional Regulation, Department of Revenue, Department of State, the Florida Lottery and the Department of Financial Services (Worker's Compensation).
2. Expand to existing businesses and provide transactional functionality.
3. Expand to additional agencies.
4. Transition to a permanent structure.

Increase the number of e-filers

When taxpayers register, file, and pay electronically, errors and processing costs are reduced and tax payments are deposited into state bank accounts sooner. Revenue continues to promote the use of e-registration and e-filing and to improve the online experience for taxpayers. In FY 2010-11, 69 percent of tax registrations were completed electronically, up from 68 percent the previous year.

Thirty-seven percent of registered sales tax filers filed and paid sales tax electronically during FY 2010-11, up from 34 percent in FY 2009-10. Although by law only businesses that pay over \$20,000 of tax annually are required to file and pay electronically, Revenue encourages all taxpayers to use this method. Of all taxpayers who filed electronically in 2010-11, 69 percent did so voluntarily, up from 62 percent the previous year.

Increase the use of electronic communication

The Department continues to explore ways to use electronic communication to increase the efficiency of agency operations. Currently the Department is piloting the use of social media to communicate tax information relevant to taxpayers. Our first Twitter message directed taxpayers to information about the August 12-14, 2011, sales tax holiday.

Expand remote deposit

Electronic deposit of checks from remote locations improves security, saves labor and postage costs, and increases the interest the State receives on tax payments. Revenue has implemented remote deposit of sales tax checks through Image Cash Letter technology at 23 in-state service center and headquarters locations. The Department expects to complete the development of software to enable the remote deposit of unemployment tax payments in September 2011. The next tax to be added will be corporate income tax, scheduled for implementation in February 2012.

The Department plans to expand remote deposit to the nine remaining General Tax Administration locations, including out-of-state service centers, during FY 2011-12. The goal for the next several years is to continue adding specific taxes until all checks are deposited by Image Cash Letter technology.

Property Tax Oversight Strategies

Use low-cost technology solutions to increase productivity

Revenue's Property Tax Program currently is allocated 174 positions. This is approximately the same number of positions as before the Program's responsibilities were significantly increased through four years of legislative changes. To continue to keep pace with the demand for services and to maintain diligence in overseeing critical property tax activities, Revenue must use technology to streamline or automate work processes, improve communication with local officials, and make data easier to access and analyze. We have developed a comprehensive information technology vision for the Program to migrate toward the electronic submission of all information required from local governments.

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Revenue has the opportunity to leverage a number of newer technologies, most of which the Department is already using for other purposes, to provide a single web-based user interface for the oversight of property tax. The benefits of this technology upgrade will include increased assurance that assessments are equitable and uniform, increasing the productivity of the Roll Approval Process, automating the TRIM (Truth in Millage) process and other processes, and increasing data accuracy. Elements of this strategy include:

Develop an integrated property tax business warehouse

The implementation of a comprehensive data storage strategy will allow the Department to access through one application the entire profile and transaction history of a local government or taxing authority. Increased data storage and analysis capabilities will assist the Department in evaluating tax rolls, determining compliance with millage levying, and streamlining the verification process for homestead portability.

Establish e-portals for submission of documents by local officials

By establishing e-portals for the submission of property tax documents by local officials, Revenue will streamline the review process for both local governments and the Department. E-TRIM is the first e-portal developed for property tax. The system performs automatic error checks as data is entered by a local official, eliminating most of the errors that can occur with paper documents. Twenty counties are currently using the E-TRIM system and, as resources permit, we plan to expand its use to the other counties. With full implementation, we expect to reduce cycle time for the review of TRIM and millage levying information by 50 percent.

Improve internal workflows through automation

The Property Tax Oversight Program has developed an internal document-sharing environment in Microsoft SharePoint to automate workflows and streamline content management. This tool enables the Department to eliminate some redundant and labor-intensive activities and ensures quick access to information, increasing individual productivity.

The first workflow implemented is the tax roll review process. Eight or nine different people must each review a county tax roll, focusing on different aspects of the roll. The workflow developed in SharePoint automates the process of transferring responsibility for the document from one reviewer to another, while the document is maintained in an online library that tracks changes and allows version control. This process is so much more efficient that the Department was able to complete 2011 roll review one month earlier than usual. Having the tax roll approved earlier gives the counties more time to schedule budget hearings, produce TRIM notices, and complete other required activities. Spreading the counties' annual budget process workload over a longer time period will reduce stress on county staff, resulting in fewer errors, and lessening the likelihood of having to reissue required notices, which can cost a county hundreds of thousands of dollars.

Enhance tax roll review and analysis

Revenue continues to focus on the improvement of our most critical oversight responsibility: tax roll evaluation. With more than eleven million parcels of property statewide, we must rely on statistical sampling to verify the level of assessment of each county's tax roll. The Department continues to implement state of the art mass appraisal and statistical sampling best practices endorsed by the International Association of Assessing Officers (IAAO).

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Mitigate financial impact of budget reductions on counties

Appraising properties is a dynamic profession that is constantly evolving as market conditions fluctuate and new technologies are developed. In addition, the role of tax collectors is rapidly evolving as former state services (such as driver licenses) are being delegated to local governments. Revenue recognizes the need to provide up-to-date information and training to local officials, but also understands that property appraisers and tax collectors need to reduce spending. Revenue is developing online training and certification courses, which enable local governments to reduce travel and training costs while still obtaining the continuing education and professional certifications they need to fulfill their responsibilities.

Executive Direction and Support Services Strategies

Identify opportunities to reduce costs through shared administrative services

The Governor has asked all agencies to review their administrative processes to determine which could be efficiently administered centrally, reducing overall costs for state government. Revenue's Executive Direction and Support Services Program is actively participating in this effort.

Revenue has been identifying opportunities within the agency to save money by procuring some commodities and services centrally, most significantly the leasing of copiers. By combining all copier leases into one contract, we obtained better pricing and established more control over decisions that impact the cost of copying, reducing costs by approximately \$290,000 a year. Significant savings might be achieved by centralizing some purchasing decisions, such as the leasing of copiers, across state agencies. (See "Support Programs: Saving money on copying and printing" in the "Results" section.)

Reduce leasing costs

Using the new leasing process Revenue implemented in FY 2009-10, Revenue will continue decreasing the amount of square footage it occupies and obtaining more favorable lease terms, mitigating projected increases in lease costs. Using the new process, Revenue has reduced the projected cost of its private leases by approximately \$4.5 million over the next five years.

Elements of our standardized leasing process include:

- Evaluation of options begins 36 to 24 months out from the date a lease will expire or renew.
- Required use of tenant brokers.
- Cost-reduction strategies, including square footage reduction through more efficient use of space, rate reduction negotiations, alternate work arrangements, and co-location.
- Step-by-step procedures, with time standards for completion of individual tasks.
- A leasing database that tracks information and provides reports.
- Guidelines for the bid process.
- Use of an "office calculator" (formula) for determining space requirements.
- Performance metrics to enable us to identify gaps and possible improvements.
- An exception process, including the requirement for a business case justifying each deviation from space utilization standards.

As we continue working to decrease leasing costs now, we are also assessing future space needs in anticipation of changes in how Revenue conducts business. The Department's progress toward a paperless environment; implementation of additional technology, including web self-service; and continued improvements in efficiency will affect office space needs. We are also evaluating the use of alternate work programs that decrease office space requirements, such as telework (working from a home office) and "hoteling." (In "hoteling," two or more staff members share the same office space, coming into the office on different days, alternating their time in the office with their off-site work.) We will continue to

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implement alternate work arrangements in situations where they will enhance employee and Department effectiveness.

Maintain a skilled, effective workforce

Revenue's success in achieving its mission depends on the participation of skilled, motivated, and engaged employees. Therefore, one of our most important strategies for improving productivity is to improve processes for managing and meeting the needs of our workforce. These workforce-related business processes include employee relations; classification; compensation; benefits; staffing services such as recruitment, hiring and on-boarding; training and employee development; emergency management; recognition; health and wellness; and workforce information management.

Strategies for the next five years include the following:

Develop an accurate and responsive classification and compensation system to meet the Department's business goals

To support the application of consistent criteria to the classification and pay of individual Revenue positions, the Office of Workforce Management is developing processes and tools that will provide up-to-date classification and pay information about each Revenue position. Included will be position descriptions that accurately describe job duties and expectations; pay and benefit information that includes factors related to geographic location; and an organizational structure that supports Revenue's core processes and identifies occupational groups across the agency. As the first steps in implementing this strategy, the Office of Workforce Management is currently migrating human resources documents and files to an electronic format and enhancing the Department's position description database.

Decrease the time and cost of filling vacancies

Carrying out the hiring process for positions that turn over frequently is a significant workload issue for supervisors and other staff involved in the process. The Office of Workforce Management will be implementing several strategies to make the process less time-consuming, while ensuring that all hiring requirements continue to be met.

Activities include:

- Identify and eliminate non-value-added tasks in the hiring process.
- Establish a qualified candidates' pool for hard-to-fill and high turnover positions.
- Streamline the applicant skills verification process.
- Simplify the interviewer certification requirements.

Develop solutions for hard-to-fill positions

In some geographic areas, it is difficult to hire and retain qualified individuals in certain types of positions, such as tax auditor, information technology, and property appraiser jobs. Factors may include better compensation offered by local government or the private sector, or an inadequate supply of job seekers with the required expertise. The Department is conducting comparative pay studies on hard-to-fill positions and will use the data gathered to help in the identification of strategies for hiring and retaining employees in these positions.

Ensure consistency in human resource-related policies

To ensure consistency and fairness in the relationship between the Department and its employees, the Office of Workforce Management is reviewing and revising existing human resources policies, and developing new policies and procedures as needed. One of the key policies to be addressed is

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related to employee discipline and corrective action. Improvements will include clarification of the discipline process for at-will employees; enhancing the Corrective Action Plan process to encourage employee performance; establishment of a comprehensive discipline-related data collection and reporting process; and implementation of an education program for supervisors and employees regarding the corrective action and discipline processes.

Improve financial management

The Office of Financial Management within the Executive Direction and Support Services Program coordinates and aligns Revenue's budget, purchasing, facilities, and accounting functions to ensure that the Department manages resources consistent with the Legislature's intent, avoids waste and fraud, and continually identifies opportunities to increase efficiency and save money. Key strategies for improving the management of Revenue's finances include the following.

Make meaningful financial data more accessible to decision-makers

Use available technology tools to create reports that integrate the Department's financial information with performance data for use in budgeting, forecasting, planning, and resource management. In FY 2010-11, Revenue completed two projects that are part of this strategy: We created monthly management reports detailing rate usage and expenditures by program, category and object code; and we streamlined our existing object codes and organizational codes to simplify and standardize expenditure capture within the Department. Location-based cost analysis is currently being developed and will be implemented on our intranet site within the current fiscal year. The incorporation of database query tools will allow the full implementation of an agency dashboard by the end of FY 2012-13.

Improve payment processing

Improve the Department-wide process for managing receipts, invoices, and payments to increase efficiency and ensure compliance with statutory payment requirements. As part of this strategy, during FY 2010-11, the Department's Finance and Accounting staff developed an invoice management system that tracks invoice processing activities. When implemented, the system will produce reports on individual performance, enabling us to identify areas where additional training should be provided and to give helpful feedback to individual employees. Development has begun on a tool to record receipt of checks and warrants electronically.

Prevent waste by increasing the effectiveness of review processes

Save work time and decrease costs by improving review procedures and internal controls that could be streamlined and/or made more effective. For example, the Department is currently piloting a procedure for the review of long distance phone calls. Because of the volume of long distance call activity, a review of every item is not possible. Finance and Accounting staff developed parameters for identifying possible non-business calls, which are used to produce exception reports. Managers review these exception reports to identify actual non-business calls and identify telephone accounts that need further review.

Another financial management process Revenue has improved is the recovery of money owed due to salary overpayments. In FY 2010-11, the Department developed and implemented a Salary Overpayment Policy that establishes a more efficient process for recovering these overpayments.

Ensure accountability by improving consistency and reporting for contracts

Establish a consistent contract management process across the agency and create a centralized system of recordkeeping for deliverables, vendor performance, budget, and corrective action plans,

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ensuring services meet the Department's objectives. Identify and report agency-wide contract management data.

Decrease costs through effective asset management

Redesign the department-wide process for asset management, including acquisition, recording, inventory, and disposal, to ensure the best use of state resources, and compliance with statutes and rules. In FY 2010-11, a cross-program team developed a new surplus property procedure formalizing best practices to ensure that usable surplus property is made available throughout the Department and to other state agencies before being disposed of in any other way. We are currently developing an asset management tracking system to process transfer and surplus documents and streamline approvals. We are also planning the development of a centralized supply management system, to ensure new supplies are not ordered when they are available from another Revenue office.

Information Services Strategies

Improve information technology management

Plan effectively to support business results

The role of the people who create, manage, and maintain computer systems has evolved from a support function to a critical part of business process management. Revenue's Information Services Program strives to support and improve business effectiveness through the delivery of quality information technology services that are aligned with and responsive to business needs. Prioritization of the work of the Information Services Program and decisions about acquiring new technology are central planning activities. All the agency's senior leaders, including the directors of each program, are involved in these decisions, which can have major impacts on our effectiveness.

To position the Department to meet evolving needs and make informed decisions, information architecture must be designed so that it quickly satisfies business requirements, provides reliable and consistent information, and seamlessly integrates applications into business processes. To accomplish this, the Information Services Program has developed a technology infrastructure plan that sets clear and realistic expectations of what technology can offer in terms of products, services and delivery. The plan is regularly updated and includes information about systems architecture, technological direction, acquisition plans, standards, migration strategies, and contingency plans. This makes it possible to respond timely to changes in the competitive environment. It also helps improve coordination between platforms and applications.

Adopt best practices for information technology

Revenue applies the Information Technology Service Management (ITSM) model to its implementation and management of information resources. ITSM focuses on enabling an organization to achieve its business outcomes by providing services that are aligned with and responsive to business needs. Revenue is in the fourth year of its five year plan to roll out ITIL (Information Technology Infrastructure Library) best practices for the management of information technology infrastructure and is also on track to achieve International Organization for Standardization (ISO) 20000 certification by 2012. Adopting ITIL and ISO standards is helping the Department ensure that shrinking technology resources are used in the most efficient way possible.

Improve information technology security

The Department will continually review and improve systems for protecting the confidential information of our employees and the citizens we serve. The Information Services Program is implementing Data Loss Prevention technologies to monitor the movement of sensitive data.

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Additionally, the Program is implementing web application security testing on external web applications.

Efforts to increase security will not be confined to the implementation of technological systems, but will include updating policies and procedures to meet the new legal requirements and ensuring that all employees receive regular training and information to help them effectively safeguard information.

Reduce Information Technology Costs

Migrate to less expensive hardware and software

A key strategy of our Information Services Program is to continually reevaluate existing systems and commercially available alternatives to find opportunities to standardize and decrease costs. In August 2011, we replaced the hardware platform for our Child Support Enforcement Automated Management System with hardware that is much less expensive to maintain. A similar transition for our unified tax administration system, SUNTAX, in FY 2008-09 is saving the Department over \$400,000 a year.

"Buy it once; deploy it many times"

A key strategy for reducing costs now and in the future is to purchase commercial off-the-shelf software solutions that can be adapted to many uses, rather than developing single-purpose applications or purchasing proprietary systems. This strategy not only saves initial costs, but also helps build a standard operating environment that requires less maintenance and can be managed by fewer dedicated staff persons.

We also benefit from the frequent upgrades that major commercial software packages offer, enabling us to keep up-to-date with current technological developments without reprogramming or buying new software. Most importantly, by selecting software that focuses on efficiency in the management of information and tasks, we can improve employee productivity, a key requirement for continuing to meet our responsibilities during a time of decreasing resources.

Incident reporting and tracking During the past year, we expanded our use of Hewlett Packard's Service Manager 7 to include incident reporting and service requests to the Northwest Regional Data Center, which now is using Service Manager 7 to track Department of Revenue requests within the Data Center. This system automates the requesting, assigning, routing, and tracking of work assignments and enables reporting to evaluate process effectiveness. Both the Data Center and the Department of Revenue are saving time through increased efficiency.

Project management Within Revenue, additional capabilities of HP's Project and Portfolio Management software have been implemented to establish a more formalized process for review and prioritization of information technology proposals, including the requirement of a business case to ensure resources are only committed when measurable improvement can be demonstrated. Revenue plans to continue identifying opportunities to improve productivity through the use of this powerful tool for managing the use of resources.

Document and workflow management Microsoft SharePoint is gradually being implemented throughout the agency to manage and share information both internally and with external customers. This tool is helping to eliminate redundant effort and ensure quick access to information, increasing individual productivity. SharePoint makes accessing documents quick and easy, streamlines and coordinates review and revision, and minimizes errors in document handling. With user training, non-technical personnel can create and maintain applications using this software. As more employees become proficient in SharePoint, the need for participation of computer experts in the development of

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applications for employee use will be lessened. Employees will get time-saving tools more quickly, and technical staff will be able to focus on major IT projects.

In FY 2010-11, the Department completed the development of several SharePoint applications including a major internal document-sharing, workflow, and approval environment for the Property Tax Oversight Program. This application streamlines content management and automates workflows among six different groups, enabling employees to use their time more productively. Several content sites have recently been completed, including a site for employee reporting of possible workplace problems, an ITSM (Information Technology Service Management) document library, and multiple replacements for internal forms and workflows used by the Office of Workforce Management.

Projects currently under development include:

- Rehosting the Department's intranet web pages.
- Migrating the existing Tax Law Library into a SharePoint Site Collection.
- Establishing a Central Document Library to support the implementation of CAMS Phase II.
- Migrating all the Department's web content into SharePoint.

Changes That Would Require Legislative Action

Corporate income tax “Piggyback”

Statutory Reference: Section 220.03, Florida Statutes

Current Situation: Florida uses portions of the Internal Revenue Code as the starting point in calculating Florida corporate income tax. Each year, the Legislature decides what portions of the new code should be adopted by Florida.

Proposed Change: The proposal would adopt the 2012 version of the Internal Revenue Code.

Delinquent taxpayers: Security requirements for new registrations

Statutory Reference: Section 212.14, Florida Statutes

Current Situation: Delinquent sales tax dealers are able to close down their business with tax liabilities, and to reopen under a new name. This allows the business operators who were in actual control of the business and responsible for non-payment to repeatedly fail to remit sales and use tax for successive businesses.

In these instances, Florida Statutes require businesses to provide a cash deposit, bond, or other security as a condition to register the new business. However, the current provision does not clearly apply to all of the individuals that were operating the prior business.

Proposed Change: The proposed statutory revision would clearly authorize the Department to require security for individuals or entities that are responsible for prior delinquent tax accounts when they seek to register new businesses.

“Zappers”

Statutory Reference: Section 213.295, Florida Statutes

Current Situation: Automated sales suppression devices or “zappers” are software programs that falsify the records of electronic cash registers and other point-of-sale systems. This technology allows dealers to fraudulently create a virtual second set of records in order to evade state and federal taxes. In the case of sales tax this results in the theft of taxes collected from citizens.

Proposed Change: This proposal would make it illegal to sell, purchase, install, transfer or possess sales suppression software or devices.

In-depth review standards

Statutory Reference: Section 195.096, Florida Statutes

Current Situation: The level of assessment produced for each classification of property or stratum studied as part of the Department’s in-depth review is required to be produced with a 95 percent level of confidence, which is not always attainable or most appropriate standard due to lack of data or small sample sizes that are available.

Proposed Change: The proposal would change the requirement for 95 percent level of confidence for the level of assessment to a statistically reliable standard that is based on generally accepted standards published by a professional appraisal organization.

Potential Policy Changes Affecting the Agency's Budget Request

At this time, the Department of Revenue has not identified any potential policy changes affecting the agency's budget request.

Task Force Participation

At this time, the Department of Revenue is not participating on any Task Force.

Performance Measures and Standards - Exhibit II

Department: DEPARTMENT OF REVENUE

73010000 Program: Executive Direction and Support
 73010100 Executive Direction and Support Services

Approved Performance Measures (Words)	Approved FY 2010-11 Standard (Numbers)	Prior Year Actual FY 2010-11 (Numbers)	Approved FY 2011-12 Standard (Numbers)	Requested FY 2012-13 Standard (Numbers)
Administrative costs as a percent of total agency costs (not including revenue sharing)	4.76%	4.78%	5.05%	5.19%
Administrative positions as a percent of total agency positions	5.04%	5.11%	5.07%	5.05%

Performance Measures and Standards - Exhibit II

Department: DEPARTMENT OF REVENUE

73200000 Program: Property Tax Oversight Program
73200500 Compliance Determination

Approved Performance Measures (Words)	Approved FY 2010-11 Standard (Numbers)	Prior Year Actual FY 2010-11 (Numbers)	Approved FY 2011-12 Standard (Numbers)	Requested FY 2012-13 Standard (Numbers)
Percent of classes/subclasses studied (for in-depth counties) & found to have a level of assessment of at least 90%	90.0%	90.7%	Measure deletion by approved budget amendment	N/A
Number of in-depth classes studied with a statistically valid sample	85	66	Measure deletion by approved budget amendment	N/A
Number of refund/tax certificate applications processed	5,000	4,084	5,000	3,000
Number of Truth-in-Millage / Millage Levy forms processed	5,000	7,483	5,000	5,000
Number of parcels studied to establish in-depth level of assessment	New measure approved for FY 2011-12	21,340	20,000	20,000
Statewide Level of Assessment	New measure approved for FY 2011-12	96.2%	96.8%	97.0%
Percent of property value studied with a statistically reliable sample*	N/A	N/A	New measure requested FY 2012-2013	90.0%

*Agency will submit a budget amendment requesting new measure and standards for FY 2011-12 and FY 2012-13.

73200700 Compliance Assistance

Approved Performance Measures (Words)	Approved FY 2010-11 Standard (Numbers)	Prior Year Actual FY 2010-11 (Numbers)	Approved FY 2011-12 Standard (Numbers)	Requested FY 2012-13 Standard (Numbers)
Number of hours of Aid & Assistance consultation provided to elected officials	3,000	1,016	Measure deletion by approved budget amendment	N/A
Percent of users of PTO Compliance Assistance satisfied with the services provided*	90.8%	95.3%	94.0%	94.0%
Number of student training hours provided	38,000	18,637	15,225	16,000
Number of railroad and private carlines centrally assessed	225	247	237	237
Number of inquiries from taxpayers and local governments answered	New measure approved for FY 2011-12	16,915	14,400	14,000
Number of square miles mapped using aerial photography	New measure approved for FY 2011-12	15,005	15,000	15,000
Number of Budget Submissions and Amendments Reviewed	New measure approved for FY 2011-12	515	485	475
Number of reports produced for the Revenue Estimating Conference and other stakeholders	N/A	N/A	New measure requested 2012-2013	270

*Agency will submit a budget amendment requesting new measure and standards for FY 2011-12 and FY 2012-13.

Performance Measures and Standards - Exhibit II

Department: DEPARTMENT OF REVENUE

**73300000 Program: Child Support Enforcement Program
73300600 Case Processing**

Approved Performance Measures (Words)	Approved FY 2010-11 Standard (Numbers)	Prior Year Actual FY 2010-11 (Numbers)	Approved FY 2011-12 Standard (Numbers)	Requested FY 2012-13 Standard (Numbers)
Percent of IV-D cases missing critical data elements necessary for next appropriate action	16.0%	14.8%	15.5%	15.0%
Total number of cases maintained during the year	1,130,000	1,130,320	1,200,000	1,120,000
Total number of individual educational contacts and inquiries answered	14,500,000	17,861,924	17,000,000	18,000,000

73300700 Remittance and Distribution

Approved Performance Measures (Words)	Approved FY 2010-11 Standard (Numbers)	Prior Year Actual FY 2010-11 (Numbers)	Approved FY 2011-12 Standard (Numbers)	Requested FY 2012-13 Standard (Numbers)
Percent of State Disbursement Unit collections disbursed within 2 business days of receipt	98.0%	99.2%	98.0%	98.0%
Percent of State Disbursement Unit IV-D collections disbursed within 1 business day of receipt(SFY)*	New Measure Requested FY 2012-13	99.3%	N/A	99.0%
Total number of collections processed(SFY)	11,100,000	10,634,731	11,400,000	10,750,000
Total number of collections distributed(SFY)	10,500,000	10,085,295	10,600,000	10,200,000

*Agency will submit a budget amendment requesting new measure and standards FY 2012-13.

73300800 Establishment

Approved Performance Measures (Words)	Approved FY 2010-11 Standard (Numbers)	Prior Year Actual FY 2010-11 (Numbers)	Approved FY 2011-12 Standard (Numbers)	Requested FY 2012-13 Standard (Numbers)
Percent of IV-D cases with an order for support (federal definition)	75.5%	75.5%	74.5%	75.5%
Total number of paternities established and genetic testing exclusions	110,000	103,752	100,000	100,500
Total number of newly established and modified orders	42,000	59,822	40,000	43,800

* Estimated through the end of the 2010-11 federal fiscal year. Final data available January 2012.

73300900 Compliance

Approved Performance Measures (Words)	Approved FY 2010-11 Standard (Numbers)	Prior Year Actual FY 2010-11 (Numbers)	Approved FY 2011-12 Standard (Numbers)	Requested FY 2012-13 Standard (Numbers)
Percent of current support collected (federal definition)	54.0%	53.3%	53.0%	54.0%
Percent of Support Collected and Distributed during the Year that was due Within the Federal Fiscal Year(FFY)**	New Measure Requested FY 2012-13	67.0%	N/A	67.0%
Total number of obligated unique cases identified for compliance resolution	650,000	689,914	715,000	705,000
Total number of actions processed during the year	3,300,000	3,516,313	3,400,000	3,400,000

* Estimated through the end of the 2010-11 federal fiscal year. Final data available January 2012.

**Agency will submit a budget amendment requesting new measure and standards for FY 2012-13.

Performance Measures and Standards - Exhibit II

Department: DEPARTMENT OF REVENUE

73400000 Program: General Tax Administration Program
73401000 Tax Processing

Approved Performance Measures (Words)	Approved FY 2010-11 Standard (Numbers)	Prior Year Actual FY 2010-11 (Numbers)	Approved FY 2011-12 Standard (Numbers)	Requested FY 2012-13 Standard (Numbers)
Percent of tax returns reconciled within 30 days	99.0%	97.9%	Request Measure Deletion	N/A
Percent of tax returns reconciled within 25 days	New Measure Requested FY 2011-12	N/A	98%	98%
Average number of days from receipt of payment to deposit	0.32	0.29	0.28	0.28
Percent of unemployment compensation taxes deposited within three days of receipt	100.0%	100.0%	100.0%	100.0%
Percent of taxpayer-claimed refunds processed within 90 days* Methodology change in FY 2011-12	94.0%	94.0%	94.0%	94.0%
Percent of distributions made timely	94.0%	93.0%	95.0%	96.0%
Number of accounts maintained* Methodology change in FY 2011-12	1,400,000	1,366,871	940,000	940,000
Number of tax returns processed	8,400,000	8,498,336	8,400,000	8,400,000
Number of distributions made	39,600	40,506	39,600	39,600
Number of refund claims processed	125,000	136,574	125,000	125,000

*Agency will submit a budget amendment requesting new standards for FY 2011-12 and FY 2012-13.

73401100 Taxpayer Aid

Approved Performance Measures (Words)	Approved FY 2010-11 Standard (Numbers)	Prior Year Actual FY 2010-11 (Numbers)	Approved FY 2011-12 Standard (Numbers)	Requested FY 2012-13 Standard (Numbers)
Percent of educational information/assistance rendered meeting or exceeding taxpayers' expectations*	96.0%	88.0%	88.0%	88.0%
Number of taxpayers provided with direct assistance or education	8,500,000	8,653,534	8,500,000	8,500,000
Number of calls answered by Call Center agents	983,000	801,098	1,007,700	983,000

*Agency will submit a budget amendment requesting new standards for FY 2011-12 and FY 2012-13.

73401200 Compliance Determination

Approved Performance Measures (Words)	Approved FY 2010-11 Standard (Numbers)	Prior Year Actual FY 2010-11 (Numbers)	Approved FY 2011-12 Standard (Numbers)	Requested FY 2012-13 Standard (Numbers)
Percent of tax compliance examinations resulting in an adjustment to a taxpayer's account - change in title and methodology FY 2010-11	65.0%	61.0%	65.0%	65.0%
Number of filing compliance exams completed and resulting in a notice of additional liability	1,700,000	1,674,585	1,700,000	1,700,000
Number of taxpayers selected for a tax compliance examination	34,880	34,020	34,890	36,900
Number of audits completed	20,000	21,677	20,000	22,000
Number of discovery examinations completed	14,000	11,386	14,000	14,000
Number of criminal investigations completed	880	957	890	900
Number of audit disputes resolved	1,600	2,362	1,600	1,600

Performance Measures and Standards - Exhibit II

Department: DEPARTMENT OF REVENUE

73401300 Compliance Resolution

Approved Performance Measures (Words)	Approved FY 2010-11 Standard (Numbers)	Prior Year Actual FY 2010-11 (Numbers)	Approved FY 2011-12 Standard (Numbers)	Requested FY 2012-13 Standard (Numbers)
Percent of collection cases resolved in less than 90 days	66.0%	60.3%	66.0%	66.0%
Accounts receivables as a percent of total revenues*	2.0%	1.4%	16.0%	15.0%
Percent of receivables reaching uncollectible status/available for write-off	8.0%	17.0%	7.0%	15.0%
Number of collection cases resolved	1,200,000	1,048,019	1,200,000	1,200,000

*Agency will submit a budget amendment requesting new standards for FY 2011-12 and FY 2012-13.

Performance Measures and Standards - Exhibit II

Department: DEPARTMENT OF REVENUE

73710000 Program: Information Services Program
 73710100 Information Technology

Approved Performance Measures (Words)	Approved FY 2010-11 Standard (Numbers)	Prior Year Actual FY 2010-11 (Numbers)	Approved FY 2011-12 Standard (Numbers)	Requested FY 2012-13 Standard (Numbers)
Information technology costs as a percent of total agency costs	3.44%	3.78%	3.87%	4.69%
Information technology positions as a percent of total agency positions	3.63%	3.53%	3.53%	3.38%

Exhibit III – CSE Performance Measures Assessment Forms

Department: Department of Revenue
Program: Child Support Enforcement
Service/Budget Entity: Child Support Remittance and Distribution
Measure: Total number of collections processed

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
11,100,000	10,634,731	-465,269	-4.2%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

The difference between the actual performance and the approved standard for the measure is due primarily to a decline in non IV-D collection transactions by 7% from the previous SFY and a decline in unemployment intercepts.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

The Program does not enforce non IV-D cases administered by the Clerks of the Court.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

The shortfall in the Total Number of Collections Processed transactions can be attributed to the economy and the 11.4% unemployment rate in Florida, factors over which the Program has no control. However, the Program received a total of \$1.83 billion (\$1.58 billion Title IV-D; \$253.8 million non IV-D).

Exhibit III – CSE Performance Measures Assessment Forms

Department: Department of Revenue
Program: Child Support Enforcement
Service/Budget Entity: Child Support Remittance and Distribution
Measure: Total number of collections distributed

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
10,500,000	10,085,295	-414,705	-3.9%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

The difference between the actual performance and the approved standard for the measure is due primarily to a decline in non IV-D collection transactions by 7% from the previous SFY and a decline in unemployment intercepts.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

The Program does not enforce non IV-D cases administered by the Clerks of the Court.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

The shortfall in the Total Number of Collections Distributed transactions can be attributed to the economy and the 11.4% unemployment rate in Florida, factors over which the Program has no control. However, the Program distributed a total of \$1.834 billion (\$1.58 billion Title IV-D; \$254.4 million non IV-D).

Exhibit III – CSE Performance Measures Assessment Forms

Department: Department of Revenue

Program: Child Support Enforcement

Service/Budget Entity: Establishment

Measure: Total number of paternities established and genetic testing exclusions

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
110,000	103,752	-6,248	-5.6

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

The approved standard was based upon the estimated total statewide out-of-wedlock births. The downward trend in statewide out-of-wedlock births continues for the third consecutive year, resulting in an inflated standard.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input checked="" type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

For the past three years there has been decline in the number of statewide out-of-wedlock births. The decline in the population of children needing paternity established negatively impacts the Program's ability to meet this standard.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

The difference between the standard and actual performance is due to the reduction of children available for paternity establishment, a factor outside of the Program's control.

Exhibit III – CSE Performance Measures Assessment Forms

Department: Department of Revenue
Program: Child Support Enforcement
Service/Budget Entity: Compliance
Measure: Percent of current support collected (federal definition)

Action:

- Performance Assessment of Outcome Measure Revision of Measure
 Performance Assessment of Output Measure Deletion of Measure
 Adjustment of GAA Performance Standards

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
54%	53.3%	-0.7%	-1.3%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- Personnel Factors Staff Capacity
 Competing Priorities Level of Training
 Previous Estimate Incorrect Other (Identify)

Explanation:

The Program has locked down the production environment while work is being completed on the Child Support Enforcement Automated Management System (CAMS). A prioritization process was implemented to allow only emergency changes to CAMS. As a result, any new enhancement projects to improve automated processes have been deferred until the project's completion.

External Factors (check all that apply):

- Resources Unavailable Technological Problems
 Legal/Legislative Change Natural Disaster
 Target Population Change Other (Identify)
 This Program/Service Cannot Fix The Problem
 Current Laws Are Working Against The Agency Mission

Explanation:

Florida's unemployment rate averaged 11% during the state fiscal year. Due to the high unemployment rate as well as the effects of the Deep Water Horizon Oil Spill, business partners ordered to provide child support were not able to meet their full obligation. These events had an adverse effect on this measure.

Management Efforts to Address Differences/Problems (check all that apply):

- Training Technology
 Personnel Other (Identify)

Recommendations:

Income Deduction is the most reliable way to get support payments timely. The Program initiated several strategies to close the gaps in our income withholding process. In an effort to increase payments through income deduction, the Program sent notices to employers who are not complying with new hire reporting laws. In addition, the Program targeted income sources such as unemployment in other states and pending Social Security benefits to ensure income withholding is initiated for all available income types.

The Program initiated monthly reviews of cases with a current support obligation and no payments in one, two and three years. These reviews generated various actions, some of which resulted in support payments.

CAMS is scheduled to be operational in February of 2012. The Program will then be able to implement projects to enhance enforcement activities.

Exhibit III – GTA Performance Measures Assessment Forms

Department: Department of Revenue
Program: General Tax Administration
Service/Budget Entity: Tax Processing
Measure: Percent of tax returns reconciled within 30 days

Action:

- Performance Assessment of Outcome Measure Revision of Measure
 Performance Assessment of Output Measure Deletion of Measure
 Adjustment of GAA Performance Standards

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
99%	98%	(1%)	-1.0%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- Personnel Factors Staff Capacity
 Competing Priorities Level of Training
 Previous Estimate Incorrect Other (Identify)

Explanation: Due to a delay in the processing of the UCT 1st quarter 2011 returns, Return Reconciliation did not hit their annual goal of 99%. The delay was caused by the Department's decision to hold the returns for processing until the potential for a legislative rate change had been resolved.

External Factors (check all that apply):

- Resources Unavailable Technological Problems
 Legal/Legislative Change Natural Disaster
 Target Population Change Other (Identify)
 This Program/Service Cannot Fix The Problem
 Current Laws Are Working Against The Agency Mission

Explanation:

N/A

Management Efforts to Address Differences/Problems (check all that apply):

- Training Technology
 Personnel Other (Identify)

Recommendations: The Department identified the root cause of the problem and does not anticipate future reporting periods to be impacted. Additionally, the measure for FY 2011-12 has been revised reducing the number of days to reconcile returns from 30 to 25 to demonstrate increased timeliness and performance.

Exhibit III – GTA Performance Measures Assessment Forms

Department: Department of Revenue
Program: General Tax Administration
Service/Budget Entity: Tax Processing
Measure: Percent of distributions made timely

Action:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
94%	93%	-1%	-1.1%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

N/A

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: In July, a large fuel wholesaler took advantage of the Amnesty program and filed their return without payment. This created a negative impact for large counties. Distribution gallons were researched and verified delaying the distribution. Revenue distributions are not considered complete until warrants are printed or electronic fund transfers (EFTs) are issued by the Department of Financial Services (DFS). EFTs and warrants were completed beyond the Department's target (25th day of the month) by DFS in August and November of 2010 concerning fuel tax and communications services tax respectively.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: The external factors impacting 2010-11 distribution timeliness were isolated and are not expected to impact future reporting periods.

Exhibit III – GTA Performance Measures Assessment Forms

Department: Department of Revenue
Program: General Tax Administration
Service/Budget Entity: Tax Processing
Measure: Number of accounts maintained

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input checked="" type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
1,400,000	1,366,871	-33,129	-2.4%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

N/A

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: Economic conditions and other external factors have resulted in a reduction in the overall number of active tax accounts and therefore the number that require maintenance.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: The Department intends to submit a budget amendment changing the measurement methodology and approved standard regarding this output measure beginning with the 2011-12 fiscal year. Historically, the measure was derived by counting the number of active tax accounts. Our proposed change aligns the measurement with the SUNTAX one-stop philosophy of managing tax obligations at the entity level. Given that the majority of business partners are associated with more than one tax account, or obligation, this will be a more accurate representation of the number of persons/entities the Department supports and serves.

Exhibit III – GTA Performance Measures Assessment Forms

Department: Department of Revenue

Program: General Tax Administration

Service/Budget Entity: Taxpayer Aid

Measure: Percent of educational information/ assistance rendered meeting or exceeding taxpayers' expectations

Action:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
96%	88%	-8%	-8.3

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input checked="" type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation: During the first quarter of 2011 the Department had a backlog of emails requiring responses. These months historically experience increased demand regarding tax information and it was anticipated that survey responses would reflect a lower satisfaction rating. Upon further review it appears there has been a 31% decline in the number of surveys and responses received in FY 10-11 vs. FY 09-10. In addition, the Department experienced numerous problems with the implementation of the new phone system.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input checked="" type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: Implementation of the new phone system impacted the Department's survey process by automating the phone surveys. The Department has noticed a substantial decline in customer satisfaction since the transition. When Taxpayer Services staff conducted the surveys they had the opportunity to clarify the questions being asked. For example, clarifying that call center staff were not asking about the satisfaction of the answer the taxpayer was given (e.g., denial of a compromise, or told they had to register to pay taxes), but rather questioning the satisfaction of the service provided by the agent. In addition, we've experienced numerous problems with the implementation of our new phone system: excessive downtime of the 1-800 number, problems with delivery of calls to the agents, agents unable to log into the system (thus, less agents), excessive queue wait times, and excessive busy signals at the 800 number level. Although these problems occur less frequently, complications still happen occasionally. We are continuing to work with the phone system vendor to resolve these issues and have requested additional technical training on the system.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Training | <input checked="" type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations: The Department will continue to work with the vendor on improving phone system performance. In addition, the Department will explore options in improving our survey tools.

Exhibit III – GTA Performance Measures Assessment Forms

Department: Department of Revenue
Program: General Tax Administration
Service/Budget Entity: Taxpayer Aid
Measure: Number of calls answered by Call Center agents

Action:

- Performance Assessment of Outcome Measure Revision of Measure
 Performance Assessment of Output Measure Deletion of Measure
 Adjustment of GAA Performance Standards

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
983,000	801,098	-181,902	-18.5%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- Personnel Factors Staff Capacity
 Competing Priorities Level of Training
 Previous Estimate Incorrect Other (Identify)

Explanation: The standard for FY 2010-11 included an increase in calls related to the tax amnesty program (July – September 2010) along with anticipated legislative changes regarding unemployment compensation tax and may have been overestimated.

External Factors (check all that apply):

- Resources Unavailable Technological Problems
 Legal/Legislative Change Natural Disaster
 Target Population Change Other (Identify)
 This Program/Service Cannot Fix The Problem
 Current Laws Are Working Against The Agency Mission

Explanation: As previously stated, the Department experienced numerous problems with the implementation of a new phone system which impacted call center performance. Issues such as: excessive downtime of the 1-800 number, problems with delivery of calls to the agents, agents unable to log into the system (thus, less agents), excessive queue wait times, and excessive busy signals at the 800 number level. Although these problems occur less frequently, complications still happen occasionally. We are continuing to work with the phone system vendor to resolve these issues and have requested additional technical training on the system.

Management Efforts to Address Differences/Problems (check all that apply):

- Training Technology
 Personnel Other (Identify)

Recommendations: The Department will continue to work with the vendor on improving phone system performance and will seek additional training to address future technical difficulties that arise.

Exhibit III – GTA Performance Measures Assessment Forms

Department: Department of Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance Determination

Measure: Percent of compliance examinations resulting in an adjustment to a taxpayers account

Action:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
65%	61%	-4%	-6.2%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation: The Department changed the methodology used in calculating this outcome measure by excluding "filing compliance examinations" (math audit) from the calculation and isolating tax compliance efforts (audit, discovery/campaigns, and criminal investigations). Although actual performance for 2010-11 was slightly below the revised standard this outcome reflects improvement when compared to last year's performance results of 57%.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

N/A

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations: The increased use of third party data will enhance and improve audit selection and discovery/campaign cases. Starting in FY 2011-12 the Department will receive reports from wholesalers and distributors of alcoholic beverages and tobacco products regarding their sales to dealers in Florida. The Department will use this data to identify Florida retailers underreporting sales and use tax on alcoholic beverage and tobacco product sales by comparing net wholesale sales of alcohol and tobacco products with the amount of sales and use tax reported and paid by the retailers. In addition, the Department will begin receiving vendor credit card transactions from the IRS in 2012. This information will aid in audit selection by matching these data to taxpayer-reported sales. Another use of third party data being developed is an enhancement to the Department's corporate income tax audit selection methodology to identify businesses using transfer pricing schemes as a means of minimizing corporate income tax due for either state or federal tax purposes.

Exhibit III – GTA Performance Measures Assessment Forms

Department: Department of Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance Determination

Measure: Number of filing compliance exams completed and resulting in a notice of additional liability

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
1,700,000	1,674,585	-25,415	-1.5%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

N/A

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: Economic conditions and other external factors have resulted in a reduction in the overall number of active tax accounts and therefore the number that require a notice of additional liability.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: Adjust standard as appropriate.

Exhibit III – GTA Performance Measures Assessment Forms

Department: Department of Revenue
Program: General Tax Administration
Service/Budget Entity: Compliance Determination
Measure: Number of taxpayers selected for a tax compliance examination

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
34,880	34,020	-860	-2.5

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) – process improvement |

Explanation: The Department continues in its efforts to improve the selection criteria for identifying non-compliant taxpayers. As a result the process performed fewer discovery/campaign examinations, while maintaining nearly the same level of assessments. This improvement had the added benefit of reducing the number of taxpayers required to provide unnecessary information to the Department as part of discovery/campaign projects. Although actual performance results for FYE 2011 were slightly below the modified target, overall performance increased for this output from the prior fiscal year by 749.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

N/A

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations: The Department continues to evaluate appropriate resource allocations between discovery/campaign projects and compliance audit activities. Additional system enhancements are also being explored to fully capture discovery/campaign efforts. The increased use of third party data, as previously mentioned, is also expected to further improve tax compliance activities.

Exhibit III – GTA Performance Measures Assessment Forms

Department: Department of Revenue
Program: General Tax Administration
Service/Budget Entity: Compliance Determination
Measure: Number of discovery examinations completed

Action:

- Performance Assessment of Outcome Measure Revision of Measure
 Performance Assessment of Output Measure Deletion of Measure
 Adjustment of GAA Performance Standards

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
14,000	11,386	-2,614	-18.7

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- Personnel Factors Staff Capacity
 Competing Priorities Level of Training
 Previous Estimate Incorrect Other (Identify) – process improvement

Explanation: The Department continues in its efforts to improve the selection criteria for identifying non-compliant taxpayers. As a result the process improved its assessment percentage per taxpayer contact from a historical 13% - 18% to nearly 45%. This allows for fewer discovery examinations, while maintaining the same level of assessments. This improvement had the added benefit of reducing the number of taxpayers required to provide unnecessary information to the Department as part of discovery projects. Also, the number of discovery personnel has been drastically reduced over the last few years (nearly half the personnel); therefore the goal may no longer be realistic.

External Factors (check all that apply):

- Resources Unavailable Technological Problems
 Legal/Legislative Change Natural Disaster
 Target Population Change Other (Identify)
 This Program/Service Cannot Fix The Problem
 Current Laws Are Working Against The Agency Mission

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- Training Technology
 Personnel Other (Identify)

Recommendations: The Department continues to evaluate appropriate resource allocations between discovery/campaign projects and compliance audit activities. Additional system enhancements are also being explored to fully capture discovery/campaign efforts.

Exhibit III – GTA Performance Measures Assessment Forms

Department: Department of Revenue
Program: General Tax Administration
Service/Budget Entity: Compliance Resolution
Measure: Percent of (collection) cases resolved in less than 90 days

Action:

- Performance Assessment of Outcome Measure Revision of Measure
 Performance Assessment of Output Measure Deletion of Measure
 Adjustment of GAA Performance Standards

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
66%	60%	-6%	-9.1%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- Personnel Factors Staff Capacity
 Competing Priorities Level of Training
 Previous Estimate Incorrect Other (Identify)

Explanation: The Department revised the methodology and standard for this measure during FY 2010-11 in an effort to more accurately and completely measure results.

In the previous calculation, when the Department issued a “failure-to-file-return” notice (delinquency notice) and the taxpayer filed the required return within 90 days, the “case” was considered timely resolved, even if there was additional tax owed. In this scenario, the taxpayer would then be issued a bill informing them of the unpaid liability, and a new case would be counted. If this bill were then paid within 90 days it, too, would be considered timely resolved. Using this methodology the Department would have a performance percentage of 100% related to two cases.

In the new measure’s calculation, a more stringent methodology of counting when a case is resolved is applied. A case is now deemed “resolved” when all liabilities are settled. Given the same set of circumstances outlined above, the Department’s performance percentage would be 0% since the total time from initial notification to final resolution of the delinquency notice and unpaid liability would be longer than 90 days.

External Factors (check all that apply):

- Resources Unavailable Technological Problems
 Legal/Legislative Change Natural Disaster
 Target Population Change Other (Identify)
 This Program/Service Cannot Fix The Problem
 Current Laws Are Working Against The Agency Mission

Explanation:

N/A

Management Efforts to Address Differences/Problems (check all that apply):

- Training Technology
 Personnel Other (Identify)

Recommendations: The Department received funding in 2009-10 for the implementation of Collection Analytics, a technical tool that provides for improved case prioritization based on predictive modeling. This initiative will be enhanced further by integrating a financial institution data match (FIDM) program. In a FIDM program an electronic file of the names and federal tax identification numbers of entities with outstanding tax warrants are compared to a bank’s electronic file of account holders, providing the Department with immediate reports of possible matches for further collection activity. Additionally, the Department has increased the dollar threshold of collection cases assigned to private collection agencies. This will provide for a higher volume of cases available to the collection agencies thus freeing-up departmental collection staff to more effectively handle their caseloads. Collection

Exhibit III – GTA Performance Measures Assessment Forms

Analytics is scheduled to be fully implemented by the end of 2011. The Department will continue to assess compliance resolution performance measures and recommend adjustments as necessary once the system is fully operational.

Exhibit III – GTA Performance Measures Assessment Forms

Department: Department of Revenue
Program: General Tax Administration
Service/Budget Entity: Compliance Resolution
Measure: Number of collection cases resolved

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
1,200,000	1,048,019	-152,981	-12.7%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation: As previously stated, the Department changed the methodology in quantifying collection cases which impacted this output measure.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

N/A

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: As previously mentioned, the Department is in the process of implementing collection analytics in conjunction with a financial institution data match (FIDM) program. These systems are scheduled to be fully implemented by the end of 2011. The Department will continue to assess compliance resolution performance measures and recommend adjustments as necessary once the system is fully operational.

Exhibit III – GTA Performance Measures Assessment Forms

Department: Department of Revenue

Program: General Tax Administration

Service/Budget Entity: Tax Processing

Measure: Percent of receivables reaching uncollectible status/available for write-off

Action:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
8%	17%	9%	9.8%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation: This measure calculates the percentage of receivables reaching an uncollectible status to total accounts receivable (active accounts). Data inconsistencies were discovered after initially modifying the target for this outcome from 20% to 8%. Adjustments were made to the query that provides data for the numerator of this measure which resulted in higher than anticipated results.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

N/A

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: The Department is in the process of implementing collection analytics in conjunction with a financial institution data match (FIDM) program. These systems are scheduled to be fully implemented by the end of 2011. The Department will continue to assess compliance resolution performance measures and recommend adjustments as necessary once the system is fully operational.

Exhibit III – PTO Performance Measures Assessment Forms

Department: Department of Revenue

Program: Property Tax Oversight

Service/Budget Entity: Compliance Determination

Measure: Number of in-depth classes studied with a statistically valid sample

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
85	66	-19	-22.4%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation: N/A

External Factors (check all that apply):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input checked="" type="checkbox"/> This Program/Service Cannot Fix the Problem | |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission | |

Explanation: The wide fluctuations in Florida's real estate market over the past two years have made obtaining statistically valid samples more difficult. Without a stabilizing of Florida's real estate market, a resolution of current foreclosure and short sale issues impacting the state, and other factors skewing sales data, statistically valid samples will continue to be difficult to obtain due to limited appraisal resources and sales.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: Request a new measure to replace the current measure and more accurately reflect the goal of the activity. (Percent of property value studied with a statistically reliable sample)

Exhibit III – PTO Performance Measures Assessment Forms

Department: Department of Revenue
Program: Property Tax Oversight
Service/Budget Entity: Compliance Determination
Measure: Number of refund/tax certificate applications processed

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
5,000	4,084	-916	-18.3%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation: N/A

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem | |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission | |

Explanation: This measure is a demand output. The program received fewer refund and tax certificate applications than in previous years and all refund and tax certificate applications received were received and processed timely.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: Adjust the standard to reflect the decline in refund and tax certificate applications processed. In addition, upcoming legislative changes will limit refunds reviewed by the program in Fiscal Year 2011-2012 to those exceeding \$2,500. Refunds under \$2,500 will not require prior review by the program.

Exhibit III – PTO Performance Measures Assessment Forms

Department: Department of Revenue

Program: Property Tax Oversight

Service/Budget Entity: Compliance Assistance

Measure: Number of hours of Aid & Assistance Consultation Provided to Elected Officials

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
3,000	1,016	- 1,984	- 66.1%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input checked="" type="checkbox"/> Staff Capacity |
| <input checked="" type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation: Recent law changes and significant reforms to Florida's property tax system have required the Department to reallocate staff from this function to other areas, notably those focusing on local government millage levying compliance, Amendment 1 implementation, and county value adjustment board rules of procedure.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem | |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission | |

Explanation: N/A

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: Establish a measure to reflect performance in the new areas of activity (Number of inquiries from taxpayers and local governments answered).

Exhibit III – PTO Performance Measures Assessment Forms

Department: Department of Revenue
Program: Property Tax
Service/Budget Entity: Compliance Assistance
Measure: Number of student training hours provided

Action:

- | | |
|--|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure
<input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure
<input type="checkbox"/> Adjustment of GAA Performance Standards | <input type="checkbox"/> Revision of Measure
<input type="checkbox"/> Deletion of Measure |
|--|--|

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
38,000	18,637	-19,363	-51.0%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors
<input type="checkbox"/> Competing Priorities
<input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Staff Capacity
<input type="checkbox"/> Level of Training
<input type="checkbox"/> Other (Identify) |
|---|--|

Explanation: N/A

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable
<input type="checkbox"/> Legal/Legislative Change
<input type="checkbox"/> Target Population Change
<input type="checkbox"/> This Program/Service Cannot Fix the Problem
<input type="checkbox"/> Current Laws Are Working Against the Agency Mission | <input type="checkbox"/> Technological Problems
<input type="checkbox"/> Natural Disaster
<input checked="" type="checkbox"/> Other (Identify) |
|--|--|

Explanation: As local governments have had to reduce their budgets and cut back on hiring new staff, the number of property appraiser and tax collector staff able to attend the Department's certification and continuing education classes has decreased. The Department anticipates attendance to continually fall even more in the out years as revenues and budgets at the local level continue to come under pressure.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|---|---|
| <input type="checkbox"/> Training
<input type="checkbox"/> Personnel | <input type="checkbox"/> Technology
<input checked="" type="checkbox"/> Other (Identify) |
|---|---|

Recommendations: Adjust standard to reflect reduced demand for certification and continuing education classes due to local government budget constraints. Offering more certification and training programs in a virtual training environment to reduce costs and travel time for participants and instructors.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Case Processing

Measure: Percent of IV-D cases missing critical data elements necessary for next appropriate action

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The source of the data is the Child Support Enforcement Automated Management System (CAMS) Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making.

Methodology:

This measure defines the percentage of CSE (IV-D) cases missing critical data elements that preclude business processes from taking the next appropriate action. The computation of this measure is monthly. The summed monthly numerators and denominators generate the end-of-year percentage.

Numerator: The numerator is the sum of unique cases that are open at the end of the month and unique closed cases with undistributed collections (UDC) that are missing critical data elements from the following categories:

- Case Level Data
- Business Partner Level Data
- Financial Level Data

If a case is missing one or more critical data elements, the case is counted in the numerator.

Denominator: The denominator is the sum of unique cases open at the end of the month and unique cases closed at the end of the month that have undistributed collections which are not potentially eligible for assignment to program income pursuant to section 409.2558 of federal statute.

Business Terms:

Case Level Data

- A case missing one or more business partners
- A case with cash on hand
- A case with no depository number

Business Partner Level Data

- Business partner with no business partner address
- Business partner with no valid social security number for the business partner for whom support is sought or for the business partner ordered to pay support
- Business partner for whom support is sought with no grant information
- Business partner for whom paternity is sought with no paternity declaration on record
- Business partner for whom paternity is sought, who was born outside of Florida and a copy of the birth certificate is not on record

Financial Level Data

- A payment that cannot be assigned to a case or business partner
- UDC on a public assistance (PA) case
- UDC on a non-assistance (NA) case
- UDC in a support account with a clearing lock for the business partner ordered to receive support

Exhibit IV - CSE Performance Measures Validity and Reliability

- UDC in a business partner contract account with a clearing lock associated with the payment waiting to be refunded to the business partner ordered to pay support
- UDC associated with a case where there is a balance error between the unreimbursed public assistance (URPA) and the child support payment

Business Terms:

Business Partner - A business partner is a person, organization, or group. The business partners mentioned in this measure apply to the person for whom support is sought or the person ordered to pay support

Clearing Lock – A lock placed on an account, either manually or systematically, to show whether payments should complete revenue distribution or wait for additional information

Depository Number – A unique number designated by CSE for payment processing, using the Clerk of Court case number

Disbursable – A payment that meets all criteria for full or partial revenue distribution as child support

Grant – The cash amount a family receives from public assistance

No Grant – During a month the business partner ordered to receive support is on public assistance and the grant information is missing critical data, payment cannot complete revenue distribution

Obligated Case – An open case with a court order for support

UDC – Undistributed collections – a payment that does not meet all criteria for full or partial revenue distribution

Undistributed Payment – Cash on hand associated with a case where a hold is placed on an account, stopping revenue distribution for a specific reason

Unidentified – Payments made through the SDU where adequate information is not available at the SDU to post the payment to the proper case or business partner

Unobligated Case – A case in the CSE open case inventory in the process of getting an order for paternity and support, support only, medical support only, or paternity only

Unreimbursed Public Assistance (URPA) – The cumulative amount of assistance paid to a family from the state during a specific period not repaid by assigned support payments

Validity:

This measure is a reflection of the work performed by the Case Maintenance process in identifying and populating missing critical data elements. Identifying and populating these data elements enables CAMS to take the next appropriate action and helps ensure the case moves timely and accurately to the subsequent action.

Reliability:

CSE continually endeavors to identify and correct critical data elements within CAMS. The Office of the Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Case Processing

Measure: Total number of cases maintained during the year

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The source of the data for this measure is the Child Support Enforcement Automated Management System (CAMS) Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making.

Methodology:

This measure is a count of the total number of cases or service requests (quick locate) open at any point within the state fiscal year. The total number includes not only cases requiring establishment, maintenance, or enforcement of an order for paternity and or support, but also service requests associated with interstate locate-only services or interstate requests for assistance/discovery. Each case or request will be counted only once regardless of the number of times the case or request was closed and re-opened during the reporting period.

Validity:

This measure is an indicator of overall workload for the CSE program. It measures and reports the total number of cases or requests requiring monitoring and processing throughout the reporting period.

Reliability:

CSE continually endeavors to identify and correct critical data elements within CAMS. The Office of the Inspector General performs periodic reviews of performance measures. The scope of the review will vary, depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Case Processing

Measure: Total number of individual educational contacts and inquiries answered

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The sources of the data are the State Disbursement Unit (SDU) Call Center, the CSE Customer Call Center, the Miami-Dade Call Center, and Google Analytics. Additionally, the Child Support Enforcement Automated Management System (CAMS) will supply the number of walk-ins without appointments, customers appearing for up-front cooperation, legislative inquiries, educate and assist contacts, and correspondence tracking.

Methodology:

This measure is the total count of the number of contacts the Child Support Enforcement program has with individuals who receive services or individuals seeking information regarding the program.

The measure includes:

- Requests for case information from other states
- Letters, faxes, e-mails and phone calls to the Legislative Inquiries Section
- Hits on the Department's CSE web page
- Attendees at educational presentations hosted or coordinated by CSE
- Walk-ins without appointments
- Individuals appearing for up-front cooperation
- Educational mail-outs sent by CSE to individuals who receive services
- Customer inquiries received by the Customer Call Centers, including Miami-Dade
- Inquiries to the Automatic Payment Line
- Customer-related correspondence received by the program

Validity:

This measure captures the workload of the Child Support Aid Process, whose purpose is to provide general program and case-specific child support information to service recipients, program partners, and the public. Improved customer satisfaction and increased program awareness is monitored by this measure.

Reliability:

The technology to monitor phone call volume and calls answered is well developed. The technology makes the electronic data reporting very reliable. The call centers are also monitored for accurate representation of information relayed to customers. Furthermore, the Office of the Inspector General performs periodic reviews of performance measures.

The scope of the review will vary, depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Remittance and Distribution

Measure: Percent of state disbursement unit collections disbursed within 2 business days of receipt

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

Two components comprise this measure: IV-D payments and non-IV-D payments. The data source for the IV-D component is the Child Support Enforcement Automated Management System (CAMS) Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making. The data source for the non-IV-D component is the KidStar system operated by the Department's State Disbursement Unit (SDU) vendor.

The numerator for the measure is the sum of both the identifiable IV-D and non-IV-D payments disbursed within two business days of receipt during the state fiscal year. The denominator for the measure is the sum of the total number of identifiable, disburseable IV-D and non-IV-D payments.

Business Terms

Identifiable: A payment received by the SDU that can be matched to a case. For a payment to be identifiable, it must provide enough information to associate the payment with the appropriate payee.

Disburseable: Payments allocated to a disburseable account or to a disburseable assignment within an account. Although some payments are received and disbursed, they may not be deemed as disburseable for computing this measure. IRS holds or other account lock reasons can legitimately preclude certain payments from being evaluated for timely processing.

Validity:

The disbursement of all identifiable payments within two business days of receipt is a federal requirement placed on each state's SDU. This measure is also a legislative performance accountability measure. It assesses the program's success towards achieving the desired outcome of increasing the percentage of collections disbursed to recipients in a timely manner. It measures the efficiency of the entire disbursement process, encompassing the SDU, the Florida Association of Court Clerks, and CSE.

Reliability:

CSE continually endeavors to identify and correct critical data elements within CAMS. The Office of the Inspector General performs periodic reviews of performance measures. The scope of the review will vary, depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Remittance and Distribution

Measure: Percent of state disbursement unit IV-D collections disbursed within 1 business day of receipt

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The data source for this measure is the Child Support Enforcement Automated Management System (CAMS) Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making.

The numerator for the measure is the number of identifiable IV-D payments disbursed within one business day of receipt by the State Disbursement Unit (SDU) during the state fiscal year. The denominator for the measure is the total number of identifiable, disburseable IV-D payments.

Business Terms:

Identifiable: A payment received by the SDU that can be matched to a case. For a payment to be identifiable, it must provide enough information to associate the payment with the appropriate payee.

Disburseable: Payments allocated to a disburseable account or to a disburseable assignment within an account. Although some payments are received and disbursed, they may not be deemed as disburseable for computing this measure. IRS holds or other account lock reasons can legitimately preclude certain payments from being evaluated for timely processing.

Validity:

This measure is a cumulative and collective evaluation of the entire payment and disbursement process. A cooperative effort between the SDU and CSE is required for a payment to be disbursed on time. This measure reflects the efficiency of the entire disbursement process.

Reliability:

CSE continually endeavors to identify and correct critical data elements within CAMS. The Office of the Inspector General performs periodic reviews of performance measures. The scope of the review will vary, depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Remittance and Distribution

Measure: Total number of collections processed

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The source of the data is the Child Support Enforcement Automated Management System (CAMS) Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making. Additional information from the State Disbursement Unit (SDU) KidStar system is also used in computing this measure.

Methodology:

This output measure reflects the total number of support payments either partially or fully cleared during the state fiscal year. The number of support payments includes the number of payments for IV-D cases (CAMS) and for non-IV-D cases processed by the SDU.

Validity:

This measure assesses the program's success towards achieving the desired outcome of increasing the number of support payments. It captures the total number of payments cleared through CSE (IV-D cases) as well as the number of payments for non-IV-D cases, thus capturing the majority of the workload within the SDU process.

Reliability:

CSE continually endeavors to identify and correct critical data elements within CAMS. The Office of the Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Remittance and Distribution

Measure: Total number of collections distributed

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The source of the data is the Child Support Enforcement Automated Management System (CAMS) Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making, and information from the Florida Association of Court Clerks database (CLERC).

Methodology:

This output measure reflects the total number of support payments either partially or fully disbursed during the state fiscal year. The number of support payments disbursed includes the number of payments disbursed for IV-D cases (CAMS) as well as the number of payments disbursed for non-IV-D cases (CLERC).

Validity:

This measure assesses the program's success towards achieving the desired outcome of increasing the number of support payments disbursed. It captures the total number of payments disbursed through CSE (IV-D cases) as well as the number of payments disbursed for non-IV-D cases.

Reliability:

CSE continually endeavors to identify and correct critical data elements within CAMS. The Office of the Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Establishment

**Measure: Percent of department (IV-D) cases with an order for support (*federal definition*)
(*service outcome*)**

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The data for this measure is compiled for the Federal Child Support Enforcement Annual Data Report (OCSE-157 Report). The source of the data is the Child Support Enforcement Automated Management System (CAMS) Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making.

Methodology:

This measure is calculated by dividing the total number of IV-D cases with an order for support (OCSE 157 line 2) by the total number of open IV-D cases at the end of the Federal Fiscal Year (OCSE 157 line 1). Non-jurisdictional cases are excluded from the count.

The Numerator: total number of IV-D cases with an order for support, including zero support and medical support only orders.

The Denominator: total number of open IV-D cases at the end of the year.

Federal Definitions

Business Partner: A business partner is a person, organization, or group. The business partners mentioned in this measure apply to the person for whom support is sought or the person ordered to pay support

Open Case: A case with a status other than "closed"

IV-D Case: A case consisting of a child or children who are receiving services under the IV-D program and a business partner (mother, father, or alleged father) who is now or may become obligated under law for the support of the child or children

Non-jurisdictional case: A case that involves an individual over whom CSE has no civil jurisdiction available to pursue or effect any support actions

Validity:

This measure assesses the program's success towards achieving the desired outcome of increasing the percentage of IV-D cases with ordered support. The order is a determination of the support that the business partner is obligated to provide. Support may be monetary payments or an obligation to provide medical insurance. An order establishing the obligation must exist before CSE can begin receiving payments or enforcing the order.

Reliability:

CSE continually endeavors to identify and correct critical data elements within CAMS. The Federal Office of Child Support Enforcement audits this data annually to ensure the reliability of the data. The auditors' review is based upon a sample of the total population reported for both the numerator and denominator. In addition, the Office of the Inspector General performs periodic reviews of performance measures. The scope of the review will vary, depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Establishment

Measure: Total number of paternities established and genetic testing exclusions

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The source of Florida birth records is the Office of Vital Statistics (OVS). Information concerning genetic testing and paternities established by the program for children born in other states is housed in the Child Support Enforcement Automated Management System (CAMS). The data is stored in the CAMS Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making.

Methodology:

This measure is a count of the total number of Florida-born children for whom paternity was established during the federal fiscal year as well as the total number of children born in another state for whom paternity was established by the Title IV-D program during the federal fiscal year. Also included is the number of alleged fathers excluded by genetic testing.

Validity:

Paternity is established either by parental acknowledgement or by an order. Paternity establishment may involve working with alleged fathers, facilitating genetic testing, processing administrative and judicial actions, and conducting educational outreach with external business partners. This measure captures a majority of the workload within the paternity establishment process and is a valid representation of this process.

Reliability:

CSE continually endeavors to identify and correct critical data elements within CAMS. CSE paternity data is provided daily via an interface with the Department of Health, Office of Vital Statistics. This arrangement allows the data to load directly from the official record keeper for all children born in Florida (DOH-OVS) to CAMS.

The Federal Office of Child Support Enforcement annually audits the paternity data to ensure the reliability of the data. In addition, the Office of the Inspector General performs periodic reviews of performance measures. The scope of the review will vary, depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Establishment

Measure: Total number of cases with newly established and modified orders

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The source of the data is the Child Support Enforcement Automated Management System (CAMS) Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making.

Methodology:

This measure counts the number of instances in which an original order for support was established by CSE during the federal fiscal year. Also counted is the number of instances in which a support order was modified to include a child or children not previously covered by the original support order. A given case could have one or more instances, all of which would be counted for this measure.

Business Terms

Support order: The legal establishment of an amount of money that is due and owed by a parent for the support of the parent's children and/or the responsibility to provide health insurance or medical support for those children.

Validity:

One of the goals of CSE is to establish and/or modify support orders for children in need of CSE services to ensure families receive the support they need. This measure reflects the program's ability to meet this goal and is therefore a valid measure of the order establishment process.

Reliability:

CSE continually endeavors to identify and correct critical data elements within CAMS. In addition, the Office of the Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Compliance

Measure: Percent of current support collected (*federal definition*) (*service outcome*)

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The data for this measure is compiled for the Federal Child Support Enforcement Annual Data Report (OCSE-157 Report). The source of the data is the Child Support Enforcement Automated Management System (CAMS) Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making.

Methodology:

This measure is defined as the ratio of the payments collected and distributed as current support during the federal fiscal year to the total amount of current support due during the federal fiscal year.

The numerator (OCSE 157 line 25): the total amount collected and distributed as current support during the federal fiscal year for all IV-D cases. This measure includes regular obligation payments, voluntary payments, and intercepts received.

The denominator (OCSE 157 line 24): the total amount of current support due during the federal fiscal year for all IV-D cases. Support due is defined by posting a receivable to a current child support account.

Business Terms:

Business Partner:	A business partner is a person, organization, or group. The business partners mentioned in this measure apply to the person for whom support is sought or the person ordered to pay support.
Current Support Account:	An account type '10' (current child support), '19' (current spousal support), '15' (Cash Medical), or '17' (Medical Insurance Premium)
Current Obligation:	The posting of receivables (transaction FPDUDC) to a current support account
Current Support:	Amount of obligation owed to the business partner ordered to receive support on a regular basis as stated in the support order

Validity:

This measure assesses the program's success towards achieving the desired outcome of increasing the number of cases receiving payments toward current support. This serves as both a federal and GAA measure.

Reliability:

CSE continually endeavors to identify and correct critical data elements within the CAMS system. The Federal Office of Child Support Enforcement audits this data annually to ensure the reliability of the data. The auditors' review is based upon a sample of the total population reported for both the numerator and denominator. In addition, the Office of the Inspector General performs periodic reviews of performance measures. The scope of the review will vary, depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Compliance

Measure: Percent of support collected and distributed during the year that was due within the federal fiscal year

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The source of the data for this measure is the Child Support Enforcement Automated Management System (CAMS) Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making.

Methodology:

This measure is defined as the ratio of the amount of payments collected and distributed during the federal fiscal year to the total amount of support due during the federal fiscal year.

The numerator is the total amount of support paid and distributed. This measure includes regular obligation payments, Unemployment Compensation payments, and other intercepts.

The denominator is the total amount of receivables posted during the federal fiscal year. The total support due during the federal fiscal year does not include arrears accrued in previous federal fiscal years.

Business Terms:

Current Support: Amount of obligation owed to the business partner ordered to receive support on a regular basis as stated in the support order

Arrears: The amount of past due child support determined by the court as owed by the business partner ordered to pay support. The court orders a monthly obligation to assist in paying said arrears.

Validity:

This measure assesses the program's success towards achieving the desired outcome of increasing the number of cases for which payments were received and distributed.

Reliability:

CSE continually endeavors to identify and correct critical data elements within CAMS. The Office of the Inspector General performs periodic reviews of performance measures. The scope of the review will vary, depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Compliance

Measure: Total number of obligated unique cases identified for compliance resolution

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The source of the data is the Child Support Enforcement Automated Management System (CAMS) Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making.

Methodology:

This measure counts the cumulative number of unique cases not in full compliance with the provisions of the child support order during the state fiscal year. The case could be out of compliance with either financial support and/or medical support.

Business Terms:

Full Compliance: All provisions of the child support order are met

Provisions: The obligations set forth in a child support order that could include current support, arrears, and/or medical support

Validity:

One of the goals of CSE is increased compliance. This measure counts the cases identified for enforcement action. These actions are known to result in more paying cases and increased collections.

Reliability:

CSE continually endeavors to identify and correct critical data elements within CAMS. In addition, the Office of the Inspector General performs periodic reviews of performance measures. The scope of the review will vary depending on an annual risk assessment.

Exhibit IV - CSE Performance Measures Validity and Reliability

Department: Revenue

Program: Child Support Enforcement

Service/Budget Entity: Child Support Compliance

Measure: Total number of actions processed during the year

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The source of the data for this measure is the Child Support Enforcement Automated Management System (CAMS) Business Intelligence (BI), a data warehouse used to transform data into usable information to support the business processes in decision-making. Several compliance remedies are not active on the CAMS system yet. The compliance information for these remedies is retrieved from Access databases maintained by the Compliance process.

Methodology:

This measure is defined as the total number of compliance actions taken during the state fiscal year for cases with an order. The measure is calculated by selecting all recorded compliance actions taken for cases in need of enforcement. There are many types of compliance actions available to the program when enforcement of an order is required. Examples include past due notices; driver's license suspensions; suspension of business, professional and recreational licenses; income deduction; unemployment withholding; income tax refund offset; insurance intercepts; and judicial motions for contempt. In addition, administrative dispute resolution actions are included in this output measure.

Business Terms:

Case with an Order: Any open case with a legal obligation to support a child financially or to supply medical support

Compliance Actions: Administrative or judicial remedies available to the program to achieve adherence to the provisions of the support order

Dispute Resolution: The formal or informal consideration of disputed collections

Validity:

This measure counts the number of enforcement actions taken during the state fiscal year. These enforcement actions result in increased compliance with the provisions of the order. This measure assesses the success of the program toward achieving the goal of increased compliance, whether it is increased payments or provision of medical support.

Reliability:

CSE continually endeavors to identify and correct critical data elements within CAMS. The Office of the Inspector General performs periodic reviews of performance measures. The scope of the review will vary, depending on an annual risk assessment.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Tax Processing

Measure: Percent of tax returns reconciled within 25 days (Primary Outcome)

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is calculated by dividing the number of tax returns reconciled within 25 days by the total number of tax returns received in the same period. The primary data source is the Resource Management Database (RMDB) where selected tables and fields are downloaded monthly from the SAP (SUNTAX) system.

Validity:

The reconciliation of tax returns filed is the primary driver of the issuance of tax deficiency notices (bills), thus measuring the Department's ability to notify taxpayers of potential additional liabilities timely. This 25-day period also coincides with the Program's stretch goal regarding the distribution cycle wherein all receipts (rather than state revenue sharing) are distributed to local and state government entities by the 25th of the month. The measure represents a "cradle-to-grave" cycle of all activities occurring in GTA's Tax Processing core process.

Reliability:

The use of the Resource Management Database provides for direct access to all detailed individual revenue processing as well as all SAP transactions, including access to underlying extract queries and algorithms that comprise the reported measure. This ensures that a constant audit trail is maintained for review to ensure the accuracy of reported data. Outputs of the queries are reviewed cyclically to ensure the integrity of reported data.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Tax Processing

Measure: Average number of days from receipt of payment to deposit

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is a dollar-weighted measure that provides an indicator of the value to the state of timely depositing money into the state treasury. It is displayed as a decimal, with one day = 1.00. The prevailing daily interest rate can be applied to the fractional number of days (+/-) to show the amount of interest earned by the state as a result of the timely deposit of funds. The calculation is based on “dollar-days”, so that \$90 deposited in “zero” days (same day as receipt) and \$10 deposited in 10 days would yield 1.00 days $[(\$90 \times 0) + (\$10 \times 10) \text{ divided by } \$100 \text{ (total deposits)}]$. The data source is the daily deposit record. When counting “days”, both workdays and weekend days are included because interest is earned on all days.

Validity:

Every deposit made is included in the measure. This measure is also used to provide a formula that can be utilized to show the amount of interest earned by the state as a result of timely deposits.

Reliability:

Data is drawn directly from the daily deposit record which is reconciled daily to the state accounting system, there by creating and maintaining an “audit trail” allowing for an ongoing review of accuracy and data integrity.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Tax Processing

Measure: Percent of unemployment taxes deposited within 3 days of receipt

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

An actual sample of paper checks received and the total percentage of electronic fund transfers (EFT) are used to extract this outcome measure. The sample of checks is pulled directly from trays of checks received in the mailroom on the day received. The EFT proportion is determined by dividing total taxes paid via EFT by total taxes received for the quarter. By definition, EFT receipts are deposited on the same day as receipt.

The measure's actual computation is as follows: $P = (w \times 100) + [(1 - w) \times p]$

Where:

P= overall % of unemployment compensation tax dollars deposited within 3 days

w= proportion of EFT tax dollars received

p= sample % of tax dollars deposited within 3 days

Validity:

This annual assessment of the timeliness of tax deposits verifies the % of UC tax dollars deposited within 3 days. The assessment evaluates both the checks received and processed manually as well as EFT dollars received and processed electronically. The overall percentage reflects the agency's ability to consistently deposit UC tax dollars timely. The measurement criteria come directly from the Federal Handbook for the federally mandated Tax Performance System (TPS).

Reliability:

The sample, consisting of between 300 & 500 checks, is pulled for each assessment or test period and is considered statistically valid. The dates of receipt are manually verified by external reviewers. The EFT dollars are confirmed by bank statements and daily deposit runs. This method assures the reliability of the outcome.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Tax Processing

Measure: Percent of taxpayer-claimed refunds processed within 90 days

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is calculated by dividing the number of refunds claimed on forms DR26 (Refund Claim), Corporate Income Tax Return, Insurance Premium Tax Return, Communication Service Tax Return and Fuel Tax Return that are processed within 90 days of receipt by the Department by the total number of refunds processed and the total number of over 90 days inventory from the same sources in a given time period. A “processed” refund claim is defined as one that was withdrawn, approved, or denied. The data source is the Refund Case Management System (RCMS), a component within SUNTAX, which tracks all refunds claimed by taxpayers.

Validity:

By law, the Department must pay interest to taxpayers on any refund that takes longer than 90 days to process. This measure is a direct indicator of the Department’s ability to issue claimed refunds within that time period, thereby saving the state interest payments as well as insuring that taxpayers are provided timely service. The measure includes every refund claim subject to the payment of interest.

Reliability:

The use of RCMS provides for direct access to information associated with all refunds claimed by taxpayers and all pertinent data (e.g., receipt date, amount of claim, issue date, etc.) This ensures that a constant audit trail is maintained for review to ensure the accuracy of reported data. Data are reviewed by process staff and management to ensure the integrity of reported data.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Tax Processing

Measure: Percent of distributions made timely

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is computed as follows: Numerator: Total number of distributions made by the 25th day of the month following the month in which a receipt is validated. Denominator: Total number of distributions made for receipts validated during a given month. The data source is a monthly file provided by the Department of Financial Services (DFS) that shows the distributions made in a month and the dates of each distribution. For reference purposes, there are approximately 3,200 separate distributions made each month to local governments and state trust funds.

Validity:

The Department is legally mandated by statute and/or local ordinance to timely distribute revenue to the appropriate jurisdiction to fund governmental operations and programs. This measure directly reflects that ability and is therefore a valid measure of the distribution process. Every distribution made is included in the measure.

Reliability:

Data is drawn directly from DFS transaction detail, thus creating a continuous “audit trail” allowing for an ongoing review of accuracy and data integrity.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Tax Processing

Measure: Number of accounts maintained

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is calculated by annually averaging the total number of taxpayer accounts (business partners) which are associated with active tax accounts. For purposes of this measure, these units will be referred to as active business partners. The primary data source is SAP (SUNTAX) registration.

This represents a change in measurement methodology beginning with FY 2011-12. Prior to this change, the measure was derived by counting the number of active tax accounts. This change aligns the measurement with the SUNTAX one-stop philosophy of managing tax obligations at the entity level. Given that the majority of business partners are associated with more than one tax account, or obligation, this is a more accurate representation of the number of persons or entities GTA supports and serves. The number of active business partners managed will always be fewer than the number of tax accounts maintained.

Validity:

This measure is the total average number of active business partners registered and maintained by GTA for all taxes administered. By reporting the average of the monthly active business partner totals, it takes into account both new registrants (from applications) and new accounts created (from other data origins), as well as those business partners that have canceled or inactivated their tax accounts. The number of business partners to be maintained is one of GTA's two main cost drivers (the other being tax returns processed). This fact alone identifies this measure as the most valid to represent the process of managing active business partners.

Reliability:

The data underlying this measure is drawn directly from the databases containing all of GTA's registered filers and is maintained in the secure SUNTAX environment. Internal analyses are performed regularly at both the reporting level and the Process Management Group (PMG) level to ensure reliability and to monitor fluctuations in the measure. UT data is subject to an annual review by AWI for accuracy, security, and completeness.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Tax Processing

Measure: number of tax returns processed

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is a count of the tax returns received and processed. A processed tax return is defined as the filing of certain information in the prescribed format that reports the tax due for a specific period and tax type. The tax return may be in the form of a paper document mailed to the FDOR or may be received via various electronic methods. In addition, the tax payment may accompany the return in either medium. The first task is to process and deposit the payment in order to maximize interest earnings on the funds. After deposit is complete, the data in the "return" is captured and posted to the appropriate taxpayer account in SUNTAX. For purposes of this measure, "Number of Tax Returns Processed", a return is included when it is initially posted into SUNTAX. The primary data source is the Resource Management Database (RMDb) where selected tables and fields are downloaded monthly from the SAP (SUNTAX) transaction system and the revenue processing databases.

Validity:

This measure describes the primary output of the returns processing activity. It includes all of the tax returns processed for all DOR-administered taxes.

Reliability:

The data underlying this measure is drawn directly from the databases utilized for all tax return and remittance processes activities. Selected data fields and tables are uploaded monthly to the Resource Management Database that provides for detailed access to each record stored. Internal analyses are performed regularly at both the reporting level and the Process Management Group (PMG) level to ensure reliability and to monitor fluctuations in the measure. UT data is subject to an annual review by AWI for accuracy, security, and completeness.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Tax Processing

Measure: Number of distributions made

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is the count of individual fund distributions made by the Department during the fiscal year. A distribution of funds is accomplished by bank transfer (95%) or the issuance of a check (5%). The Department currently distributes funds to counties, municipalities, and trust funds from a variety of tax sources on a monthly basis. The data source is a monthly manual count of the number of unique Treasury disbursements (journal transfers and checks) conducted and reported by the Distribution Unit staff.

Validity:

This measure fully describes the ultimate output of all activity associated with fund accounting and distribution. The measure includes the distribution of all remittances for all taxes.

Reliability:

The data underlying this measure is drawn directly from the staff that performs distribution activities. Since all distributions occur on a predictable and routine basis, the reliability of reported data is virtually self-ensuring.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Tax Processing

Measure: number of refund claims processed

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is a count of all refund claims processed (closed) in the period. A “processed” refund claim is defined as one that was withdrawn, approved, or denied. The current data source is the Refund Case Management System (RCM). The measure is simply a count of the number of individual refunds claims processed and/or refunds generated via overpayments identified by the Department.

Validity:

This measure describes the primary output of the entire refund process, in that the results of every refund claim filed or overpayment discovered are included in the measure, even if a refund claim is wholly or partially denied. It includes all tax types and all activities associated with the refund process.

Reliability:

Data is drawn directly from the Refund Management System’s transaction detail, thus creating a continuous “audit trail” allowing for an ongoing review of accuracy and data integrity. Analysis is performed cyclically, at both the reporting level and the Process Management Group (PMG) level, to ensure reliability and to monitor fluctuations in the measure.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Taxpayer Aid

Measure: Percent of educational information / assistance rendered meeting or exceeding taxpayers' expectations (Primary Outcome)

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is computed by surveying a group of randomly-selected taxpayers that received Department educational materials/instructions or requested assistance. The surveys provide taxpayers with a series of statements for which the respondent is asked to state whether assistance rendered/education received met expectations on a 5-point rating scale from "Far exceeded expectations" to "Fell far below expectations." The data is compiled centrally using scanning software, maintained in a database, and reported periodically. Surveys will be conducted on an ongoing basis.

Validity:

Statistical samples are drawn quarterly from taxpayers that have requested assistance via phone or correspondence.

Reliability:

All data associated with surveys conducted and their results are maintained in reliable databases designed specifically for survey usage by a variety of industries, both public and private. Detailed responses are readily accessible to ensure the integrity of reported summaries.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Taxpayer Aid

Measure: Number of taxpayers provided with direct assistance or education

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is the sum of all educational materials sent, tax returns mailed, number of taxpayers interacting with the Department's web-based training site, a count of all incoming calls and correspondence answered in the taxpayer assistance units, including service center visits made for the purpose of requesting assistance. The incoming call reports are captured and maintained on the Automated Call Distribution system as well as the Mosaix call-center system. Data regarding the volume of incoming mail wherein assistance is required is captured and reported by the correspondence section in the Taxpayer Services Process. Service center volume of incoming calls, correspondence, and front-counter visits is captured monthly at the service centers and is compiled centrally.

Validity:

Educational materials are sent to specific groups of taxpayers for select topics that are applicable to the group and/or general information is sent to all filers. The balance of educational materials is provided via web access. This measure fully describes the output of activity associated with educating taxpayers and reports the total number of educational contacts made for all taxes. This measure also includes all activity associated with assisting taxpayers upon their request whether by phone or in written correspondence. It is therefore valid from the perspective that all activities conducted in the Taxpayer Assistance Process are included, regardless of the organizational units performing these activities

Reliability:

Detailed mailing records (counts, postage paid) are maintained to ensure the accuracy of reported summary data. Analysis is performed at both the reporting level and the Process Management Group (PMG) level to ensure reliability and monitor fluctuations in the measure. Data from the inbound phone system maintained in GTA's centralized call center is automatically captured and monitored via a software package specifically designed for such use. The software/system utilized is a standard industry package used by most call centers, both nationally and internationally. Data is constantly monitored by supervisory and management staff. Service centers provide monthly reports of a variety of activities including all taxpayer assistance inquiries made and are monitored by management to ensure timely and accurate reporting. Data associated with website visits is captured and maintained by software specifically designed to track such activity.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue
Program: General Tax Administration
Service/Budget Entity: Taxpayer Aid
Measure: Number of call center agent-answered calls

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is a count of all incoming calls answered in the taxpayer assistance call center. The incoming call reports are captured and maintained on the Automated Call Distribution system as well as the Mosaix call-center system.

Validity:

This measure describes the level of all activity associated with the GTA Taxpayer Assistance Call Center. It counts every agent-answered call and is therefore a fully accurate representation of this process's output.

Reliability:

Data from the inbound phone system maintained in GTA's centralized call center is automatically captured and monitored via a software package specifically designed for such use. The software/system utilized is a standard industry package used by most call centers, both nationally and internationally. Data is constantly monitored by supervisory and management staff.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance Determination

Measure: Percent of tax compliance examinations resulting in an adjustment to a taxpayer's account (Primary Outcome)

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is calculated by dividing the number of completed tax enforcement (audit, discovery, or criminal investigation contacts made resulting in either additional liability, an identified overpayment, a change in a reported tax district, or the filing of criminal charges (numerator) by the total number of taxpayer contacts for audit, discovery, and criminal investigation activities for the same time period (denominator).

Numerator composition:

Number of audits completed with a finding of additional liability, overpayment, or requiring a change to reported data + Number of discovery/campaign cases completed with a finding of additional liability + Number of criminal investigation cases resulting in the filing of criminal charges

Denominator composition:

Total number of audits completed + Total number of discovery/campaign cases completed + Total number of criminal investigation cases completed

Sources:

- Audit information from Audit Tracking System and/or SUNTAX ACM system
- Discovery/campaign case information from the Discovery Case Management System.
- Extracted files used may be reported from direct SUNTAX extracts, SUNTAX Business Warehouse, or Resource Management Database

Validity:

The methodology measures the success of all Department efforts relating to tax compliance determination to ensure accurate and timely reporting. This measure is an indicator of successful and effective resource deployment, case selection, and a focus on non-compliant taxpayers. It covers all facets of this process.

Reliability:

Counts for this measure are drawn from six separate data sets, each of which can be traced back to the individual records giving rise to reported totals. Internal analysis is performed continuously, at both the reporting level and the Process Management Group (PMG) level, to ensure reliability and to monitor fluctuations in the measure

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance Determination

Measure: Number of filing compliance exams completed and resulting in a notice of additional liability

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The measure is a count of bills and notices of delinquency issued for all taxes. The data source is an extract of the SUNTAX transaction data for which a filing compliance notice (bills and notices of delinquency) was issued.

Validity:

This measure describes the primary and final output of the entire Filing Compliance Determination Process, and is therefore the only valid representation of this process's output.

Reliability:

Data is drawn directly from SUNTAX transaction detail, thus creating a continuous "audit trail" allowing for an ongoing review of accuracy and data integrity. Additionally, specified fields and tables are uploaded monthly to the Resource Management Database that provides a stand-alone source that is utilized for comparative purpose to further ensure the accuracy of reported data. Analysis is performed cyclically, at both the reporting level and the Process Management Group (PMG) level, to ensure reliability and to monitor fluctuations in the measure.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance Determination

Measure: Number of taxpayers selected for a tax compliance examination

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is a count of the number of audits, discovery/campaign cases, and criminal investigations selected for review. Audit data is captured and maintained in the SUNTAX Audit Case Management (ACM) System via service notification records. Cases selected for discovery/campaign efforts are captured and maintained on the Discovery Case Management System, and cases selected for criminal investigation are captured and maintained on the Investigations Case Management System. Counts of new cases selected are compiled and reported monthly.

Validity:

This measure describes the primary and final output of the process. It therefore properly considers the end result of the activity associated with the selection of cases for tax compliance determination.

Reliability:

Counts for this measure are drawn from five separate data sets, each of which can be traced back to the individual records giving rise to reported totals. Internal analysis is performed continuously, at both the reporting level and the Process Management Group level, to ensure reliability and to monitor fluctuations in the measure.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance Determination

Measure: Number of audits completed

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is a count of the number of Notices of Proposed Assessments or Audit Results (unemployment tax) issued to taxpayers pursuant to the completion of an audit, plus the number self-audits completed by taxpayers and returned to the Department. This count includes notices sent for audits that resulted in additional liability as well as those notices mailed pursuant to audits where no additional liability was found. Data describing proposed assessments issued are captured and maintained in SUNTAX ACM.

Validity:

By definition, the Registered Filer Tax Compliance Examination process includes all audits, and ends with the issuance of a notice of assessment or notice of a completed audit with no liability found. Since the entire population of notices issued comprises the measure, it is the only valid representation of this process.

Reliability:

Counts for this measure are drawn from four separate data sets, each of which can be traced back to the individual records giving rise to reported totals. Internal analysis is performed continuously, at both the reporting level and the Process Management Group (PMG) level, to ensure reliability and to monitor fluctuations in the measure.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance Determination

Measure: Number of discovery examinations completed

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is a count of the taxpayers that have been notified of the findings and/or have been registered to file tax returns as the result of a discovery review. The discovery/campaign activity is the identification of taxpayers that may be required to register to collect and/or pay taxes but have nevertheless failed to register with the Department. Discovery/campaigns also consists of the identification of taxes owed from taxpayers that are not required to register, such as isolated purchases of boats, airplanes, or internet and mail-order purchases. Data associated with this activity is captured in the Discovery Case Management System (DCMS) and contains information on the cases completed by staff statewide.

Validity:

This activity identifies those unregistered taxpayers that appear to have a filing requirement or have a tax liability resulting from a specific transaction and may include discovering new registrations and additional collections. Since this measure is a compilation of the total output of the Discovery Sub-process statewide (actual cases closed), it is a valid representation of this activity.

Reliability:

Data from the DCMS is traceable at the detail level back to the individual actually conducting the activity, thereby creating a complete auditable trail to ensure reliability. Internal analysis is performed continuously, at both the reporting level and the Process Management Group (PMG) level, to ensure reliability and to monitor fluctuations in the measure.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance Determination

Measure: Number of criminal investigations completed

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is a count of the investigation cases finalized with an investigative report and a recommendation to prosecute (or not). If there is such a finding, the results of the investigation are referred to the State Attorney's Office or the Office of Statewide Prosecution for legal prosecution. This activity conducts investigations of tax theft or fraudulent tax schemes. Most commonly, tax theft arises when a taxpayer collects sales tax from customers but intentionally and frequently fails to report taxes collected, instead retaining the tax monies for his or her own use. The Criminal Investigation Case Management System contains information on the cases assigned to all investigators statewide. As each field investigation is worked and completed the relevant case information is entered into the system and accessible on a real time basis.

Validity:

This measure is a compilation of the total output of criminal investigation activity statewide (actual criminal cases finalized) for all taxes. Since this is the only defined output of this process, the measure shown is a valid indicator of the measure.

Reliability:

Data from the Criminal Investigation Case Management System is traceable at the detail level back to the individual actually conducting the activity, thereby creating a complete auditable trail to ensure reliability. Internal analysis is performed continuously, at both the reporting level and the Process Management Group (PMG) level, to ensure reliability and to monitor fluctuations in the measure.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance Determination

Measure: Number of audit disputes resolved

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure counts the number of audit-related disputes completed by the Dispute resolution Subprocess in the Office of the General Counsel. Audit-related dispute information is captured and maintained on the General Counsel's Case Management System (CMS).

Validity:

This measure includes all audit disputes where an audit's results were formally appealed or litigated through the Office of the General Counsel. Since all disputes resolved are included in the measure, it is a valid measure of the outputs of this process.

Reliability:

All data for this measure is drawn directly from the General Counsel's Case Management System (CMS). This provides for both a reporting mechanism and the ability to trace transaction-level detail to ensure accuracy and completeness of reported data. Internal analysis is performed on a monthly basis, at both the reporting level and the Process Management Group (PMG) level, to ensure reliability and to monitor fluctuations in the measure.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance resolution

Measure: Percent of collection cases resolved in less than 90 days (Primary Outcome)

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The numerator of this measure is the number of collection cases resolved within 90 days of the opening of the case. The denominator is the total number of collection cases opened for the period being measured. The measure will be tracked on a monthly and year-to-date basis with the measurement made for the period 90 days prior to being reported. For example, collection cases opened in the month of April will be measured the following July; collection cases opened in the month of May will be measured in the month of August, etc. For the calculation of the year-to-date total, the numerator is the sum of each measured month's cases cleared within 90 days, and the denominator is the sum of the total cases initiated for each month. Collection cases are tracked in the SUNTAX financials and all database tables are uploaded monthly to the Resource Management Database for analysis and the application of measurement queries.

Validity:

This measure is a compilation of all collection cases initiated and therefore tracks the entire process.

Reliability:

Data is drawn directly from SUNTAX transaction detail, and all tables are uploaded monthly to the Resource Management Database that provides a stand-alone source that provides direct access to all detail records and data underlying the measure to insure reliability, accuracy, and completeness. Analysis is performed cyclically, at both the reporting level and the Process Management Group (PMG) level, to ensure reliability and to monitor fluctuations in the measure.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance Resolution

Measure: Accounts receivables as a percent of total revenues

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The numerator of this measure is the total value of current receivables arising from notices sent to taxpayers informing them of unpaid liabilities. The denominator is the total revenues for the reported fiscal year. For interim reporting purposes (during the course of a fiscal year), the denominator will be the current REC estimate for the fiscal year. The data source is the SUNTAX (SAP) business warehouse.

Validity:

This measure is considered the industry standard for measuring a business's ability to manage its accounts receivable and provides for direct comparison with world-class organizations.

Reliability:

Receivables data is drawn directly from the SUNTAX business warehouse, and all data is refreshed daily to insure accurate and reliable data. Data analysis is performed cyclically, at both the reporting level and the Process Management Group (PMG) level, to ensure reliability and to monitor fluctuations in the measure.

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance Resolution

Measure: Percent of receivables reaching uncollectible status/available for write-off

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

The numerator of this measure is the total value of receivables reaching uncollectible status (in SUNTAX, uncollectible = dunning level 17) in the fiscal year reported. The denominator is the total current receivables for the reported fiscal year. For interim reporting purposes (during the course of a fiscal year), the numerator is the value of receivables reaching uncollectible status in the immediate preceding 12 consecutive months. The data source is the SUNTAX (SAP) business warehouse in conjunction with the RMDB.

Validity:

This measure is a direct indicator of the ability of the program to effectively manage and work collection cases as they arise. Failure to timely follow-up on collection cases will result in a higher percentage of uncollectible amounts. Collection industry data clearly links the collectability of accounts receivable with the length of time from the realization of a debt to the initiation of collection efforts.

Reliability:

Data is drawn directly from the SUNTAX business warehouse, and all data is refreshed daily to insure accurate and reliable data. Data analysis is performed cyclically, at both the reporting level and the Process Management Group (PMG) level, to ensure reliability and to monitor fluctuations in the measure.

Exhibit IV – GTA Performance Measures Validity and Reliability

Department: Revenue

Program: General Tax Administration

Service/Budget Entity: Compliance Resolution

Measure: Number of collection cases resolved

Action (check one):

- Requesting Revision to Approved Measure
- Change in Data Sources or Measurement Methodologies
- Requesting New Measure
- Backup for Performance Outcome and Output Measure

Data Sources and Methodology:

This measure is a count of the number of collection cases (bills and delinquencies) resolved arising from tax return filing errors. A collection case is considered "resolved" when an identified liability (receivable) has been reduced to zero by a collection, adjustment, and/or compromise. Data is maintained and captured from SAP financial history for all collection cases.

Validity:

This measure describes the primary output of the Collect Identified Liabilities activity, the number of collection cases resolved. It encompasses the Department's efforts to collect all of the taxes due to the state and resolve findings of noncompliance.

Reliability:

All data for this measure is drawn directly from SAP financial transaction fields that are uploaded monthly to the Resource Management Database. This provides for both a reporting mechanism and the ability to trace transaction-level detail to ensure accuracy and completeness of reported data. Internal analysis is performed on a monthly basis, at both the reporting level and the Process Management Group (PMG) level, to ensure reliability and to monitor fluctuations in the measure.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Determination

Measure: Percent of classes/subclasses studied (for in-depth counties) and found to have a level of at least 90 percent (Primary Outcome FY 2010-11)

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

This measure provides an indication of compliance with the valuation standard for property throughout the state and assessment uniformity among and between groupings of property in all counties submitting tax rolls as part of the in-depth and non-in-depth studies. The measure is calculated by dividing the number of classes/subclasses studied (for in-depth counties) which are found to have a level of assessment of at least 90% (numerator) by the total number of classes/subclasses studied (for in-depth counties) (denominator).

The numerator is calculated by adding the number of classes (strata) sub-class groupings that are found to have a level of at least 90%. The denominator is calculated by adding the total number of classes/subclasses studied (for in-depth counties).

All of the data necessary to calculate the measure is available during the tax roll approval process which begins with the submittal of tax rolls [Name, address, and legal description (NAL) tapes] by county property appraisers on or about July 1, and ends when the last county tax roll is approved in August or September.

Validity:

The methodology used to measure the percent of classes/subclasses studied and found to have a level of assessment of at least 90% accurately identifies the extent of assessment uniformity throughout in-depth study counties in the State of Florida. The Department evaluates the level of assessment in seven classes or strata for each county. These classes include single family residential, multi-family residential, agriculture, vacant lots, non-agricultural undeveloped parcels, commercial/industrial, and taxable institutions. In addition, any of these classes may be grouped into an eighth class when the assessed value within the class does not comprise at least 5% of the county's total assessed value.

Given sufficient sales and/or appraisal information, the Department can be confident in the accuracy and reliability of its determination of a level of assessment, i.e., the county property appraiser's value divided by the Department's determination of fair market value.

County property tax rolls are currently evaluated with two methodologies: in-depth and non-in-depth. A non-in-depth analysis and evaluation requires the tax roll to have an estimated overall level of assessment of at least 90%. This evaluation does not require any particular type or stratum of property to meet the requirement. An in-depth analysis, however, requires that each stratum that contains at least 5% of the county's value to have an estimated level of assessment of at least 90%.

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Determination

Measure: Number of in-depth classes studied with a statistically valid sample

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

The number of in-depth classes of property studied refers to the number of strata groupings of real property according to the type or category of properties. Only strata or class groupings comprising at least 5% of the county's total assessed value are subject to the in-depth study methodology. The numbers of strata or classes of property comes from statistical analyses of tax rolls submitted by county property appraisers during each fiscal year.

Validity:

The Department strives to use a statistically valid number of sample parcels when studying each class or grouping of property as this requirement provides a 95% level of confidence in the statistical indicators (LOA, PRD, COD) derived from such study.

The sample size (i.e., number of sample parcels drawn and studied within the class of property) for each class studied as part of the in-depth study is initially determined by computing the Coefficient of Variation (COV) for the assessment ratio of the respective class during the prior in-depth study year. The determination of the statistical validity of the sample drawn prior to initiating the study is subsequently made upon completion of the in-depth study through comparison of the post-study COV with the pre-study COV. For example, if the post-study COV is higher than the pre-study COV, the required sample size is higher than the sample size that was obtained from the smaller pre-study COV, and the sample size might be considered statistically invalid or too small to have the required 95% confidence in the statistical indicators.

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Determination

Measure: Number of refund/tax certificate applications processed

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

This measure is the combination of two sub-activities – refund requests processed and tax certificate cancellations/corrections processed. The number of property tax refund requests and tax certificate requests processed refers to the applications received from county tax collectors and completed by a program reviewer who either approves or denies each request on the merits of the application. A computer-generated report of refund and tax certificate activity is used to record the processing of applications according to a subject matter coding system. Processed applications are recorded and logged out upon completion of review. The cumulative number of applications processed each month is derived by a count of the number of applications processed from the first working day of the month through the last working day of the month.

Validity:

The measure provides an activity indicator on the production of the Refund Section in reviewing and approving refund and tax certificate applications received during each month. The accuracy of review decisions is ensured by multiple reviews among program staff and by legal review for the more complex applications. Given a stable property tax system with relatively few legislative changes impacting assessment administration, the desired goal would be for a decreasing number of refund and tax certificate applications reviewed each month/year. The standard for this measure, however, is meant to be achieved or exceeded to indicate the Department is processing all applications received in an accurate and timely manner.

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Determination

Measure: Number of truth-in-millage/millage levy forms processed

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

This activity is responsible for the review of the forms for use in the maximum millage calculations required by section 200.185, F.S., Chapter 2008-321, and Chapter 2008-173 (Senate Bill 1588), Laws of Florida. This is measured by recording each form submitted and reviewed for each taxing authority. This information is maintained in Property Tax Oversight's Oracle database.

This activity collects data about local taxing authority compliance by requiring the following forms to be submitted: DR-420, DR-420S, DR-420 DEBT, DR-420 TIF, DR-420 MM-P, DR-420 MM, DR-422, DR-422 DEBT, DR-487, DR-487V. These forms indicate how local governments calculate, vote and manage their local millage rates. Information from these forms is reviewed to ensure that each taxing authority follows the appropriate statutes and rules pertaining to setting and advertising millage rates.

Validity:

This LRPP measure provides an activity indicator on the production of the TRIM section. In 1980, the legislature passed the "Truth-in-Millage" (TRIM) act. This law is designed to inform taxpayers which governmental entity is responsible for the taxes levied and the amount of tax liability owed to each taxing entity. The Notice of Proposed Property Taxes is known as the TRIM notice. In 20XX, additional requirements were mandated for all taxing authorities and new responsibilities were placed on the Department. All of the forms for both existing and new requirements are included in this measure.

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Determination

Measure: Number of parcels studied to establish in-depth level of assessment

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

The number of parcels studied for the in-depth level of assessment is provided in the Statewide Report 2.11 produced by the Oracle application. This measure is calculated by taking the sum of parcels with a current year appraisal or qualified sale used to develop the county level of assessment.

A qualified sale is defined as a transaction where neither buyer nor seller faces any undue burden and the transaction is considered “arms-length” (i.e. neither party is related and the price settled upon is reflective of market value; not influenced by any familial or other personal ties).

Validity:

While this measure only reports the output of the in-depth roll approval process, it focuses on the Department’s statutory requirements (Chapter 195.096, F.S.). However, in the future, this output measure will be broadened to include parcels studied during the non-in-depth process.

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue
Program: Property Tax Oversight
Service: Property Tax Compliance Determination
Measure: Statewide level of assessment (Primary Outcome)

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

This is an outcome for the Compliance Determination Core Process. As such, this measure provides an indication of the program's performance in meeting the needs of its stakeholders, including taxpayers and local governments. This measure provides an indication of compliance by the property appraisers with the fair market value standard of property and assessment uniformity of property in all counties submitting tax rolls. This measure is calculated by taking the weighted average (according to value) of overall level of assessment for each county.

Each county's level of assessment is calculated by taking the property appraiser's value for their entire county as the numerator and dividing it by our estimate of the value for the entire county as the denominator. We determine each county's value by using qualified sales and appraisals.

All of the data necessary to calculate this measure are available through the tax rolls submitted by the property appraisers on or about July 1 of each year, qualified sales information that we receive from the Clerk of Courts filings and MLS sales listings, and field/ contract appraisal work that is conducted throughout the year.

Validity:

This measure represents the overall performance of the property appraisers. Given sufficient sales and/or appraisal information, the Department can be confident in the accuracy and reliability of its determination of a level of assessment, i.e., the county property appraiser's value divided by the Department's determination of value.

County property tax rolls are currently evaluated with two methodologies: in-depth and non-in-depth. A non-in-depth analysis and evaluation requires the tax roll to have an estimated overall level of assessment of at least 90%. This evaluation does not require any particular type or stratum of property to meet the requirement. An in-depth analysis, however, requires that each stratum that contains at least 5% of the county's value to have an estimated level of assessment of at least 90%.

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Determination

Measure: Percent of property value studied with a statistically reliable sample

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

This measure is calculated by dividing the value of the sample studied (numerator) over the value of all Florida property we are required by statute to study (denominator). Florida Statute 195.096(3)(a) states that only strata or class groupings comprising at least five percent of the county's total assessed value are subject to the in-depth study methodology.

The data required to calculate this measure is found in Oracle reports 8.2.8 and 3.2 for each county. This Oracle data is created when each county's property tax roll is submitted to the Department in a comma-delimited formatted (.csv) file and electronically downloaded into the Oracle system, which generates the aforementioned reports.

Validity:

The Department strives to use a statistically valid number of sample parcels when studying each class or grouping of property reaching the five percent threshold, as this requirement provides a 95% level of confidence in the statistical indicators (LOA, PRD, and COD) derived from such study.

The sample size (i.e., number of sample parcels drawn and studied within the class of property) for each class studied as part of the in-depth study is initially determined by computing the Coefficient of Variation (COV) for the assessment ratio of the respective class during the prior in-depth study year (in Oracle 8.2.8). The determination of the statistical validity of the sample drawn prior to initiating the study is subsequently made upon completion of the in-depth study through comparison of the post-study COV with the pre-study COV. For example, if the post-study COV is higher than the pre-study COV, the required sample size is higher than the sample size that was obtained from the smaller pre-study COV, and the sample size might be considered statistically invalid or too small to have the required 95% confidence in the statistical indicators. The value of all Florida property we are required by statute to study is calculated in Oracle 3.2

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Education and Assistance

Activity: Aid and Assistance

Measure: Number of hours of aid & assistance consultation provided to elected officials

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

This is an output measure. This activity provides aid and assistance services in the form of consultation on technical issues to county elected officials. Aid and assistance can be to provide budget development and submission consultation services; provide consultation on mapping/ GIS products such as aerial photography or services such as the use of mapping data in a GIS for analysis, valuation and quality control of property tax roll data; provide consultation on real property mass appraisal procedures such as physical data collection, systematic land valuation, base rate calibration, market area and neighborhood identification, and quality control; provide consultation on tangible personal property discovery and valuation procedures, and in-depth review results; provide consultation on the development and use of all forms for the assessment and collection of property taxes to the constitutional officers; provide technical information, administrative or analytical consultation; and provide consultation on TRIM procedures.

Each time a county receives aid and assistance in any one of the aforementioned, the number of hours spent providing the consultation services are counted. During the course of each year, every county is expected to have received aid and assistance in at least one of these areas. This measure is intended to quantify the resources invested in consultation activities and serves as a counterweight to the quantification of training services provided.

Validity:

This LRPP measure provides an activity indicator of the aid and assistance consultation services authorized in:

- Section 195.022, Florida Statutes, where the Department of Revenue shall prescribe all forms to be used by property appraisers, tax collectors, clerks of the circuit court and value adjustment boards in administering and collecting ad valorem taxes. The Department shall prescribe a form for each purpose. For counties with a population of 100,000 or less, the Department of Revenue shall furnish the forms.
- Program responsibilities are mandated by Florida Statutes and implemented by rules in the Florida Administrative Code (FAC) to enable and facilitate their voluntary compliance with all constitutional, statutory, and rule requirements and standards in the performance of their constitutional duties and responsibilities with regard to mapping of all property in the county.
- 195.002(1), Florida Statutes, where the supervision of the Department shall consist primarily of aiding and assisting county officers in the assessing and collection functions, with particular emphasis on the more technical aspects.

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Assistance

**Measure: Percent of users of PTO Compliance Assistance satisfied with the services provided
(Primary Outcome)**

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

This is an outcome for the Compliance Assistance Core Process. As such, this measure provides an indication of the program's performance in meeting the needs of its customers and suppliers when providing compliance assistance products and services. This core business process or service provides numerous compliance assistance products and services primarily to the local governments and taxpayers.

These products and services take several forms:

- Certification and training of county officials
- Central assessments of railroad and private car line property
- Digital mapping and aerial photography support
- Responding to question and inquiries from local officials and taxpayers
- Publishing property tax data
- Certifying school taxable values
- Providing assistance to Value Adjustment Boards
- Compiling information to support distributions to fiscally-constrained counties

Additional compliance assistance products and services are provided by the Budget Compliance and TRIM Compliance units as they assist county officials with compliance issues.

Local governments and taxpayers are surveyed annually to determine the level of "overall satisfaction" with the products and services provided by the program. The cumulative average of the overall satisfaction level from each group will be averaged (and weighted, if appropriate) to obtain the annual level of satisfaction for the program.

Validity:

Determining the level of satisfaction from local governments and taxpayers provides the program with an indication of each group's perceptions of its compliance assistance products and services. This feedback is used to improve the design and delivery of compliance assistance products and services with the goal of improving ultimate compliance. Currently training, certification and value adjustment board participants are systematically surveyed for customer satisfaction. Other methods of collecting customer satisfaction are being designed and will be in place in the future. Until then, interim feedback is collection from local officials and taxpayers to identify improvement opportunities.

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Assistance

Activity: Certification and Training

Measure: Number of student training hours provided

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

This is an output measure. This activity provides compliance assistance services to county property appraisers and tax collectors (and their staffs) by conducting training to upgrade skills. The process begins with a training needs assessment and subsequent gap analysis. One-week schools are conducted at large Florida hotel sites. Participants pay registration fees, lodging, meals, and travel expenses. Although much of the training is currently print-based with instructors in a classroom environment, computer-based-training (CBT) modules are being developed and implemented to reduce costs, increase accessibility, and improve services for tax collectors and their staff. Training courses and delivery services are contracted with the International Association of Assessing Officers (IAAO) for county and state appraiser employees. Continuing education hours are also provided to address other training needs identified.

The number of student training hours is calculated at the completion of each school/course/class by multiplying the number of students in each course by the number of classroom training hours. The student hours for each course is added together to obtain the total student hours for each one-week school delivery. Then the totals of each school/course/class conducted during the fiscal year are added together to obtain the total student training hours for the fiscal year.

Validity:

This LRPP measure primarily provides an activity indicator of the compliance assistance services authorized in section 195.002, Florida Statutes, where the Department is required to conduct training to upgrade the assessment skills of both state and local assessment personnel. Therefore, this activity output provides a direct reporting of the Department of Revenue's efforts to provide the services to maintain and improve the assessment skills of all public property tax assessment personnel in the state. As well as measuring the efforts to maintain and improve the collection skills of local tax collection personnel in the state.

Reliability:

The number of student training hours is recorded on training program attendance forms and entered into the program's training database system. This system maintains individual participant data and training course summary data and information. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Assistance

Activity: Central Assessment Compliance

Measure: Number of railroad and private car lines centrally assessed

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and (reinstating former measure from 2003-04)
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

This activity is responsible for the central assessment of all railroad property sited within Florida and for all private car lines operating in Florida on January 1. To do this, the Department requires that some thirteen railroad companies and over 200 private car lines submit returns to the Department by April 1. By June 1, the Department provides the apportioned taxable values to the appropriate county property appraiser of any railroad and/or private car line having situs in his/her respective county.

Validity:

This LRPP measure provides an activity indicator on the production of the Program Railroad Section. Chapter 193, Florida Statutes, requires the central assessment of railroad and private car line rolling stock each year by the Department of Revenue. As indicated above, railroads and car line companies are required to file a return by April 1 each year. The central assessment of railroads is based on the three approaches to value (Income, Market, and Cost) while the valuation of private car lines is performed strictly on a cost basis.

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Assistance

Activity: Technical Assistance

Measure: Number of inquiries from local governments and taxpayers answered

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

This is an output measure. This activity provides technical assistance services in the form of consultation on technical issues to local governments and taxpayers. Technical assistance is defined as

- Budget development and submission consultation services
- Provide consultation on mapping/ GIS products such as aerial photography or services such as the use of mapping data in a GIS for analysis
- Valuation and quality control of property tax roll data
- Provide consultation on real property mass appraisal procedures such as physical data collection, systematic land valuation, base rate calibration, market area and neighborhood identification, and quality control
- Provide consultation on the development and use of all forms for the assessment and collection of property taxes to the constitutional officers
- Provide technical information, administrative or analytical consultation; and provide consultation on TRIM procedures.
- Provide technical information and consultation (administrative or analytical) to Value Adjustment Boards and taxpayers with valuation issues.

Each request for services or information is tracked using a central inquiry system within the program. Each inquiry is logged and the subsequent response is recorded. This measure is intended to quantify the resources invested in consultation activities and identifies areas for improvement in communication, forms, and procedures.

Validity:

This LRPP measure provides an activity indicator of the technical assistance consultation services authorized in:

- Section 195.022, Florida Statutes, where the Department of Revenue shall prescribe all forms to be used by property appraisers, tax collectors, clerks of the circuit court and value adjustment boards in administering and collecting ad valorem taxes. The Department shall prescribe a form for each purpose. For counties with a population of 100,000 or less, the Department of Revenue shall furnish the forms.
- Program responsibilities are mandated by Florida Statutes and implemented by rules in the Florida Administrative Code (FAC) to enable and facilitate their voluntary compliance with all constitutional, statutory, and rule requirements and standards in the performance of their constitutional duties and responsibilities with regard to mapping of all property in the county.
- 195.002(1), Florida Statutes, where the supervision of the Department shall consist primarily of aiding and assisting county officers in the assessing and collection functions, with particular emphasis on the more technical aspects.

Exhibit IV – PTO Performance Measures Validity and Reliability

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Assistance

Activity: Mapping Assistance

Measure: Number of square miles mapped using aerial photography

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

This activity is responsible for the mapping and imaging of all land in Florida. The state is mapped using aerial photography on a three-year cycle. A database and spreadsheets are maintained in order to detail: the square miles of land mapped, the cost of the aerial photography/ mapping, and a schedule of when and where government agencies and private contractors will photograph and map their assigned sections of land.

The Department coordinates mapping activities with the Florida Department of Transportation, Department of Environmental Protection, and various Federal agencies. The square miles mapped by each agency/ contractor for the fiscal year is summed. By combining resources and coordinating with other State and Federal agencies, this activity is able to receive maps, images, and data with a high level of efficiency.

Validity:

This measure reports the total square miles mapped in each year of the three year cycle and reflects the efforts of the Department to most efficiently use state resources by combining efforts with other state and federal agencies. This activity is necessary to ensure that all properties are reflected on the tax rolls. As well as provided other agencies with critical information used for enforcement, disaster preparedness, emergency management, transportation planning and environmental protection activities pursuant to State laws, statutes, and rules.

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Assistance

Activity: Budget Compliance

Measure: Number of budget submissions and amendments reviewed

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

This activity is responsible for the review of the annual budgets for all of Florida's 67 property appraisers and 51 of 67 Florida's tax collectors (51 of 67 Florida tax collectors are fee-based). This is measured by recording each budget submission and amendment received and reviewed by Budget Compliance section. It begins with the design, development, and electronic distribution of budget forms and instructions to the property appraisers and tax collectors. These forms are updated each year to reflect current rules and circumstances. The property appraisers and tax collectors complete these forms and submit their requests by June 1st of each year. By July 15th, the Department must provide a preliminary budget to the property appraiser or tax collector with copies to their Board of County Commissioners. During the next 30 days, both the official and the Board of County Commissioners have the opportunity to provide additional information or justification for further changes. By August 15th, a final budget is approved and provided to the property appraiser or tax collector and their Board.

Validity:

The measure reflects the major activities carried out by Budget Compliance as statutorily required (Chapter 195.087, F.S.) and provides an indicator of the output of this activity. By performing this activity, uniform and equitable execution of state laws and statutes can be assured at the local level.

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

Exhibit IV – PTO Performance Measures Validity and Reliability

Department: Revenue

Program: Property Tax Oversight

Service: Property Tax Compliance Assistance

Activity: Research and Analysis

Measure: Number of reports produced for the revenue estimating conference and other stakeholders

Action (check one):

- when requesting revisions to approved measures,
- when data sources or measurement methodologies change,
- when requesting new measures, and
- when providing backup for performance outcome and output measures

Data Sources and Methodology:

This measure sums the reports produced by the Program. The number of reports produced includes the following documents: Tables published in the Department's on-line Data Portal; millage reports used to assist revenue estimating activities; roll approval and assessment reports; other statutorily required reports; and ad hoc reports requested by the Cabinet, Legislature, other state agencies, stakeholder organizations, media, and citizen inquiries.

The data for this measure is stored in a database that tracks all required reports to be completed and ad hoc reports requested from the Program.

Validity:

The Department strives to provide the most accurate information available and model the values of expert knowledge and transparency. The primary purpose of this activity is to provide information and analysis in order to meet statutory requirements, legislative needs, and information requests from citizens and stakeholders.

This LRPP measure quantifies the level of research and analysis services performed. These research activities are authorized in several sections of Florida Statutes (including but not limited to 195.052, F.S., 195.096 (3)(a), F.S., and 1011.62 (4)(a), F.S.) where the Department is required to provide research and analysis in support of other statutory functions. Therefore, this output reports the Department of Revenue's efforts to provide services in support of revenue estimating activities and laws governing public information requests.

Reliability:

Internal analysis is performed at both the reporting level and the program level to ensure reliability of the data and to monitor fluctuations in the measure. The Property Tax Oversight Program has in place procedures that provide for an internal annual review of the documentation for all legislatively reported measures to ensure that the reported data are reliable and correct. Furthermore, the Office of Inspector General performs periodic reviews of performance measures. The scope of these reviews will vary, depending on an annual risk assessment.

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures		
Measure Number	Approved Performance Measures for FY 2011-12 (Words)	Associated Activities Title
		PROGRAM: CHILD SUPPORT ENFORCEMENT PROGRAM
		CASE PROCESSING
1	Total number of cases maintained during the year	MAINTAIN CHILD SUPPORT CASES
2	Total number of individual educational contacts and inquiries answered	PROVIDE EDUCATION AND ASSISTANCE
		REMITTANCE AND DISTRIBUTION
3	Total number of collections processed	PROCESS SUPPORT PAYMENTS
4	Total number of collections distributed	DISTRIBUTE SUPPORT PAYMENTS
		ESTABLISHMENT
5	Total number of paternities established and genetic testing exclusions	ESTABLISH PATERNITY
6	Total number of newly established and modified orders	ESTABLISH AND MODIFY SUPPORT ORDERS
		COMPLIANCE
7	Total number of obligated unique cases identified for compliance resolution	DETERMINE COMPLIANCE WITH SUPPORT ORDERS
8	Total number of actions processed during the year	RESOLVE COMPLIANCE DISCREPANCIES
		PROGRAM: GENERAL TAX ADMINISTRATION PROGRAM
		TAX PROCESSING
9	Number of accounts maintained	MANAGE ACCOUNTS
10	Number of tax returns processed	PROCESS RETURNS AND REVENUE
11	Number of distributions made	ACCOUNT FOR REMITTANCES
12	Number of refund claims processed	REFUND TAX OVERPAYMENTS
		TAXPAYER AID
13	Number of taxpayers provided with direct assistance or education	EDUCATE OR ASSIST TAXPAYERS
14	Number of calls answered by Call Center agents	ANSWER CALLS IN CALL CENTER
		COMPLIANCE DETERMINATION
15	Number of filing compliance exams completed and resulting in a notice of additional liability	DETERMINE FILING COMPLIANCE
16	Number of taxpayers selected for a tax compliance examination	SELECT CASES FOR TAX COMPLIANCE DETERMINATION
17	Number of audits completed	PERFORM AUDITS
18	Number of discovery examinations completed	DISCOVER UNREGISTERED TAXPAYERS
19	Number of criminal investigations completed	INVESTIGATE CRIMINAL TAX AVOIDANCE
20	Number of audit disputes resolved	RESOLVE DISPUTES
		COMPLIANCE RESOLUTION (Receivables Management)
21	Number of collection cases resolved	COLLECT IDENTIFIED LIABILITIES
		PROGRAM: PROPERTY TAX OVERSIGHT PROGRAM
		COMPLIANCE DETERMINATION
22	Number of parcels studied to establish in-depth level of assessment	DETERMINE REAL PROPERTY ROLL COMPLIANCE
23	Number of refund/tax certificate applications processed	REVIEW REFUNDS/TAX CERTIFICATES/TAX DEEDS
24	Number of Truth-in-Millage / Millage Levy forms processed	DETERMINE TRIM COMPLIANCE
		COMPLIANCE ASSISTANCE
25	Number of student training hours provided	PROVIDE INFORMATION
26	Number of inquiries from taxpayers and local governments answered	PROVIDE AID AND ASSISTANCE
27	Number of railroad and private carlines centrally assessed	CENTRAL ASSESSMENT OF RAILROADS
28	Number of square miles mapped using aerial photography	GEOGRAPHIC INFORMATION SYSTEMS
29	Number of property appraiser and tax collector budgets reviewed	VERIFY BUDGET COMPLIANCE

REVENUE, DEPARTMENT OF		FISCAL YEAR 2010-11			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT			555,967,067	0	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)			21,076,665	0	
FINAL BUDGET FOR AGENCY			577,043,732	0	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
<i>Executive Direction, Administrative Support and Information Technology (2)</i>					0
Geographic Information Systems * Number of square miles mapped using aerial photography		15,005	105.09	1,576,811	
Central Assessment Of Railroads * Number of railroads and private car lines centrally assessed		247	1,851.95	457,431	
Determine Real Property Roll Compliance * Number of in-depth classes studied with a statistically valid sample		66	132,752.48	8,761,664	
Review Refunds/Tax Certificates/Tax Deeds * Number of refund/tax certificate applications processed		4,084	43.03	175,720	
Determine Trim Compliance * Number of taxing authority TRIM compliance packages reviewed and evaluated for compliance		7,483	72.50	542,512	
Verify Budget Compliance * Number or property appraiser and tax collector budgets reviewed		515	337.90	174,019	
Provide Information * Number of student training hours provided		18,637	41.76	778,268	
Provide Aid And Assistance * Number of inquiries from taxpayers and local governments answered		16,915	125.41	2,121,259	
Maintain Child Support Cases * Total number of cases maintained during the year		1,130,320	70.90	80,141,817	
Provide Education And Assistance * Total number of individual educational contacts and inquires answered		17,861,924	1.71	30,548,044	
Process Support Payments * Total number of collections processed		10,634,731	3.60	38,236,705	
Distribute Support Payments * Total number of collections distributed		10,085,295	1.41	14,269,582	
Establish Paternity * Total number of paternities established and genetic testing exclusions		103,752	289.69	30,056,244	
Establish And Modify Support Orders * Total number of newly established and modified orders		59,822	1,024.03	61,259,356	
Determine Compliance With Support Orders * Total number of obligated cases identified for compliance resolution		689,914	9.89	6,825,821	
Resolve Compliance Discrepancies * Total number of actions processed during the year		3,516,313	17.70	62,238,070	
Educate Or Assist Taxpayers * Number of taxpayers provided with direct assistance or education		8,653,534	0.80	6,882,555	
Manage Accounts * Number of accounts maintained		1,366,871	8.54	11,677,818	
Process Returns And Revenue * Number of tax returns processed		8,498,336	3.39	28,793,826	
Account For Remittances * Number of distributions made		40,506	65.01	2,633,233	
Determine Filing Compliance * Number of filing compliance exams completed and resulting in a notice of additional liability		1,674,585	4.13	6,909,819	
Select Cases For Tax Compliance Determination * Number of taxpayers selected for a tax compliance examination		34,020	107.73	3,664,882	
Perform Audits * Number of audits completed		21,677	2,488.47	53,942,475	
Discover Unregistered Taxpayers * Number of discovery examinations completed		11,386	844.92	9,620,314	
Investigate Criminal Tax Avoidance * Number of criminal investigations completed		957	4,707.16	4,504,751	
Collect Identified Liabilities * Number of collection cases resolved		1,048,019	37.31	39,101,316	
Refund Tax Overpayments * Number of refund claims processed		136,574	41.91	5,724,419	
Resolve Disputes * Number of audit disputes resolved		2,362	4,622.48	10,918,293	
Answer Calls In Call Center * Number of calls answered by Call Center agents		801,098	4.20	3,361,246	
TOTAL				525,898,270	
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS				24,124,599	
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS					
OTHER					
REVERSIONS				21,650,808	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				571,673,677	

SCHEDULE XI/EXHIBIT VI: AGENCY-LEVEL UNIT COST SUMMARY

(1) Some activity unit costs may be overstated due to the allocation of double budgeted items.
(2) Expenditures associated with Executive Direction, Administrative Support and Information Technology have been allocated based on FTE. Other allocation methodologies could result in significantly different unit costs per activity.
(3) Information for FCO depicts amounts for current year appropriations only. Additional information and systems are needed to develop meaningful FCO unit costs.
(4) Final Budget for Agency and Total Budget for Agency may not equal due to rounding.

ACTIVITY ISSUE CODES SELECTED:

TRANSFER-STATE AGENCIES ACTIVITY ISSUE CODES SELECTED:

1-8:

AID TO LOCAL GOVERNMENTS ACTIVITY ISSUE CODES SELECTED:

1-8: ACT3350

THE FOLLOWING STATEWIDE ACTIVITIES (ACT0010 THROUGH ACT0490) HAVE AN OUTPUT STANDARD (RECORD TYPE 5) AND SHOULD NOT:

*** NO ACTIVITIES FOUND ***

THE FCO ACTIVITY (ACT0210) CONTAINS EXPENDITURES IN AN OPERATING CATEGORY AND SHOULD NOT: (NOTE: THIS ACTIVITY IS ROLLED INTO EXECUTIVE DIRECTION, ADMINISTRATIVE SUPPORT AND INFORMATION TECHNOLOGY)

*** NO OPERATING CATEGORIES FOUND ***

THE FOLLOWING ACTIVITIES DO NOT HAVE AN OUTPUT STANDARD (RECORD TYPE 5) AND ARE REPORTED AS 'OTHER' IN SECTION III: (NOTE: 'OTHER' ACTIVITIES ARE NOT 'TRANSFER-STATE AGENCY' ACTIVITIES OR 'AID TO LOCAL GOVERNMENTS' ACTIVITIES. ALL ACTIVITIES WITH AN OUTPUT STANDARD (RECORD TYPE 5) SHOULD BE REPORTED IN SECTION II.)

*** NO ACTIVITIES FOUND ***

TOTALS FROM SECTION I AND SECTIONS II + III:

DEPARTMENT: 73	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	577,043,732	
TOTAL BUDGET FOR AGENCY (SECTION III):	571,673,677	
	-----	-----
DIFFERENCE:	5,370,055	
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

The Department was appropriated \$6,703,621 in funding to complete the relocation to the Capital Circle Office Complex. Of this amount, \$5,194,400 was expended. This amount is not associated with an activity and is therefore listed as "other."

The Department was appropriated \$218,905 in fiscal year 2010-11 to implement the Tax Credits program (HB143). The Legislature authorized the re-appropriation of any unspent funds in FY 2011-12. The Department expended \$142,932 prior to June 30, 2011. The amount of \$75,973 was re-appropriated July 1, 2011.

The Department was also appropriated \$99,740 in FY 2010-11 to implement the Corporate Income Tax (Piggyback) legislation (HB7185). The Legislature also authorized the re-appropriation of any unspent funding to implement this bill. The Department had not expended any dollars as of June 30, 2011, and the full amount was re-appropriated July 1, 2011.

The unused funding for HB143 and HB7185 was neither spent nor reverted, and therefore, are listed as a "difference."

The remaining \$58 is due to rounding.

Glossary of Terms

Business Process

A set of activities that transforms inputs into value-added products and services (outputs) for an internal or external customer.

Business Process Owner

The employee responsible for planning and performance for a business process. The business process owner is not necessarily the manager of the employees working in the process.

CAMS – Child Support Enforcement Automated Management System

The Florida Department of Revenue's computer system for managing child support case information and carrying out automated case actions.

Core Business Process (Core Process)

A sequence of integrated business processes that contribute directly to the product or service that will be delivered to the external customer.

FIDM – Financial Institution Data Match

The process of matching a list of account holders at a bank or other financial institution with a list of individuals owing money to a government agency, so that agency can take the appropriate actions to collect the amount owed.

FY – State Fiscal Year (also, SFY)

Florida government's accounting year, which begins on July 1 and ends on June 30

FFY – Federal Fiscal Year

The federal government's accounting year, which begins on October 1 and ends on September 30

Image Cash Letter (ICL)

An electronic image of a check (meeting certain specifications) that is used or accepted by a bank as equivalent to a paper check.

ITIL – Information Technology Infrastructure Library

A comprehensive library of best practices for delivering information technology services that align with and support the business goals of an organization. It is a holistic approach that links all phases of the service lifecycle, from strategy and design through operation and continual improvement. Developed by the British government beginning in the late 1980s, ITIL is the most widely adopted approach for IT Service Management in the world.

ITSM – Information Technology Service Management

A process-based practice for managing information technology (IT) systems, focused on designing and providing services that enable the organization to achieve its desired business outcomes. ITSM transforms the role of information technology specialists from the development and management of individual components to the delivery of end-to-end services using best practice models.

Legal Services Provider

An attorney or law firm providing contracted legal services to the Department of Revenue.

Appendix - Glossary of Terms

Remote Deposit

The process of making a bank deposit by creating electronic images of checks using a special check scanner and scanning software and then transmitting the images to the bank.

SUNTAX

The Florida Department of Revenue's unified tax administration system, providing centralized access and recordkeeping for the 32 taxes and fees administered by the Department. (The acronym is derived from "System for Unified Taxation.")

TANF – Temporary Assistance for Needy Families

A federal government program administered by the U.S. Department of Health and Human Services (HHS). Each state designs and implements its own program, funded by a federal block grant, for assisting families with dependent children.

Tax Gap

The difference between the amount of tax that taxpayers should pay and the amount that they voluntarily pay on time.

Tax Roll

A list of all taxable property within a given jurisdiction.

TRIM – Truth in Millage

An act passed by the Florida Legislature in 1980 establishing requirements for taxing authorities that levy a tax on property, including informing property owners of the components of their property tax liability. The Notice of Proposed Property Taxes, which is known as the "TRIM notice," lists the governmental entities responsible for the proposed taxes and the amount of tax liability that will be owed to each taxing entity.



Florida Department of Revenue
Lisa Vickers, Executive Director
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Tallahassee, FL 32314-5906
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Florida Department of Revenue

**Capital
Improvements
Program Plan**

FY 2012-2013 through 2016-2017



Executive
Director
Lisa Vickers

Child Support
Enforcement
Ann Coffin
Director

General Tax
Administration
Jim Evers
Director

Property Tax
Oversight
James McAdams
Director

Information
Services
Tony Powell
Director

September 30, 2011

Mr. Jerry McDaniel, Director
Office of Policy and Budget
Executive Office of the Governor
The Capitol, Room 1702
Tallahassee, Florida 32399-0001

Dear Mr. McDaniel:

The Department of Revenue's Capital Improvements Program Plan for Fiscal Year 2012-13 through Fiscal Year 2016-17 is submitted and has been posted to the Florida Fiscal Portal, following the instructions dated July 2011. Revenue did not request any Fixed Capital Outlay funding for the five-year period. Our plan includes leased facilities only, in both state-owned and privately owned buildings, within the State of Florida and in six other states.

We continue to focus on cost reduction and the application of consistent standards in our leasing actions. Over the past four years, we have reduced total square footage each year, from nearly 1.5 million in FY 2007-08 to 1.36 million in FY 2011-12. Our lease management practices are described in the "Summary" section of this plan.

The Department remains committed to its facilities vision—that all Revenue offices be accessible, safe, efficient, affordable, uniform, and appropriate for service needs and customer volume.

If you have any questions or comments, please contact Lia Mattuski, Director of Financial Management, at 850-717-7059 or me at 850-617-8950.

Sincerely,

Lisa Vickers

Lisa Vickers

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CIP-2 Agency Projects Summary

COL A03	COL A06	COL A07	COL A08	COL A09
AGY REQUEST	AG FCO PLAN	AG FCO PLAN	AG FCO PLAN	AG FCO PLAN
FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
POS	AMOUNT POS	AMOUNT POS	AMOUNT POS	AMOUNT POS

NO RECORDS SELECTED FOR REPORTING

COL A03	COL A06	COL A07	COL A08	COL A09
AGY REQUEST	AG FCO PLAN	AG FCO PLAN	AG FCO PLAN	AG FCO PLAN
FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
POS	AMOUNT POS	AMOUNT POS	AMOUNT POS	AMOUNT POS
----	-----	-----	-----	-----

NO RECORDS SELECTED FOR REPORTING



CIP-3 Five-Year New Construction and Non-Structural CIP Plan

CIP-3: Short-Term Project Explanation

Agency:	Florida Department of Revenue	Agency Priority:	
Budget Entity and Budget Entity Code:	General Tax Administration	Project Category:	
Appropriation Category Code:		LRPP Narrative Page:	
PROJECT TITLE:	This Program has no FCO appropriation requests.		
Statutory Authority:			
To be Constructed by:	Contract? (Y/N)	YES NO	Force Acct.? (Y/N)
			YES NO
Facility Type	Service Load	Planned Used Factor	User Stations Required
			Existing Stations
			New User Stations Required
			Space Factor
			Net Area Required
Geographic Location:			
County:			
Facility Type	Net Area (square feet)	Efficiency Factor	Gross Area (square feet)
			Unit Cost
			Construction Cost
			Occupancy Date
Schedule of Project Components	FY 2012-13	FY 2013-14	FY 2014-15
1. Basic Construction Costs	\$	\$	\$
a. Construction Cost			
b. Permits, Inspections, Impact Fees			
c. Communication requirements (conduits, wiring, etc.)			
d. Utilities outside building			
e. Site Development (roads, paving, etc.)			
f. Energy efficient equipment			
g. Art allowance (Section 255.043, Florida Statutes)			
h. Other			
Subtotal:	\$	\$	\$
	\$	\$	\$

Office of Policy and Budget - July 2011

CIP-3: Short-Term Project Explanation

2. Other Project Costs		\$	\$	\$	\$	\$
a. Land/Existing Facility Acquisition						
b. Professional Services						
1) Planning/Programming						
2) Architechtural/Engineering Fees						
3) On-site representatives						
4) Testing/Surveys						
5) Other Professional Services						
c. Miscellaneous Costs						
d. Moveable Equipment/Furniture						
Subtotal:						
3. All Costs (1 + 2)						
4. DMS Fee						
Total: All Costs by Fund						
Fund Code:						
Fund Code:						
TOTAL (3 + 4)		\$	\$	\$	\$	\$
Appropriations to-date:		Projected Costs Beyond CIP:				
General Revenue Trust Funds		General Revenue Trust Funds				
TOTAL		TOTAL			\$0	\$0
Changes in Agency Service Costs		FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-2016	FY 2016-2017
Category	Fund Code	\$	\$	\$	\$	\$
Salaries & Benefits						
Subtotal						
OPS						
Subtotal						
Expenses						
Subtotal						
Other (Specify)						
Subtotal						
Fund Totals						
TOTAL		\$	\$	\$	\$	\$

Office of Policy and Budget - July 2011

CIP-3: Short-Term Project Explanation

Agency:	Florida Department of Revenue	Agency Priority:	
Budget Entity and Budget Entity Code:	Child Support Enforcement	Project Category:	
Appropriation Category Code:		LRPP Narrative Page:	
PROJECT TITLE:	This Program has no FCO appropriation requests.		
Statutory Authority:			
To be Constructed by:	Contract? (Y/N)	YES NO	Force Acct.? (Y/N)
			YES NO
Facility Type	Service Load	Planned Used Factor	User Stations Required
			Existing Stations
			New User Stations Required
			Space Factor
			Net Area Required
Geographic Location:			
County:			
Facility Type	Net Area (square feet)	Efficiency Factor	Gross Area (square feet)
			Unit Cost
			Construction Cost
			Occupancy Date
Schedule of Project Components	FY 2012-13	FY 2013-14	FY 2014-15
1. Basic Construction Costs	\$	\$	\$
a. Construction Cost			
b. Permits, Inspections, Impact Fees			
c. Communication requirements (conduits, wiring, etc.)			
d. Utilities outside building			
e. Site Development (roads, paving, etc.)			
f. Energy efficient equipment			
g. Art allowance (Section 255.043, Florida Statutes)			
h. Other			
Subtotal:	\$	\$	\$
	\$	\$	\$

Office of Policy and Budget - July 2011

CIP-3: Short-Term Project Explanation

2. Other Project Costs		\$	\$	\$	\$	\$
a. Land/Existing Facility Acquisition						
b. Professional Services						
1) Planning/Programming						
2) Architechtural/Engineering Fees						
3) On-site representatives						
4) Testing/Surveys						
5) Other Professional Services						
c. Miscellaneous Costs						
d. Moveable Equipment/Furniture						
Subtotal:						
3. All Costs (1 + 2)						
4. DMS Fee						
Total: All Costs by Fund						
Fund Code:						
Fund Code:						
TOTAL (3 + 4)		\$	\$	\$	\$	\$
Appropriations to-date:		Projected Costs Beyond CIP:				
General Revenue Trust Funds		General Revenue Trust Funds				
TOTAL		TOTAL			\$0	\$0
Changes in Agency Service Costs		FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-2016	FY 2016-2017
Category	Fund Code	\$	\$	\$	\$	\$
Salaries & Benefits						
Subtotal						
OPS						
Subtotal						
Expenses						
Subtotal						
Other (Specify)						
Subtotal						
Fund Totals						
TOTAL		\$	\$	\$	\$	\$

Office of Policy and Budget - July 2011

CIP-3: Short-Term Project Explanation

Agency:	Florida Department of Revenue	Agency Priority:	
Budget Entity and Budget Entity Code:	Property Tax Oversight	Project Category:	
Appropriation Category Code:		LRPP Narrative Page:	
PROJECT TITLE:	This Program has no FCO appropriation requests.		
Statutory Authority:			
To be Constructed by:	Contract? (Y/N)	YES NO	Force Acct.? (Y/N)
			YES NO
Facility Type	Service Load	Planned Used Factor	User Stations Required
			Existing Stations
			New User Stations Required
			Space Factor
			Net Area Required
Geographic Location:			
County:			
Facility Type	Net Area (square feet)	Efficiency Factor	Gross Area (square feet)
			Unit Cost
			Construction Cost
			Occupancy Date
Schedule of Project Components	FY 2012-13	FY 2013-14	FY 2014-15
1. Basic Construction Costs	\$	\$	\$
a. Construction Cost			
b. Permits, Inspections, Impact Fees			
c. Communication requirements (conduits, wiring, etc.)			
d. Utilities outside building			
e. Site Development (roads, paving, etc.)			
f. Energy efficient equipment			
g. Art allowance (Section 255.043, Florida Statutes)			
h. Other			
Subtotal:	\$	\$	\$
			\$
			\$

Office of Policy and Budget - July 2011

CIP-3: Short-Term Project Explanation

2. Other Project Costs		\$	\$	\$	\$	\$
a. Land/Existing Facility Acquisition						
b. Professional Services						
1) Planning/Programming						
2) Architechtural/Engineering Fees						
3) On-site representatives						
4) Testing/Surveys						
5) Other Professional Services						
c. Miscellaneous Costs						
d. Moveable Equipment/Furniture						
Subtotal:						
3. All Costs (1 + 2)						
4. DMS Fee						
Total: All Costs by Fund						
Fund Code:						
Fund Code:						
TOTAL (3 + 4)		\$	\$	\$	\$	\$
Appropriations to-date:		Projected Costs Beyond CIP:				
General Revenue Trust Funds		General Revenue Trust Funds				
TOTAL		TOTAL			\$0	\$0
Changes in Agency Service Costs		FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-2016	FY 2016-2017
Category	Fund Code	\$	\$	\$	\$	\$
Salaries & Benefits						
Subtotal						
OPS						
Subtotal						
Expenses						
Subtotal						
Other (Specify)						
Subtotal						
Fund Totals						
TOTAL		\$	\$	\$	\$	\$

Office of Policy and Budget - July 2011

CIP-3: Short-Term Project Explanation

Agency:	Florida Department of Revenue	Agency Priority:	
Budget Entity and Budget Entity Code:	Executive Direction and Support Services	Project Category:	
Appropriation Category Code:		LRPP Narrative Page:	
PROJECT TITLE:	This Program has no FCO appropriation requests.		
Statutory Authority:			
To be Constructed by:	Contract? (Y/N)	YES NO	Force Acct.? (Y/N)
			YES NO
Facility Type	Service Load	Planned Used Factor	User Stations Required
			Existing Stations
			New User Stations Required
			Space Factor
			Net Area Required
Geographic Location:			
County:			
Facility Type	Net Area (square feet)	Efficiency Factor	Gross Area (square feet)
			Unit Cost
			Construction Cost
			Occupancy Date
Schedule of Project Components	FY 2012-13	FY 2013-14	FY 2014-15
1. Basic Construction Costs	\$	\$	\$
a. Construction Cost			
b. Permits, Inspections, Impact Fees			
c. Communication requirements (conduits, wiring, etc.)			
d. Utilities outside building			
e. Site Development (roads, paving, etc.)			
f. Energy efficient equipment			
g. Art allowance (Section 255.043, Florida Statutes)			
h. Other			
Subtotal:	\$	\$	\$
	\$	\$	\$

Office of Policy and Budget - July 2011

CIP-3: Short-Term Project Explanation

2. Other Project Costs		\$	\$	\$	\$	\$
a. Land/Existing Facility Acquisition						
b. Professional Services						
1) Planning/Programming						
2) Architechtural/Engineering Fees						
3) On-site representatives						
4) Testing/Surveys						
5) Other Professional Services						
c. Miscellaneous Costs						
d. Moveable Equipment/Furniture						
Subtotal:						
3. All Costs (1 + 2)						
4. DMS Fee						
Total: All Costs by Fund						
Fund Code:						
Fund Code:						
TOTAL (3 + 4)		\$	\$	\$	\$	\$
Appropriations to-date:		Projected Costs Beyond CIP:				
General Revenue Trust Funds		General Revenue Trust Funds				
TOTAL		TOTAL			\$0	\$0
Changes in Agency Service Costs		FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-2016	FY 2016-2017
Category	Fund Code	\$	\$	\$	\$	\$
Salaries & Benefits						
Subtotal						
OPS						
Subtotal						
Expenses						
Subtotal						
Other (Specify)						
Subtotal						
Fund Totals						
TOTAL		\$	\$	\$	\$	\$

Office of Policy and Budget - July 2011

CIP-3: Short-Term Project Explanation

Agency:	Florida Department of Revenue	Agency Priority:	
Budget Entity and Budget Entity Code:	Information Services Program	Project Category:	
Appropriation Category Code:		LRPP Narrative Page:	
PROJECT TITLE:	This Program has no FCO appropriation requests.		
Statutory Authority:			
To be Constructed by:	Contract? (Y/N)	YES NO	Force Acct.? (Y/N)
			YES NO
Facility Type	Service Load	Planned Used Factor	User Stations Required
Geographic Location:			
County:			
Facility Type	Net Area (square feet)	Efficiency Factor	Gross Area (square feet)
Schedule of Project Components	FY 2012-13	FY 2013-14	FY 2014-15
1. Basic Construction Costs	\$	\$	\$
a. Construction Cost			
b. Permits, Inspections, Impact Fees			
c. Communication requirements (conduits, wiring, etc.)			
d. Utilities outside building			
e. Site Development (roads, paving, etc.)			
f. Energy efficient equipment			
g. Art allowance (Section 255.043, Florida Statutes)			
h. Other			
Subtotal:	\$	\$	\$

Office of Policy and Budget - July 2011

CIP-3: Short-Term Project Explanation

2. Other Project Costs		\$	\$	\$	\$	\$
a. Land/Existing Facility Acquisition						
b. Professional Services						
1) Planning/Programming						
2) Architechtural/Engineering Fees						
3) On-site representatives						
4) Testing/Surveys						
5) Other Professional Services						
c. Miscellaneous Costs						
d. Moveable Equipment/Furniture						
Subtotal:						
3. All Costs (1 + 2)						
4. DMS Fee						
Total: All Costs by Fund						
Fund Code:						
Fund Code:						
TOTAL (3 + 4)		\$	\$	\$	\$	\$
Appropriations to-date:		Projected Costs Beyond CIP:				
General Revenue Trust Funds		General Revenue Trust Funds				
TOTAL		\$0			\$0	
Changes in Agency Service Costs		FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-2016	FY 2016-2017
Category	Fund Code	\$	\$	\$	\$	\$
Salaries & Benefits						
Subtotal						
OPS						
Subtotal						
Expenses						
Subtotal						
Other (Specify)						
Subtotal						
Fund Totals						
TOTAL		\$	\$	\$	\$	\$

Office of Policy and Budget - July 2011



CIP-A Leased Space: Current Usage and Short Term Projections

FLORIDA DEPARTMENT OF REVENUE CAPITAL IMPROVEMENTS PROGRAM PLAN

Fiscal Years 2012-2013 through 2016-2017

Summary

Agency Vision

Revenue's vision is to be accessible and responsive to the citizens of Florida as we provide fair and efficient tax and child support administration. Our mission statement includes providing "excellent service efficiently and at the lowest possible cost." The location and leasing of our office spaces play a key role both in the services we provide and in the cost of our operations.

Facilities Vision

The Department's vision for its office spaces is that they be accessible, safe, efficient, and uniform; and that leasing costs be kept as low as possible. Each office location must be appropriate for the services provided there and for the number of customers who visit.

We are using the services of tenant brokers to ensure that our leasing decisions are based on a thorough understanding of local market conditions and trends, effective leasing strategies, and cost-saving opportunities. We are committed to minimizing cost increases, while maintaining or improving service.

Trends Affecting Revenue's Leasing Costs

Lease Rates: The total cost of the Department's leases rose by an average of \$750,000 per year from FY 2000-01 through FY 2008-09. Our primary strategy for minimizing the annual increase at that time was to negotiate long-term leases that included renewal options and limited annual rate increases. This practice enabled us to avoid, for the life of the original and renewed leases, the larger rate increases that were occurring in the commercial rental market. We kept the flexibility to terminate the lease at its expiration or at the end of any renewal period.

The recent recession halted the rise in commercial lease rates and, in most areas of the state, market rates have decreased over the past three years. The availability of rental property at lower rates has enabled Revenue to negotiate lower rates on new or renewing leases. Revenue has also approached landlords and asked for reductions on long-term leases that were not up for renewal. In many cases, the landlord agreed either to reduce the rent or to forego an increase. We will continue actively seeking rate reductions based on current market conditions. If the economy continues to improve, market rates are expected to resume their upward trend.

Lease Funding: In FY 2008-09, Revenue's leasing costs were approximately \$6,750,000 higher than in FY 2000-01. Most of these lease escalations were not funded. We have offset the unfunded expense by reducing spending in other areas. In FY 2009-10 through FY 2010-11, using strategies that are described later in this document, we have decreased our projected five-year leasing costs by more than \$4.5 million, lessening the impact of our lease appropriation deficit.

Expectations for the Future: The Department expects total leasing costs to remain relatively stable over the next five years. Most of the rise in the cost of leases subject to annual rate increases will be offset by our ongoing space reduction and cost-containment strategies.

Revenue's Facilities Plan

For Fiscal Year 2011-12, the Department of Revenue is leasing approximately 1.36 million square feet of office and storage space, down from nearly 1.5 million in FY 2007-08. We expect to make further reductions prior to July 1, 2012.

Revenue leases office space from private owners and from the Department of Management Services (DMS). Currently, Revenue administers 64 leases, many of which provide co-located program office space. Fifty-seven of these leases are in Florida, the remainder are for seven General Tax Administration service centers in six other states. Private leases account for 65.4% of total office space occupied. Fiscal Year 2011-12 annualized lease cost is estimated to total \$25.2 million. No additional service centers are projected for the next five years.

Relocation of Tallahassee Employees

In FY 2010-11, Revenue completed the consolidation of almost all of its Tallahassee offices into three new buildings at the Capital Circle Office Center (CCOC), with a reduction in leased space of about 58,000 square feet. Moving approximately 2,000 of Revenue's 5,000 employees into state-owned facilities has decreased current annual lease costs by approximately \$1.3 million, and will avoid the cost increases typically associated with private leases. In addition, \$415,000 in annual utilities costs has been eliminated.

Mitigating Increases in Leasing Costs

For the past three years, Revenue has been aggressively seeking to minimize the increase in leasing expense through better lease management and a commitment to the space allocation standards established by DMS. We have implemented standard leasing practices, designed to minimize cost increases, including:

- Achieving compliance with the Department of Management Services' (DMS) space allocation standards by educating Revenue managers and centrally reviewing all Letters of Agency Staffing during lease space changes.
- Establishing and adhering to agency-wide standards for quality, cost-effective office environments that maximize employee productivity and meet customer needs while minimizing leasing costs.
- Implementing an office configuration standard (mix of modular offices and private hard-walled offices) that meets workforce space requirements in the most cost-effective and efficient structure possible.
- Consolidating offices where practical to maximize economies of scale.
- Providing the appropriate number of interview areas for the effective delivery of client services and for staff security.
- Evaluating the use of alternate work programs that decrease office space requirements, such as telework and "hoteling," and implementing them when they enhance the Department's effectiveness. (In "hoteling," two or more staff members share the same office space, coming into the office on different days, alternating their time in the office with their off-site work.)
- Seeking opportunities to decrease costs by co-locating with other state agencies.

Looking ahead several years, the Department's programs are assessing future space needs in anticipation of changes in the location of the citizens we serve and changes in how Revenue conducts business. The Department's progress toward a paperless environment; implementation of additional technology, including web self-service; and continued improvements in efficiency will affect office space needs, presenting more opportunities to mitigate lease cost escalations.

**FLORIDA DEPARTMENT OF REVENUE
CAPITAL IMPROVEMENTS PROGRAM PLAN**

General Tax Administration Program (GTA)

**Service Categories: Tax Processing
Taxpayer Aid
Compliance Determination
Compliance Resolution**

Currently, the General Tax Administration Program (GTA) is leasing approximately 513,000 square feet of office and storage space at an estimated annualized cost of \$9.76 million. As of July 1, 2011, GTA's approximately 2,240 employees occupied space in 25 locations throughout Florida and 7 locations in 6 other states. Office space is leased from both the private sector and the Department of Management Services (state-owned buildings). On July 1, 2011, private leases accounted for 62.5%, or 320,494 square feet, of the office space occupied by GTA.

In October 2010, the relocation of most of Revenue's Tallahassee employees to the Capital Circle Office Center (CCOC) was completed. This move has accomplished one of the Program's key goals for its facilities—moving most of its Tallahassee employees into safe, professional, cost-effective facilities that meet DMS space standards and ENERGY STAR conservation standards. (See the Capital Improvements Program Plan Summary for more information on Revenue's move to the CCOC.)

The General Tax Administration Program has service centers located throughout the state that provide on-site customer service, audits, and collection activities to increase compliance with Florida's tax laws. The Program also has out-of-state service centers that focus specifically on audit coverage for organizations doing business in Florida but headquartered outside of the state. The Program does not have any plans to establish any new service centers.

GTA is analyzing population and demographic data to guide leasing decisions. For example, by compiling taxpayer registration data and plotting it geographically, the Program is focused on determining any gaps in its current service center locations. This analysis will help us make effective decisions to consolidate, close and/or relocate existing service centers. The Program also intends to use the data as the baseline in developing forecasting models for future resource needs.

The primary business objective driving the Program's future leasing prototype is the expansion of self-service capabilities. The Program is actively pursuing strategies that are designed not only to improve efficiency and modernize services, but also to cut potential leasing costs. Gradually, as GTA is able to implement enhanced web-based self-service options, and as more customers begin filing and paying electronically, the need for staff at the local level is expected to decrease, although a significant impact is not anticipated within the current five-year planning period. The Program has begun to incorporate the potential effect of these strategies into facilities planning for the future.

The Program is also looking at nontraditional work arrangements that can enhance effectiveness while saving leasing costs. When it makes business sense—for example, for auditors, who spend most of their work time away from the office—we are establishing telework or “hoteling” work options. In “hoteling,” two or more staff members share the same office space, coming into the office on different days, alternating their time in the office with their off-site work.

**FLORIDA DEPARTMENT OF REVENUE
CAPITAL IMPROVEMENTS PROGRAM PLAN
GENERAL TAX ADMINISTRATION (GTA) PROGRAM
LEASED SPACE - CURRENT USAGE AND SHORT-TERM PROJECTIONS**

Inventory of Leased Space:

<u>Location of Privately Owned Space*</u>	<u>Lease No.</u>	<u>Square Feet</u>	<u>2012-2013 Annual Cost</u>
1 Anaheim, CA	730:0270	4,623.00	\$143,544
2 Atlanta, GA	730:0257	7,319.00	\$175,363
3 Callaway (Panama City)	730:0296	6,446.00	\$159,270
4 Clearwater	730:0310	17,159.00	\$443,160
5 Cocoa	730:0316	4,799.00	\$108,217
6 Coral Springs	730:0323	26,968.00	\$802,680
7 Daytona Beach	730:0346	5,611.00	\$102,064
8 Hillside, IL	730:0238	8,228.00	\$139,876
9 Houston, TX	730:0271	1,547.00	\$28,201
10 Irving, TX	730:0242	4,478.00	\$78,970
11 Lake City	730:0328	5,188.00	\$97,837
12 Lakeland	730:0321	7,829.00	\$151,706
13 Leesburg	730:0347	5,218.00	\$106,134
14 Maitland	730:0252	18,985.00	\$507,058
15 Marianna	730:0351	3,749.00	\$73,106
16 Miami	730:0298	38,619.00	\$961,132
17 Miami, Warehouse	730:0302	200.00	\$2,868
18 Naples	730:0247	5,636.00	\$134,794
19 Pensacola	730:0317	12,006.00	\$260,890
20 Port Richey	730:0309	9,302.00	\$218,295
21 Sarasota	730:0345	9,470.00	\$158,623
22 Tallahassee, Service Center	730:0335	4,998.00	\$87,215
23 Tallahassee, TaxWorld L*	730:0262	34,809.00	\$523,179
24 Tampa	730:0313	19,111.00	\$446,974
25 West Palm Beach	730:0260	15,347.00	\$394,929
26 Wexford, PA	730:0320	4,579.00	\$101,883
27 Woodland Park, NJ	730:0315	6,492.00	\$180,153
Total of Privately Leased Space		288,716.00	\$6,588,121

<u>Location of State-Owned Space*</u>	<u>Lease No.</u>	<u>Square Feet</u>	<u>Annual Cost</u>
28 Alachua	973:6601	7,185.00	\$123,438
29 Ft. Myers	973:7706	9,981.00	\$171,474
30 Ft. Pierce, Benton Bldg.	973:4012	9,000.00	\$154,620
31 Jacksonville, Duval Svc.	973:5202	21,086.00	\$362,257
32 Tallahassee, CCOC Building 1	973:2402	115,827.50	\$1,989,916
33 Tallahassee, CCOC Building 3	973:3201	29,361.00	\$504,422
Total of State-Owned Leased Space		192,440.50	\$3,306,127

Total Leased Space - GTA	481,156.50	\$9,894,249
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Projected Leased Space Requirement:

	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
Square Feet	481,157.00	481,157.00	481,157.00	481,157.00	481,157.00
Annual Cost	\$9,894,249	\$9,910,458	\$9,869,194	\$9,789,435	\$9,789,435

CIP-A Leased Space: Current Usage and Short-Term Projections

Agency:	Florida Department of Revenue					
Service:	General Tax Administration - Tax Processing					
LRPP NARRATIVE PAGES DESCRIBING SERVICE-LEVEL LEASE OPTIONS _____						
Currently Occupied Space (square feet)			Projected Leased Space (square feet)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
36,314	54,481	90,794	90,794	90,794	90,794	90,794
% of Total Leased Space Privately-Owned <hr style="width: 20%; margin: auto;"/> 60.0%						
Annual Costs (dollars)			Projected Leased Space (dollars)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
\$623,867	\$1,243,180	\$1,867,048	\$1,870,107	\$1,862,320	\$1,903,880	\$1,903,880
If the agency is considering abrogating a facility lease, how much of the above payments reflect repayment of unamortized capital improvements pursuant to Section 216.043, <i>Florida Statutes</i> ?						

CIP-A Leased Space: Current Usage and Short-Term Projections

Agency:	Florida Department of Revenue					
Service:	General Tax Administration - Taxpayer Aid					
LRPP NARRATIVE PAGES DESCRIBING SERVICE-LEVEL LEASE OPTIONS _____						
Currently Occupied Space (square feet)			Projected Leased Space (square feet)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
11,002	16,505	27,507	27,507	27,507	27,507	27,507
% of Total Leased Space Privately-Owned <hr style="width: 20%; margin: auto;"/> 60.0%						
Annual Costs (dollars)			Projected Leased Space (dollars)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
\$189,006	\$376,632	\$565,638	\$566,565	\$564,206	\$576,797	\$576,797
If the agency is considering abrogating a facility lease, how much of the above payments reflect repayment of unamortized capital improvements pursuant to Section 216.043, <i>Florida Statutes</i> ?						

CIP-A Leased Space: Current Usage and Short-Term Projections

Agency:	Florida Department of Revenue					
Service:	General Tax Administration - Compliance Determination					
LRPP NARRATIVE PAGES DESCRIBING SERVICE-LEVEL LEASE OPTIONS _____						
Currently Occupied Space (square feet)			Projected Leased Space (square feet)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
99,530	149,323	248,852	248,852	248,852	248,852	248,852
% of Total Leased Space Privately-Owned <u>60.0%</u>						
Annual Costs (dollars)			Projected Leased Space (dollars)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
\$1,709,913	\$3,407,344	\$5,117,258	\$5,125,642	\$5,104,300	\$5,218,208	\$5,218,208
If the agency is considering abrogating a facility lease, how much of the above payments reflect repayment of unamortized capital improvements pursuant to Section 216.043, <i>Florida Statutes</i> ?						

CIP-A Leased Space: Current Usage and Short-Term Projections

Agency:	Florida Department of Revenue					
Service:	General Tax Administration - Compliance Resolution					
LRPP NARRATIVE PAGES DESCRIBING SERVICE-LEVEL LEASE OPTIONS _____						
Currently Occupied Space (square feet)			Projected Leased Space (square feet)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
45,596	68,407	114,003	114,003	114,003	114,003	114,003
% of Total Leased Space Privately-Owned <u>60.0%</u>						
Annual Costs (dollars)			Projected Leased Space (dollars)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
\$783,341	\$1,560,964	\$2,344,305	\$2,348,146	\$2,338,369	\$2,390,552	\$2,390,552
If the agency is considering abrogating a facility lease, how much of the above payments reflect repayment of unamortized capital improvements pursuant to Section 216.043, <i>Florida Statutes</i> ?						

FLORIDA DEPARTMENT OF REVENUE CAPITAL IMPROVEMENTS PROGRAM PLAN

Child Support Enforcement Program (CSE)

**Service Categories: Case Processing
Remittance and Distribution
Establishment
Compliance**

Currently, the Child Support Enforcement Program (CSE) leases approximately 690,000 square feet of office and storage space at an estimated annualized cost of \$12.7 million. CSE's approximately 2,290 employees work in offices in 41 locations in Florida. CSE leases office space from the private sector and from the Department of Management Services (DMS). Private leases account for 67% of office space occupied by CSE.

Most of CSE's Tallahassee employees moved to the Department of Revenue's campus at the Capital Circle Office Center (CCOC) in spring of 2010. In March 2011, when the Tallahassee CSE Service Center's lease expired, 51 employees out of the service center staff of 60 moved into the CCOC, saving approximately \$200,000 in annual lease costs. (See the Capital Improvements Program Plan Summary for more information on Revenue's move to the CCOC.)

CSE's goal is to ensure that funding for facilities is spent as efficiently as possible while fulfilling its responsibility for providing Title IV-D child support services to Florida's parents and families. The Program continues to evaluate site locations as well as office consolidation and co-location opportunities with other Revenue programs or state agencies.

During 2011, the Child Support Enforcement Program expanded its Child Support e-Services, continuing the transition of its service delivery approach for customers with support orders. Through e-Services, customers can communicate with CSE in a secure environment to update demographic information, view support order information, view enforcement actions, and review child support payment history. These service delivery changes will be considered when making future lease decisions.

Although e-Services may reduce the need for some customers to visit our service centers in person, there will still be customers who need assistance and services that are more effectively provided in person. The Program has also found that collection efforts and negotiations are more successful when there is face-to-face interaction.

Child Support Enforcement has compiled customer and demographic data to examine where gaps may be in the current service center locations. Most of CSE's customers are in Florida's highly populated counties; however, economic trends can cause the customer base to shift. By analyzing the changing environment, CSE can better assess how to consolidate or relocate current service centers. As leases approach expiration, a close review will determine whether or not the service center is in the best area to meet the needs of its customers and employees.

**FLORIDA DEPARTMENT OF REVENUE
CAPITAL IMPROVEMENTS PROGRAM PLAN
CHILD SUPPORT ENFORCEMENT (CSE) PROGRAM
LEASED SPACE - CURRENT USAGE AND SHORT-TERM PROJECTIONS**

Inventory of Leased Space:		2012-2013			
Location of Privately Owned Space	Lease No.	Square Feet	Annual Cost		
1 Arcadia	730:0282	3,129	\$40,677		
2 Brooksville	730:0267	5,131	\$109,188		
3 Callaway	730:0296	8,291	\$204,857		
4 Clearwater	730:0310	25,397	\$655,920		
5 Clewiston	730:0285	3,926	\$89,644		
6 Cocoa	730:0288	10,033	\$227,548		
7 Cocoa	730:0316	5,991	\$135,097		
8 Crestview	730:0355	12,144	\$304,410		
9 Daytona Beach	730:0346	13,242	\$240,872		
10 Ft. Lauderdale	730:0314	43,220	\$1,370,254		
11 Ft. Myers	730:0343	13,136	\$183,904		
12 Gainesville	730:0312	14,736	\$296,562		
13 Kissimmee	730:0287	4,946	\$117,941		
14 Lake City	730:0328	11,596	\$218,681		
15 Lakeland	730:0321	29,221	\$566,230		
16 Lecanto	730:0340	4,173	\$74,071		
17 Leesburg	730:0248	10,118	\$205,800		
18 Marrianna	730:0351	6,599	\$128,681		
19 Madison	730:0297	4,747	\$77,162		
20 Naples	730:0247	8,678	\$207,549		
21 Ocala	730:0261	11,227	\$275,202		
22 Okeechobee	730:0350	2,321	\$31,194		
23 Orange Park	730:0306	3,334	\$88,365		
24 Orlando	730:0631	8,642	\$132,906		
25 Pensacola	730:0317	23,513	\$510,937		
26 Port Charlotte	730:0226	3,913	\$92,259		
27 Port Richey	730:0309	10,463	\$245,540		
28 Sarasota	730:0345	8,840	\$148,070		
Sebring (this lease is closing)	730:0307	0	\$10,576		
29 Sebring	730:0359	3,811	\$77,659		
30 St. Augustine	730:0318	7,377	\$162,097		
31 Tallahassee, SDU	730:0301	1,153	\$12,683		
32 Tallahassee, Service Center	730:0359	3,095	\$60,306		
33 Tampa	730:0313	40,647	\$950,666		
34 Vero Beach	730:0294	4,999	\$141,922		
34 West Palm Beach	730:0278	24,566	\$619,125		
Total of Privately Leased Space		402,445	\$9,014,555		
Location of State-Owned Space					
Location of State-Owned Space	Lease No.	Square Feet	Annual Cost		
35 Belle Glade	973:DCF	540	\$9,277		
36 Fort Pierce (Benton Building)	973:4012	14,342	\$246,396		
37 Jacksonville (Duval)	973:5202	53,680	\$922,222		
38 Orlando (Hurston Building)	973:7940	38,191	\$656,121		
39 Marathon	973:9722	1,165	\$20,015		
40 Tallahassee (CCOC) Building 2	973:2701	90,211	\$1,549,816		
41 Tallahassee (CCOC) Building 3	073:3201	26,388	\$453,346		
Total of State-Owned Leased Space		224,517	\$3,857,193		
Total Leased Space - CSE		626,962	\$12,822,041		
Projected Leased Space Requirement:					
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2015-16
Square Feet	626,962	615,926	599,902	615,926	615,926
Annual Cost	\$12,822,041	\$12,663,758	\$12,529,031	\$12,859,602	\$12,859,602

CIP-A Leased Space: Current Usage and Short-Term Projections

Agency:	Florida Department of Revenue					
Service:	Child Support Enforcement - Case Processing					
LRPP NARRATIVE PAGES DESCRIBING SERVICE-LEVEL LEASE OPTIONS _____						
Currently Occupied Space (square feet)			Projected Leased Space (square feet)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
91,039	163,187	254,225	249,750	243,253	249,750	249,750
	% of Total Leased Space Privately-Owned <u>64.2%</u>					
Annual Costs (dollars)			Projected Leased Space (dollars)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
\$1,564,045	\$3,635,136	\$5,199,181	\$5,134,999	\$5,080,369	\$5,214,412	\$5,214,412
If the agency is considering abrogating a facility lease, how much of the above payments reflect repayment of unamortized capital improvements pursuant to Section 216.043, <i>Florida Statutes</i> ?						

NOTE: "Other*" means space leased from a local government or non-profit entity.

Office of Policy and Budget - July 2010

CIP-A Leased Space: Current Usage and Short-Term Projections

Agency:	Florida Department of Revenue					
Service:	Child Support Enforcement - Remittance & Distribution					
LRPP NARRATIVE PAGES DESCRIBING SERVICE-LEVEL LEASE OPTIONS _____						
Currently Occupied Space (square feet)			Projected Leased Space (square feet)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
7,725	13,847	21,572	21,193	20,641	21,193	21,193
% of Total Leased Space Privately-Owned <u>64.2%</u>						
Annual Costs (dollars)			Projected Leased Space (dollars)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
\$132,717	\$308,459	\$441,176	\$435,730	\$431,095	\$442,469	\$442,469
If the agency is considering abrogating a facility lease, how much of the above payments reflect repayment of unamortized capital improvements pursuant to Section 216.043, <i>Florida Statutes</i> ?						

Office of Policy and Budget - July 2011

CIP-A Leased Space: Current Usage and Short-Term Projections

Agency:	Florida Department of Revenue					
Service:	Child Support Enforcement - Establishment					
LRPP NARRATIVE PAGES DESCRIBING SERVICE-LEVEL LEASE OPTIONS _____						
Currently Occupied Space (square feet)			Projected Leased Space (square feet)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
64,441	115,510	179,951	176,784	172,184	176,784	176,784
% of Total Leased Space Privately-Owned <u>64.2%</u>						
Annual Costs (dollars)			Projected Leased Space (dollars)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
\$1,107,095	\$2,573,099	\$3,680,194	\$3,634,763	\$3,596,084	\$3,690,975	\$3,690,975
If the agency is considering abrogating a facility lease, how much of the above payments reflect repayment of unamortized capital improvements pursuant to Section 216.043, <i>Florida Statutes</i> ?						

Office of Policy and Budget - July 2011

CIP-A Leased Space: Current Usage and Short-Term Projections

Agency:	Florida Department of Revenue					
Service:	Child Support Enforcement - Compliance					
LRPP NARRATIVE PAGES DESCRIBING SERVICE-LEVEL LEASE OPTIONS _____						
Currently Occupied Space (square feet)			Projected Leased Space (square feet)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
61,312	109,901	171,213	168,199	163,823	168,199	168,199
% of Total Leased Space Privately-Owned <hr style="width: 20%; margin: auto;"/> 64.2%						
Annual Costs (dollars)			Projected Leased Space (dollars)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
\$1,053,336	\$2,448,153	\$3,501,489	\$3,458,265	\$3,421,473	\$3,511,747	\$3,511,747
If the agency is considering abrogating a facility lease, how much of the above payments reflect repayment of unamortized capital improvements pursuant to Section 216.043, <i>Florida Statutes</i> ?						

Office of Policy and Budget - July 2011

**FLORIDA DEPARTMENT OF REVENUE
CAPITAL IMPROVEMENTS PROGRAM PLAN**

Property Tax Oversight Program (PTO)

**Service Categories: Compliance Determination
Compliance Assistance**

The Property Tax Oversight Program (PTO), with its approximately 170 employees, is leasing a total of approximately 29,000 square feet of office and storage space in seven locations throughout Florida at an estimated annualized cost of about \$533,000. Approximately 19,000 square feet (about 65 percent) of the space leased for the Property Tax Oversight Program is located in state-owned buildings.

PTO's 92 Tallahassee employees are housed at the Department of Revenue's campus at the Capital Circle Office Center (CCOC). (See the Capital Improvements Program Plan Summary for more information on Revenue's move to the CCOC.)

The Property Tax Oversight Program currently has satellite offices in six locations throughout Florida. Satellite offices typically house appraisal staff whose job duties routinely require conducting appraisal work at various sites in multiple counties, diminishing the need for dedicated office space. The Program continues to use telework and "hoteling" to increase effectiveness and save costs. (In "hoteling," two or more staff members share the same office space, coming into the office on different days, alternating their time in the office with their off-site work.) The Program does not have any plans to establish new satellite offices.

**FLORIDA DEPARTMENT OF REVENUE
 CAPITAL IMPROVEMENTS PROGRAM PLAN
 PROPERTY TAX OVERSIGHT (PTO) PROGRAM
 LEASED SPACE - CURRENT USAGE AND SHORT-TERM PROJECTIONS**

Inventory of Leased Space:

<u>Location of Privately Owned Space</u>	<u>Lease No.</u>	<u>Square Feet</u>	<u>2012-2013 Annual Cost</u>
1 Coral Springs	730:0323	2334	\$69,470
2 Lake City	730:0328	1811	\$34,152
3 Maitland	730:0252	1813	\$48,422
4 Marianna	730:0351	1515	\$29,543
5 Tampa	730:0313	1582	\$37,000

Total of Privately Leased Space	9,055	\$218,587
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<u>Location of State-Owned Space</u>	<u>Lease No.</u>	<u>Square Feet</u>	<u>Annual Cost</u>
6 Ft. Myers	973:7706	2530	\$43,465
7 Tallahassee (CCOC)	973:2701	16,457.50	\$282,740

Total of State-Owned Leased Space	18,987.50	\$326,205
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Total Leased Space - PTO	28,042.50	\$544,792
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Projected Leased Space Requirement:

	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
Square Feet	28,043	28,043	28,043	28,043	28,043
Annual Cost	\$544,792	\$544,701	\$541,612	\$533,466	\$533,466

CIP-A Leased Space: Current Usage and Short-Term Projections

Agency:	Florida Department of Revenue					
Service:	Property Tax Oversight - Compliance Determination					
LRPP NARRATIVE PAGES DESCRIBING SERVICE-LEVEL LEASE OPTIONS _____						
Currently Occupied Space (square feet)			Projected Leased Space (square feet)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
13,641	6,505	20,146	20,146	20,146	20,146	20,146
% of Total Leased Space Privately-Owned <u>32.3%</u>						
Annual Costs (dollars)			Projected Leased Space (dollars)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
\$234,343	\$157,031	\$391,374	\$391,374	\$391,308	\$389,089	\$383,237
If the agency is considering abrogating a facility lease, how much of the above payments reflect repayment of unamortized capital improvements pursuant to Section 216.043, <i>Florida Statutes</i> ?						

CIP-A Leased Space: Current Usage and Short-Term Projections

Agency:	Florida Department of Revenue					
Service:	Property Tax Oversight - Compliance Assistance					
LRPP NARRATIVE PAGES DESCRIBING SERVICE-LEVEL LEASE OPTIONS _____						
Currently Occupied Space (square feet)			Projected Leased Space (square feet)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
5,347	2,550	7,897	7,897	7,897	7,897	7,897
% of Total Leased Space Privately-Owned <u>32.3%</u>						
Annual Costs (dollars)			Projected Leased Space (dollars)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
\$91,862	\$61,556	\$153,418	\$153,393	\$152,523	\$150,229	\$150,229
If the agency is considering abrogating a facility lease, how much of the above payments reflect repayment of unamortized capital improvements pursuant to Section 216.043, <i>Florida Statutes</i> ?						

**FLORIDA DEPARTMENT OF REVENUE
CAPITAL IMPROVEMENTS PROGRAM PLAN**

Executive Direction and Support Services Program (EXE)

Service Category: Executive Direction and Support Services

Currently, the Executive Direction and Support Services Program leases a total of approximately 78,000 square feet of office and storage space at an annualized cost of about \$1.3 million. State leases account for 90% of total office space occupied by the Program.

By the end of October 2010, all offices of the Executive Direction and Support Services Program (approximately 260 employees) had relocated to the new Capital Circle Office Center (CCOC) buildings in Tallahassee. (See the Capital Improvements Program Plan Summary for more information on Revenue's move to the CCOC.)

**FLORIDA DEPARTMENT OF REVENUE
 CAPITAL IMPROVEMENTS PROGRAM PLAN
 EXECUTIVE DIRECTION AND SUPPORT SERVICES (EXE) PROGRAM
 LEASED SPACE - CURRENT USAGE AND SHORT-TERM PROJECTIONS**

Inventory of Leased Space:

<u>Location of Privately Owned Space*</u>	<u>Lease No.</u>	<u>Square Feet</u>	<u>2012-2013 Annual Cost</u>
1 Tallahassee, Warehouse	730:0341	7,165	\$129,245
2 Tampa	730:0313	660	\$15,436
Total of Privately Leased Space		7,825	\$144,681
<u>Location of State-Owned Space</u>	<u>Lease No.</u>	<u>Square Feet</u>	<u>Annual Cost</u>
3 Tallahassee (CCOC) Building 1	973:2402	48,058	\$825,628
4 Tallahassee (CCOC) Building 2	973:2701	22,238	\$382,049
Total of State-Owned Leased Space		70,296	\$1,207,677
Total Leased Space - EXE		78,121	\$1,352,358

Projected Leased Space Requirement:

	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
Square Feet	78,121	78,121	78,121	78,121	78,121
Annual Cost	\$1,352,358	\$1,353,977	\$1,357,824	\$1,362,244	\$1,362,244

CIP-A Leased Space: Current Usage and Short-Term Projections

Agency:	Florida Department of Revenue					
Service:	Executive Direction and Support Services Program					
LRPP NARRATIVE PAGES DESCRIBING SERVICE-LEVEL LEASE OPTIONS _____						
Currently Occupied Space (square feet)			Projected Leased Space (square feet)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
70,296	7,825	78,121	78,121	78,121	78,121	78,121
% of Total Leased Space Privately-Owned <hr style="width: 20%; margin: auto;"/> 10.0%						
Annual Costs (dollars)			Projected Leased Space (dollars)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
\$1,207,677	\$144,681	\$1,352,358	\$1,353,977	\$1,357,824	\$1,353,977	\$1,353,977
If the agency is considering abrogating a facility lease, how much of the above payments reflect repayment of unamortized capital improvements pursuant to Section 216.043, <i>Florida Statutes</i> ?						

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**FLORIDA DEPARTMENT OF REVENUE
CAPITAL IMPROVEMENTS PROGRAM PLAN**

Information Services Program (ISP)

Service Category: Information Technology

All of the Information Services Program's 174 employees are located in Tallahassee. In Fiscal Year 2011-12, the Program is leasing approximately 53,000 square feet of office and storage space at an estimated annualized cost of \$912,000.

The Program has two leased spaces: Currently, 151 employees occupy approximately 33,000 square feet at the state-owned Revenue campus at the Capital Circle Office Center, and 23 employees operate a production control and printing facility in approximately 20,000 square feet leased from the private sector.

FLORIDA DEPARTMENT OF REVENUE
CAPITAL IMPROVEMENTS PROGRAM PLAN
INFORMATION SERVICES PROGRAM (ISP)
LEASED SPACE - CURRENT USAGE AND SHORT-TERM PROJECTIONS

Inventory of Leased Space:

<u>Location of Privately Owned Space*</u>	<u>Lease No.</u>	<u>Square Feet</u>	<u>2012-2013 Annual Cost</u>
1 Tallahassee, Huntley	973:0341	19,579	\$353,173
Total of Privately Leased Space		19,579	\$353,173
<u>Location of State-Owned Space*</u>	<u>Lease No.</u>	<u>Square Feet</u>	<u>Annual Cost</u>
2 Tallahassee, CCOC Building 2	973:2701	33,096	\$568,589
Total of State-Owned Leased Space		33,096	\$568,589
Total Leased Space - ISP		52,675	\$921,762

Projected Leased Space Requirement:

	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
Square Feet	52,675	52,675	52,675	52,675	52,675
Annual Cost	\$921,762	\$932,171	\$942,809	\$953,806	\$953,806

CIP-A Leased Space: Current Usage and Short-Term Projections

Agency:	Florida Department of Revenue					
Service:	Information Services Program					
LRPP NARRATIVE PAGES DESCRIBING SERVICE-LEVEL LEASE OPTIONS _____						
Currently Occupied Space (square feet)			Projected Leased Space (square feet)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
35,404	16,772	52,176	52,176	52,176	52,176	52,176
% of Total Leased Space Privately-Owned <u>32.1%</u>						
Annual Costs (dollars)			Projected Leased Space (dollars)			
STATE- OWNED	PRIVATELY- OWNED	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
\$568,589	\$353,173	\$921,762	\$932,171	\$942,809	\$953,806	\$953,806
If the agency is considering abrogating a facility lease, how much of the above payments reflect repayment of unamortized capital improvements pursuant to Section 216.043, <i>Florida Statutes</i> ?						

Office of Policy and Budget - July 2011



CIP-B Infrastructure Support Grants and Aid to Local Governments

CIP-B Infrastructure Support Grants and Aid to Local Governments

Agency:	Florida Department of Revenue	Appropriation Category:			
Service:	General Tax Administration	LAS/PBS Budget Entity Code:			
LRPP NARRATIVE PAGES DESCRIBING GRANTS TO LOCAL GOVERNMENTS _____					
Fund Source					
Authority					
Funding					
Historical Funding	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
Projected Funding	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
<i>Office of Policy and Budget - July 2011</i>					

CIP-B Infrastructure Support Grants and Aid to Local Governments

Agency:	Florida Department of Revenue	Appropriation Category:			
Service:	Child Support Enforcement	LAS/PBS Budget Entity Code:			
LRPP NARRATIVE PAGES DESCRIBING GRANTS TO LOCAL GOVERNMENTS _____					
Fund Source					
Authority					
Funding					
Historical Funding	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
Projected Funding	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
<i>Office of Policy and Budget - July 2011</i>					

CIP-B Infrastructure Support Grants and Aid to Local Governments

Agency:	Florida Department of Revenue	Appropriation Category:			
Service:	Property Tax Oversight	LAS/PBS Budget Entity Code:			
LRPP NARRATIVE PAGES DESCRIBING GRANTS TO LOCAL GOVERNMENTS _____					
Fund Source					
Authority					
Funding					
Historical Funding	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
Projected Funding	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
<i>Office of Policy and Budget - July 2011</i>					

CIP-B Infrastructure Support Grants and Aid to Local Governments

Agency:	Florida Department of Revenue	Appropriation Category:			
Service:	Executive Direction and Support Services	LAS/PBS Budget Entity Code:			
LRPP NARRATIVE PAGES DESCRIBING GRANTS TO LOCAL GOVERNMENTS _____					
Fund Source					
Authority					
Funding					
Historical Funding	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
Projected Funding	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
<i>Office of Policy and Budget - July 2011</i>					

CIP-B Infrastructure Support Grants and Aid to Local Governments

Agency:	Florida Department of Revenue	Appropriation Category:			
Service:	Information Services Program	LAS/PBS Budget Entity Code:			
LRPP NARRATIVE PAGES DESCRIBING GRANTS TO LOCAL GOVERNMENTS _____					
Fund Source					
Authority					
Funding					
Historical Funding	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
Projected Funding	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
<i>Office of Policy and Budget - July 2011</i>					



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**DEPARTMENT OF REVENUE
2012-2013 LEGISLATIVE BUDGET REQUEST**

The Department of Revenue's (Department) Fiscal Year 2012-2013 Legislative Budget Request of \$490,473,433 (\$480,345,732 recurring) represents a 1.59% increase in total recurring funding for all funds over the Fiscal Year 2011-12 recurring appropriation. The recurring General Revenue funding requested is 2.62% more than the recurring General Revenue appropriated for FY 2011-12. The proposed General Revenue reductions that have been submitted for FY 2012-13 are not included in these calculations.

The Department's substantive issues by program are described below and numbered to correspond to the attached spreadsheet:

Child Support Enforcement Program

(1) The Department requests \$1,626,991 in General Revenue funding (\$173,423 nonrecurring) to cover the increase in the state's obligation related to the \$25 annual fee which is imposed on child support cases which meet specific criteria as defined in the Deficit Reduction Act of 2005. Section 7310 of the Act requires that in the case of an individual who has never received public assistance and for whom the state has collected or disbursed at least \$500 of support to the individual, the state shall impose an annual fee of \$25 for each case associated with the individual that meets these criteria. During the 2007 Legislative session, the Legislature decided the State would pay the federal portion of the annual fee rather than collect the \$25 fee from the individual. Currently, the Department has \$1,980,000 in recurring General Revenue in its base appropriation. As a result of an increase to the number of cases estimated to be eligible for the annual fee during FY 2012-13, the Department has determined that an increase of \$1,626,991 is needed to continue to meet this obligation (\$173,423 is nonrecurring to cover a prior year shortfall).

(2) The Child Support Enforcement Automated Management System (CAMS) Phase II is planned for deployment in the spring of 2012. Implementation of a major system such as CAMS requires additional maintenance during the system's initial two to three years of operation to refine software programs. After this period, the system transitions to a mature, steady state. The Department is requesting the realignment of \$12,561,797 of its recurring base appropriations previously used to fund the operation and maintenance of the child support module of the FLORIDA system to now support the operations and maintenance of CAMS. The Department also requests \$4,670,448 of trust fund spending authority (of which \$96,150 is recurring) to obtain contractual resources to assist with the refinement and maintenance of the SAP application.

(3) The Department requests \$4,669,876 in nonrecurring funding (\$1,587,758 Incentive Trust Fund and \$3,082,118 Federal Grants Trust Fund) to continue the automation of child support services through the Child Support Enforcement Automated Management System (CAMS). This request is for the sixth year of development and enterprise costs associated with Phase II of this system. The improved automated functionality of CAMS is expected to enhance child support services provided by the Department to parents and children residing in Florida and other states.

(4) The Department requests \$1,044,578 in recurring funding (\$355,158 General revenue, \$689,420 Federal Grants Trust Fund) for 25 Full Time Equivalents (FTE) positions that were funded with non-recurring funds in FY 2011-12. The positions include 21 positions in the Department's Child Support Enforcement Program and four positions in the Miami-Dade State Attorney's Office that provide full-service child support services to the Miami-Dade community. These positions were taken as a reduction in the FY 2010-11 General Appropriations Act and restored with nonrecurring funds in FY 2010-11 and again in FY 2011-12.

(5) The Department requests \$271,375 in federal spending authority to fund ongoing and anticipated federal grants. This will enable the Child Support Enforcement program to reach more customers, improve collection techniques and expand customer service delivery models in the state.

**DEPARTMENT OF REVENUE
2012-2013 LEGISLATIVE BUDGET REQUEST**

(6) On behalf of the State Attorney's Office (SAO), which provides child support enforcement services in Miami-Dade County, pursuant to a cost reimbursable contract with the Department of Revenue, the Department requests \$104,517 (\$35,535 General Revenue and \$68,982 Federal Grants Trust Fund) to cover increased costs incurred by the partner agencies related to rent and information technology costs.

General Tax Administration Program

(7) The Department requests \$1,002,789 in recurring General Revenue funding for 25 Full Time Equivalents (FTE) positions that were taken as a reduction as part of the FY 2010-11 General Appropriations Act and restored with nonrecurring funds in FY 2010-11 and again in FY 2011-12. If these positions are not funded in FY 2012-13, it will have a significant adverse impact on the General Tax Administration Program operations.

(8) The Department requests a \$1,000,000 increase in spending authority in the Operating Trust Fund to compensate collections agencies for outstanding liabilities they are able to collect. As part of the process for collecting taxes, there are some outstanding accounts the General Tax Administration Program (GTA) is not able to collect. These liabilities are referred to collection agencies to pursue. GTA receives the funds the collection agencies are able to collect and pays the collection agencies a percentage of the amount received. With the implementation of collection analytics, accounts will be referred to the collection agencies quicker and will no longer be limited to a dollar maximum. In addition, unemployment compensation tax delinquencies and billings will be referred to the collection agencies. These changes will impact the amount the Department needs to compensate the collection agencies.

(9) The Department of Revenue and several other agencies, including but not limited to the Department of Business and Professional Regulation, Department of State, Department of Lottery, and the Department of Financial Services, are working together to create a one stop registration portal to make it easier for businesses to accomplish all registration requirements necessary across multiple state agencies. The Department of Revenue will be the lead/host agency for the development of the system. The costs incurred during the development and implementation of this system will be covered using the participating agencies' existing base appropriation. It is not anticipated that any new funding will be required of any of the participating agencies. The purpose of including this in the Department of Revenue's legislative budget request is to ensure the Department has the approval of the Governor and the Cabinet to expend existing departmental resources for the development and implementation of this project.

Property Tax Oversight Program

(10) The Department is requesting \$141,892 in General Revenue funding (\$7,740 nonrecurring) and two FTE to validate the costs of selling a property as used by county property appraisers when developing that property's just valuation for property tax purposes. Currently, property appraisers are not required to provide the Department with a justification for cost of sale adjustments of 15 percent or less, per Rule 12D-8.002(4), Florida Administrative Code. The Auditor General has reported (Report No. 2010-013, Finding No. 8) that the Department should review the validity of these adjustments.

(11) The Department is requesting \$500,000 in General Revenue funding to meet the Department's statutory requirement to provide aerial photographs to counties with a population of 25,000 or less on a three year cycle.

Information Services Program

(12) The Department is requesting \$560,000 (\$490,000 nonrecurring) in the Operating Trust Fund to implement a data archiving solution for the SUNTAX system, which is critical to the performance of the

**DEPARTMENT OF REVENUE
2012-2013 LEGISLATIVE BUDGET REQUEST**

system and is mandated by Rule 71A, Florida Administrative Code.

(13) The Department is requesting \$352,452 in Operating Trust Fund spending authority to cover increased SAP maintenance costs in support of the SUNTAX system. The budget allocation for these costs has not been increased since being established in FY 2008-09.

(14) The Department is requesting \$249,960 in the Operating Trust Fund (\$68,000 nonrecurring) to provide electronic access by consumer reporting agencies to employer quarterly wage information pursuant to Chapter 2011-235, Laws of Florida (HB 7005). The Agency for Workforce Innovation currently contracts with the Department of Revenue for unemployment tax collection services which includes the quarterly wage data information. A third party sharing agreement will be required for each consumer reporting agency that will be receiving the electronic wage data.

(15) The Department is requesting \$852,359 in General Revenue to cover its projected costs associated with the migration and consolidation of agency hardware and supporting services at the Southwood Shared Resource Center (SSRC). The SSRC will be eliminating their Shared Transitional Services (STS) and migrating all current customers to Managed Services platforms. This migration has been projected to increase the cost to the agency in the amount of \$852,359.

(16) The Department is requesting \$116,882 in General Revenue funding (\$55,000 nonrecurring), and one FTE, to ensure the Department is compliant with Rule 71A-1, Florida Administrative Code. This rule directs agencies to adhere to prescribed minimum security requirements. The rule mandates policies and procedures that place additional responsibilities on agencies to manage and monitor to ensure compliance.

Executive Direction and Support Services Program

(17) The Department requests \$302,574 in recurring General Revenue funding for six Full Time Equivalents (FTE) positions that were taken as a reduction as part of the FY 2011-12 General Appropriations Act and restored with nonrecurring funds in FY 2011-12. If these positions are not funded in FY 2012-13, it will have an adverse impact on the support provided to the operating programs (CSE, GTA and PTO).

Inter-Agency Reorganizations

(18) The Department is including in its budget submission the adjusting entries required for the implementation of statewide e-mail. These entries net to an increase of \$166,488 in the Operating Trust Fund (\$89,364 nonrecurring).

(19) The Department is including in its budget submission the budget adjustments that must be made in order to support the consolidation of agency data centers into a primary data center. The data center functions the Department currently has located at Taxworld Building L (5050 W. Tennessee St.) are scheduled to be consolidated into the Southwood Shared Resource Center in September 2012. While the funding adjustments net to zero, there is a reduction of two FTE.

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Department of Revenue
FY 2012-2013
Summary of Issues by Fund Type
All Funds
--DRAFT--

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	FTE	Recurring General Revenue	Nonrecurring General Revenue	Recurring Trust	Nonrecurring Trust	TOTAL
2011-2012 Approved Budget	5,143.0	173,271,367	32,273,504	299,568,684	31,490,986	536,604,541
Adjustments to 2011-2012 Approved Budget for 2012-2013						
Nonrecurring Appropriations	(52.0)		(32,273,504)		(31,490,986)	(63,764,490)
Subtotal	5,091.0	173,271,367	0	299,568,684	0	472,840,051
Substantive Issues for Fiscal Year 2012-2013						
Child Support Enforcement (CSE)						
(1) Annual Fee Increase		1,453,568	173,423			1,626,991
(2) Child Support Enforcement Automated Management System (CAMS) Operations & Maintenance				96,150	4,574,298	4,670,448
(3) Child Support Enforcement Automated Management System (CAMS) Phase II					4,669,876	4,669,876
(4) Restore 25 positions (21 in DOR and 4 Miami-Dade) funded in FY 2011-12 with non-recurring funds	21.0	355,158		689,420		1,044,578
(5) CSE Section 1115 Federal Grants				271,375		271,375
Subtotal	21.0	1,808,726	173,423	1,056,945	9,244,174	12,283,268
Child Support Enforcement (CSE) Partner Cost to Continue						
(6) Child Support Miami-Dade (State Attorney's Office)		35,535		68,982		104,517
Subtotal		35,535		68,982		104,517
General Tax Administration						
(7) Restore 25 positions funded in FY 2011-12 with non-recurring funds	25.0	1,002,789				1,002,789
(8) Increased spending authority to Collection Agencies				1,000,000		1,000,000
(9) One Stop Registration				1		1
Subtotal	25.0	1,002,789		1,000,001		2,002,790
Property Tax Oversight						
(10) Requirement to Validate Cost of Sale Adjustments	2.0	134,152	7,740			141,892
(11) Aerial Photography		500,000				500,000
Subtotal	2.0	634,152	7,740			641,892
Information Services Program						
(12) SUNTAX Data Archiving				70,000	490,000	560,000
(13) SAP Maintenance Cost Increase				352,452		352,452
(14) Information sharing with Consumer Reporting Agencies				181,960	68,000	249,960
(15) Increase in Primary Data Center Funding (SSRC)		852,359				852,359
(16) Compliance with Agency for Enterprise Technology (AEIT) Rule 71A-1	1.0	61,882	55,000			116,882
Subtotal	1.0	914,241	55,000	604,412	558,000	2,131,653
Executive Direction and Support Services						
(17) Restore 6 positions funded in FY 2011-12 with non-recurring funds	6.0	302,574				302,574
Subtotal	6.0	302,574				302,574
Inter-Agency Reorganizations						
(18) Statewide Email Consolidation	(3.0)	(197,489)		274,613	89,364	166,488
(19) Data Center Consolidation (DOR Taxworld Building L - September 2012)	(2.0)	35,676		(35,676)		0
Subtotal	(5.0)	(161,813.0)		238,937	89,364	166,488
Substantive Issue Total	50.0	4,536,204	236,163	2,969,277	9,891,538	17,633,182
2012-2013 Legislative Budget Request	5,141.0	177,807,571	236,163	302,537,961	9,891,538	490,473,233

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**DEPARTMENT OF REVENUE
2012 LEGISLATIVE CONCEPTS**

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ADMINISTRATIVE

VOLUNTEERS

Statutory Reference: Sections 110.502, 110.503, 110.506, and 213.053, Florida Statutes

Current Situation: All state agencies are authorized to recruit, train and accept volunteers to assist with agency programs and volunteers are required to comply with applicable agency rules. However, applicable statutes do not specifically state that agencies are authorized to conduct security background checks on volunteers, nor do they provide specific authority for a volunteer's access to confidential information.

Proposed Change: Under the proposal, agencies would be authorized to provide volunteers, including interns, access to confidential information as appropriate and volunteers would be subject to the same confidentiality requirements applicable to agency employees. As appropriate, volunteers would be subject to security background checks and agencies would be authorized to pay the costs of such background checks.

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CHILD SUPPORT ENFORCEMENT

REQUESTS FOR INFORMAL DISCUSSION

Statutory Reference: Section 409.2563, Florida Statutes

Current Situation: The administrative support process provides that a parent from whom support is being sought may request to informally discuss a proposed administrative support order with the Department of Revenue (Department) by making the request to “a department representative, at the address or telephone number in the notice.” Due to the informal manner of the request, it is not always clear if such a request has been made.

Proposed Change: In order to clarify when a request has been made and use limited resources more efficiently, amend current law to require that a request for an informal discussion be made in writing. Additionally, the concept would extend the time to make the request from 10 days to 15 days from the date of mailing or other service of the proposed administrative support order.

CAREGIVER PATERNITY AFFIDAVIT

Statutory Reference: Section 409.256, Florida Statutes

Current Situation: Section 409.256, Florida Statutes, allows the Department to commence an administrative paternity proceeding if certain conditions are met. One of the conditions is that the child’s mother or putative father has stated in an affidavit, or in a written declaration, that the putative father is or may be the child’s biological father. In cases where a caregiver is receiving services and paternity is an issue, the Department cannot proceed with an administrative action to establish paternity without the completion of the paternity declaration.

It can be difficult to obtain the declaration from the mother or putative father if they are not the current custodian of the child and the Department is proceeding against them to obtain support.

Proposed Change: This concept would amend Section 409.256, Florida Statutes, to allow a caregiver with knowledge of who the alleged father is to complete the paternity declaration (affidavit or written declaration). This will allow the Department to proceed with an administrative action to establish paternity based on genetic testing.

DEPOSITORY ROLE IN TITLE IV-D CASES

STATUTORY REFERENCE: Section 61.13, Florida Statutes

CURRENT SITUATION: The Department of Revenue is required to provide child support services in public assistance cases and also when a citizen requests services. In all cases handled by the Department (Title IV-D cases), state and federal laws require support payments to be made to the State Disbursement Unit.

When the Department begins providing services in what had been a private case, if all payments are up to date, some clerks of court will not establish the necessary payment accounts for processing by the State Disbursement Unit. The statute only authorizes them to provide services if payments are delinquent.

PROPOSED CHANGE: Amend current law to require the clerk of court to create the necessary payment accounts in private cases that become Title IV-D cases. Also, clarify that in Title IV-D cases all payments must be made to the State Disbursement Unit.

CLARIFICATION OF DRIVER'S LICENSE SUSPENSION

STATUTORY REFERENCE: Sections 61.13016 and 322.058, Florida Statutes

CURRENT SITUATION: A person who is at least 15 days late on child support payments may have his or her driver's license suspended after notice and the opportunity for a hearing. After 20 days if the person does not pay the delinquency in full, enter into a written agreement or file a petition in circuit court to contest the suspension, the Department of Revenue notifies the Department of Highway Safety and Motor Vehicles to suspend the license

PROPOSED CHANGE: This concept amends current law to clarify that when support payments are being made by income deduction order, payment of the full amount of the delinquency is not required to avoid suspension. It also authorizes the Department to stop the suspension process when appropriate; for example, if the obligor becomes disabled, begins receiving unemployment benefits or files bankruptcy.

ADMINISTRATIVE HEARINGS

STATUTORY REFERENCE: Section 120.80, Florida Statutes

CURRENT SITUATION: Pursuant to an interagency agreement, the Department of Children and Families, Office of Appeal Hearings (DCF), conducts administrative hearings for the Child Support Program in contested matters concerning federal income tax refund offset, passport denial, and child support distributions. Recently DCF has indicated they will no longer have the resources to provide these hearings for child support cases.

PROPOSED CHANGE: Authorize the Department to send these cases to the Division of Administrative Hearings (DOAH) for hearing and authorize DOAH to enter a final order.

ADMINISTRATIVE LIENS

STATUTORY REFERENCE: Section 409.2575, Florida Statutes

CURRENT SITUATION: The Department is authorized to place liens only on vehicles and vessels registered to obligors who owe past due support that exceeds \$600. To place a lien on other types of personal property the Department must proceed in circuit court.

PROPOSED CHANGE: Authorize the Department to also place administrative liens on personal injury claims, settlement proceeds and judgments of delinquent obligors. Clarify that an administrative lien may be placed on vehicles and vessels owned free and clear by delinquent obligors.

UNCONTESTED UNCLAIMED PROPERTY CASES

STATUTORY REFERENCE: Section 409.25658, Florida Statutes

CURRENT SITUATION: The Department works jointly with the Department of Financial Services (DFS) to identify persons who owe past due support and who have unclaimed property held by DFS. When identified, the Department sends a notice to the obligor advising of the intent to intercept and informing the obligor of the right to an administrative hearing. A final order is statutorily required before DFS can transfer the property to the Department, even when the claim is not contested by the obligor.

PROPOSED CHANGE: When the intercept is uncontested and the protest period has concluded, permit DFS to transfer the unclaimed property to the Department without a final order.

GARNISHMENT

STATUTORY REFERENCE: Section 409.25656, Florida Statutes

CURRENT SITUATION: The Department is authorized to garnish personal property or credits of persons who owe past due support. The current garnishment process requires multiple registered mail notifications even for uncontested actions. The existing data matching requirements with the Chief Financial Officer (CFO) and the provisions to withhold payments to delinquent obligors are problematic and thus have not been utilized.

PROPOSED CHANGE: Amend current law to authorize the Department to issue garnishment notices by regular mail instead of registered mail and improve automated data matching with the CFO to identify delinquent obligors who have income or property that may be garnished.

PUBLIC RECORDS EXEMPTION - INSURANCE CLAIMS DATA

STATUTORY REFERENCE: Section 409.25661, Florida Statutes

CURRENT SITUATION: The information obtained from insurers for the purpose of identifying persons who owe past due support is confidential and exempt from disclosure as a public record, s. 119.07(1), F.S., and s. 24(a), Fla. Constitution. The exemption is scheduled for repeal October 2, 2012.

PROPOSED CHANGE: Reenact this section eliminating the repeal requirement thus allowing the Department to maintain the confidentiality of personal data provided by insurers.

GENERAL TAX ADMINISTRATION

CORPORATE INCOME TAX

CORPORATE INCOME TAX “PIGGYBACK”

Statutory Reference: Section 220.03, Florida Statutes

Current Situation: Florida uses portions of the Internal Revenue Code as the starting point in calculating Florida corporate income tax. Each year, the Legislature decides what portions of the new code should be adopted by Florida.

Proposed Change: The proposal would adopt the 2012 version of the Internal Revenue Code.

SALES & USE TAX

CRIMINAL STATUTE GLITCH LANGUAGE

Statutory Reference: Sections 212.07, 212.12 and 212.18, Florida Statutes

Current Situation: Recent amendments to the criminal penalties imposed on registration and collection violations do not specifically state the level of offense. Additionally, including the registration violation and the failure to collect violation with the violation for filing of false or fraudulent returns may be confusing.

Proposed Change: The proposal would specify that a person who willfully fails to register after receiving notice commits a third degree felony and will establish graduated offense degrees for failure to collect taxes after notice. This proposal would clarify these penalties by moving the “failure to register after notice” provision to s. 212.18, F.S., and moving the “failure to collect” provision to s. 212.07, F.S., which are the respective provisions of the statutes that deal with these issues. No new penalties are being created by this proposal.

DELINQUENT TAXPAYERS:
SECURITY REQUIREMENTS FOR NEW REGISTRATIONS

Statutory Reference: Section 212.14, Florida Statutes

Current Situation: Delinquent sales tax dealers are able to close down their business with tax liabilities, and to reopen under a new name. This allows the business operators who were in actual control of the business and responsible for non-payment to repeatedly fail to remit sales and use tax for successive businesses.

In these instances, Florida Statutes require businesses to provide a cash deposit, bond, or other security as a condition to register the new business. However, the current provision does not clearly apply to all of the individuals that were operating the prior business.

Proposed Change: The proposed statutory revision would clearly authorize the Department to require security for individuals or entities that are responsible for prior delinquent tax accounts when they seek to register new businesses.

UNEMPLOYMENT TAX

STANDARD RATE FOR NON-COMPLIANCE WITH AUDIT RECORD REQUESTS

Statutory Reference: Section 443.131, Florida Statutes

Current Situation: Florida law provides a standard unemployment rate. However, many businesses earn a lower, preferential rate if they are in compliance. When not in compliance, the law permits the rate to increase to the standard rate. However, this “non-compliance” treatment does not clearly apply to situations where the taxpayer is not complying with records requests during audits.

Proposed Change: This proposal would permit employer’s rates to increase to the standard rate when the business fails to comply with audit records requests. Once the requested records are provided, the earned rate will be restored.

FLOATING INTEREST RATE FOR UNEMPLOYMENT TAX

Statutory Reference: Section 443.141, Florida Statutes

Current Situation: Unemployment compensation tax contributions or reimbursements that are unpaid on the due date bear an interest rate of 1 percent per month (an effective rate of 12 percent). Other taxes that are administered by the Department have an interest rate of prime plus 4 percent, not to exceed an effective rate of one percent per month, adjusted twice per year.

Proposed Change: This proposal would reduce and make interest rate provisions for unemployment tax the same as other taxes administered by the Department.

SEVERANCE TAX

PHOSPHATE SEVERANCE TAX RATE

Statutory Reference: Section 211.3103, Florida Statutes

Current Situation: The statute requires that the tax rate for phosphate is calculated annually based on a formula using the federal Producer Price Index (PPI) for phosphate rock mining in year 1999, however, there was not a PPI for phosphate rock mining published in 1999. Since the adoption of this requirement in 2007, the Legislature established specific rates for subsequent years in order that a surcharge be imposed and then repaid to the taxpayers. The lack of a reliable index makes calculation of the current rate and administration of the tax difficult for the Department and taxpayers.

Proposed Change: This proposal would seek direction on how to calculate and administer the severance tax on phosphate.

ADMINISTRATION

“ZAPPERS”

Statutory Reference: Section 213.295, Florida Statutes

Current Situation: Automated sales suppression devices or “zappers” are software programs that falsify the records of electronic cash registers and other point-of-sale systems. This technology allows dealers to fraudulently create a virtual second set of records in order to evade state and federal taxes. In the case of sales tax this results in the theft of taxes collected from citizens.

Proposed Change: This proposal would make it illegal to sell, purchase, install, transfer or possess sales suppression software or devices.

IDENTITY CONFIRMATION

Statutory Reference: Section 322.142, Florida Statutes

Current Situation: Currently, the Department tax staff does not have a way to verify the identity of business owners prior to visiting businesses during audits. This situation makes it difficult for staff to ensure that the business owner is the person with whom staff is working during field visits.

Proposed Change: This proposal would permit the Department’s tax staff access to driver license photos thus providing a means to verify the identity of business owners.

CLERKS OF THE COURT REMITTANCES – CONFORMING AMENDMENT

Statutory Reference: Section 213.13, Florida Statutes

Current Situation: In 2010, the Legislature changed the remittance date for funds collected by the Clerks for the Court from the 20th to the 10th day of the month immediately after the month in which the funds are collected. The provision in Section 213.13, Florida Statutes, regarding electronic remittance and distribution of funds by the Clerks of the Court was not updated in the legislation.

Proposed Change: This proposal would amend Section 213.13, Florida Statutes, concerning electronic remittance and distribution of funds from the 20th to the 10th, to conform and be consistent with the 2010 legislation.

DRAFT

PROPERTY TAX OVERSIGHT

I. REDUCING THE BURDEN ON TAXPAYERS

VALUE ADJUSTMENT BOARD -- FOUR-HOUR HEARING WAIT TIME

Statutory Reference: Sections 192.0105 and 194.032, Florida Statutes

Current Situation: The Value Adjustment Board is often the only cost effective avenue for property owners seeking to resolve value disputes with property appraisers. Under existing statutory provisions individuals could be required to wait up to four hours to be heard before being able to request to reschedule a hearing due to delays. The four hour requirement can impose a significant financial burden potentially discouraging property owners for seeking relief.

This statutory provision also includes an obsolete provision requiring the exhaustion of administrative remedies which was superseded by court decisions and a 1974 amendment to Section 194.034, F.S., which allows petitioners to contest their assessment directly to circuit court.

Proposed Change: This proposal would make it easier for property owners to seek to have hearings rescheduled when value adjustment boards are unable to hear petitions at the time scheduled.

DELAY IN DISABILITY EXEMPTION

Statutory Reference: Sections 196.081, 196.082, 196.091, 196.101, 196.202 and 196.24, Florida Statutes

Current Situation: Florida provides property tax discounts and exemptions for disabled veterans and other disabled persons, under certain conditions. In order to qualify, the taxpayer is required to obtain a disability letter from the federal government. The process of obtaining a disability letter can take years, during which time, a disabled veteran receives no tax benefit.

Proposed Change: Amend statutes to allow the disabled taxpayer to apply for the discount or exemption, with approval contingent on the taxpayer providing the required documentation from the federal government. Once the documentation is received by the property appraiser, the exemption shall be granted back to the date of the original application and a refund of excess taxes paid would be allowed as long as the refund is within the time limit allowed for refunds under current law.

ORDER OF EXEMPTIONS

Statutory Reference: Section 196.031, Florida Statutes

Current Situation: For some properties where only a portion of the property is homesteaded, the order of exemptions in current statute can result in an owner not being able to take full advantage of all the exemptions for which the owner qualifies.

Proposed Change: Amend the statute to require that homestead exemptions be applied in the order that results in the greatest benefit to the taxpayer.

NOTICE OF TAX FOR SCHOOL CAPITAL OUTLAY ADVERTISEMENT

Statutory Reference: Section 200.065, Florida Statutes

Current Situation: As part of the TRIM process, school districts are required to publish an advertisement outlining how their property tax levy for capital outlay is to be spent. Previously, school districts were allowed to levy only one capital outlay levy. Currently, however, there are three different levies for capital outlay or capital improvement. To continue requiring the advertisement to only include the levy and project descriptions for one of these levies is confusing to taxpayers.

Proposed Change: Amend statute to require that the capital outlay advertisement include all capital outlay and capital improvement taxes.

II. ADMINISTRATIVE EFFICIENCIES

DATA REPORTING PROVISIONS

Statutory Reference: Sections 195.096, 195.0985 and 1011.62, Florida Statutes

Current Situation: As part of its property tax oversight duties, the Department reviews property tax assessment rolls. Currently, when a review is completed, the Department must both publish its findings for all interested parties, as well as forward copies of its findings to legislative staff and other county officials. Several statutory sections provide reporting requirements relating to the Department's roll review process. However, they each contain different reporting dates and redundant reporting requirements.

Proposed Change: The proposal would repeal redundant or unnecessary reporting requirements, and the proposal would also standardize reporting requirements for roll approval. The proposed change would require the Department to publish the results of these reviews on its website.

CLASSIFIED USE TAX LIABILITY

Statutory Reference: Sections 193.501, 193.503 and 193.505, Florida Statutes

Current Situation: Florida law provides property tax incentives for conservation and historic properties for extended periods of time. The statute requires repayment of the incentives if the use is not maintained for the required period. Current law requires local governments to report this repayment information to the Department. These repayments are rare and this information is not needed by the Department.

Proposed Change: The proposal would repeal the repayment reporting requirement.

NOTIFICATION OF VALUE ADJUSTMENT BOARD DECISIONS

Statutory Reference: Section 194.034, Florida Statutes

Current Situation: In each Value Adjustment Board case, the clerk of the board is required to notify the taxpayer, the property appraiser, and the Department of the Value Adjustment Board decision. The Department does not need copies of these decisions, but must retain the ability to get copies of the decisions if necessary.

Proposed Change: The requirement of the clerk of the board to notify the Department of the decision for each hearing would be amended to make it available upon the Department's request.

PRINTED FORMS

Statutory Reference: Section 196.121, Florida Statutes

Current Situation: Florida law currently requires the Department to furnish printed homestead exemption forms to property appraisers. Since the forms are provided electronically, funding for printed forms has been eliminated and the Department no longer provides printed forms.

Proposed Change: The proposal would repeal the requirement of the Department to provide printed forms and clarify that the Department will provide these forms electronically.

REMOVE FIDUCIARY FIELD FROM REAL PROPERTY ASSESSMENT ROLL

Statutory Reference: Section 193.114, Florida Statutes

Current Situation: Florida Statutes specify what data fields are required to be included in a property assessment roll. One of the required fields is the name of any fiduciary that represents the owner. This field is not needed for property tax administration and the information is not needed by the Department.

Proposed Change: This proposal would amend statutes to remove this data field from the property tax roll.

REVIEW ASSESSMENT OF NEW, REBUILT, EXPANDED PROPERTY

Statutory Reference: Section 195.099, Florida Statutes

Current Situation: Some businesses in designated enterprise zones or “brownfield” areas may qualify for an economic development ad valorem tax exemption. Section 195.099, Florida Statutes, requires the Department to review the assessments of new, rebuilt or expanded businesses that qualify for these benefits.

Proposed Change: The requirement of the Department to periodically review these properties would be amended to allow the Department to review these properties if deemed necessary.

IN-DEPTH REVIEW STANDARDS

Statutory Reference: Section 195.096, Florida Statutes

Current Situation: The level of assessment produced for each classification of property or stratum studied as part of the Department’s in-depth review is required to be produced with a 95 percent level of confidence, which is not always attainable or most appropriate standard due to lack of data or small sample sizes that are available.

Proposed Change: The proposal would change the requirement for 95 percent level of confidence for the level of assessment to a statistically reliable standard that is based on generally accepted standards published by a professional appraisal organization.

III. CLARIFYING STATUTORY PROVISIONS

DEFINITION OF PLACED ON TAX ROLL

Statutory Reference: Sections 193.1554 and 193.1555, Florida Statutes

Current Situation: Since 2008, Florida law has provided that the assessed value of certain property cannot increase by more than 10 percent over the prior year. The statutes imposing this limitation require that property be assessed at just value the first year the property is “placed on the tax roll.”

Although not specifically stated in the statute, it appears that the intent of the language is that “placed on the tax roll” is meant to include property that was already on the roll in a different classification.

Proposed Change: Amend statutes to clarify that property is to be assessed at just value when it is subject to a new limitation.

COMBINED OR SUBDIVIDED PARCELS

Statutory Reference: Sections 193.1554 and 193.1555, Florida Statutes

Current Situation: Since 2008, Florida law has provided that the assessed value of certain property cannot increase by more than 10 percent over the prior year. The legislation is unclear how the limitation applies when a parcel of realty is subdivided after the assessment date, but before the tax bills are sent.

Proposed Change: Clarify that parcels combined or divided after January 1st and included as combined or divided parcels on the tax notice shall not be considered combined or divided parcels for purposes of this section until the January 1st the parcels are first assessed as combined or divided parcels.

DEFINITION OF NONRESIDENTIAL REAL PROPERTY – CITATION CORRECTION

Statutory Reference: Section 193.1555, Florida Statutes

Current Situation: Voters approved an amendment in January 2008 which created the 10% assessment limitation for nonhomestead residential property and certain nonresidential real property. Article 4(h), Article VII of the State Constitution, states that the 10% limitation applies to all real property except property subject to the assessment limitations contained in “(a)-(d) and (g).” It appears that a reviser’s bill in 2010 created an unintentional conflict between the constitutional provision and the statutory definition of “nonresidential real property” in Section 193.1555, F.S., as the references in the law are to Article 4(a), (c), (d) or (g), Article VII of the State Constitution.

Proposed Change: This proposal would amend the statutory definition of “nonresidential real property” to clearly exclude those properties that are subject to assessment limitation set forth in Section 4(a)-(d) or (g), Article VII of the Florida Constitution.

DEFINITION OF ASSESSED VALUE OF PROPERTY

Statutory Reference: Section 192.001, Florida Statutes

Current Situation: The current statutory definition of “Assessed Value of Property” contains references to specific provisions in the Florida Constitution. The relevant constitutional provisions have been changed and amended, without corresponding changes to the statute.

Proposed Change: Specific references that relate to constitutional provisions would be removed and replaced with a general reference to the correct constitutional article, which will correct the current statute and permit future changes to the Constitution without necessitating conforming changes to the statute.

FISCALLY CONSTRAINED COUNTY DISTRIBUTION

Statutory Reference: Sections 218.12 and 218.125, Florida Statutes

Current Situation: This concept addresses three issues concerning the distributions to fiscally constrained counties for tax losses due to Amendment 1 that was approved by the voters in January 2008, and the conservation lands use assessment and exemption provisions added to the Florida Constitution in November 2008.

There is currently no provision addressing what happens if a county fails to apply for the distribution. Additionally, in applying for the distribution under both statutes, counties must report their maximum millage under chapter 200, Florida Statutes. The current statutory reference to the maximum millage is incorrect. Lastly, both fiscally constrained county distributions are calculated by multiplying the current year reduction in taxable value by the prior year's millage rate. There appears to be no reason to use the prior year's millage rate, rather than the current year millage rate, in this calculation.

Proposed Change: Amend statutes to specify that if a county fails to apply for the fiscally constrained county distribution, its share shall revert to the fund from which the appropriation was made. Sections 218.12 and 218.125, Florida Statutes, would be amended to revise the reference to majority vote maximum millage rates from Section 200.185, Florida Statutes, to Section 200.065(5), Florida Statutes. Sections 218.12 and 218.125, Florida Statutes, would be amended to change the millage rate used in the calculation of the fiscally constrained county distributions from the prior year millage to the current year millage.

IV. STATUTORY REFERENCE CORRECTIONS

MAXIMUM MILLAGE DETERMINATION

Statutory Reference: Section 200.065, Florida Statutes

Current Situation: Florida imposes a limitation on the tax rate (millage rate) that can be imposed on property by the local government. Generally, the new millage rate will be affected by the prior year's rates. In the statute, it appears that an error was made in referring to the prior year's millage rate. The adoption of the prior year's rate is referred to in the present tense rather than the past tense. This situation causes uncertainty in the meaning.

Proposed Change: Amend statute to change the phrase "is adopted" to "was adopted" in referring to the millage rate that was adopted in the prior year.

REAL PROPERTY ASSESSMENT ROLLS

Statutory Reference: Sections 192.001 and 193.114, Florida Statutes

Current Situation: In 2008, the Legislature created Section 193.114(2)(n), F.S., that requires that the real property assessment roll contain specific sale details for each transfer in the prior year. This requirement contradicts the definition of “complete submission of the rolls” in Section 192.001(18), F.S., which requires only the inclusion of the two most recently recorded selling prices. Additionally, there is a need to improve consistency in the reporting of sale or transfer data on tax rolls to the Department.

Proposed Change: The proposal would amend the statutes to be consistent by providing that the assessment rolls contain the sale or transfer information required in Section 193.114, F.S. To improve consistency of data that is reported on the assessment rolls, clarification would be provided about other necessary sale-related data. A definition would also be added to clarify that the ownership transfer date is the date the instrument is signed and notarized or otherwise executed.

PROPERTY TAX ADMINISTRATION TASK FORCE

Statutory Reference: Section 192.117, Florida Statutes

Current Situation: In 2001, the Legislature created the Property Tax Administration Task Force. The work of the task force was completed in 2004, and the task force dissolved. Under section 20.03(8), Florida Statutes, a task force created by statute can exist for a maximum of three years. Because of this provision, section 192.117, Florida Statutes, is no longer necessary.

Proposed Change: The proposal would repeal the obsolete statutory section on the task force.



September 20, 2011

MEMORANDUM

TO: The Honorable Rick Scott, Governor
Attention: Marc Slager, Deputy Chief of Staff/Cabinet Affairs Director
Rachel Goodson, Cabinet Aide

The Honorable Jeff Atwater, Chief Financial Officer
Attention: Robert Tornillo, Chief Cabinet Aide

The Honorable Pam Bondi, Attorney General
Attention: Kent Perez, Associate Deputy Attorney General/General Counsel
Rob Johnson, Cabinet Affairs Director

The Honorable Adam Putnam, Commissioner of Agriculture and Consumer Services
Attention: Jim Boxold, Chief Cabinet Aide
Brooke McKnight, Cabinet Aide

FROM: French Brown, Deputy Director, Technical Assistance and Dispute Resolution

SUBJECT: Requesting Approval to Hold Public Hearing on Proposed Rules

Statement of Sections 120.54(3)(b) and 120.541, F.S. Impact: No impact.

The Department has reviewed the proposed rules for compliance with Sections 120.54(3)(b) and 120.541, F.S. The proposed rules will not likely have an adverse impact on small business, small counties, or small cities, and they are not likely to have an increased regulatory cost in excess of \$200,000 within 1 year. Additionally, the proposed rules are not likely to have an adverse impact or increased regulatory costs in excess of \$1,000,000 within 5 years.

What is the Department Requesting? Section 120.54(3)(a), F.S., requires the Department to obtain Cabinet approval to hold public hearings for the development of proposed rules. The Department therefore requests approval to publish Notices of Proposed Rule in the Florida Administrative Weekly for these proposed rules:

- Documentary Stamp Tax on Transfers of Ownership Interest in Legal Entities (*Rules 12B-4.003 and 12B-4.060, F.A.C.*)

ATTACHMENT #4

Child Support Enforcement – Ann Coffin, Director • General Tax Administration – Jim Evers, Director
Property Tax Oversight – James McAdams, Director • Information Services – Tony Powell, Director

www.myflorida.com/dor
Tallahassee, Florida 32399-0100

- Extend the Florida Estate Tax Exemption Period to December 31, 2012 – (*Rules 12C-3.0015 and 12C-3.008, F.A.C.*)
- Communications Services Tax – Rounding Algorithm; Update Local Tax Rates; Amend Terminology; Certification of Databases (*Rules 12A-19.041 and 12A-19.100, F.A.C.*)
- Florida Tax Credit Scholarship Program – Eliminate the 75% Credit Limitation; Eliminate Restriction on Rescindment of the Credit; Extend the Carryforward of Unused Tax Credits to Five Years (*Rules 12-29.002 and 12-29.003, F.A.C.*)
- Fuel Tax Licenses – Update Annual Tax Rates (*Rule Chapter 12B-5, F.A.C.*)
- Registration Information Sharing and Exchange (RISE) Program – Clarification of Confidentiality Requirements of Employees Handling Confidential Tax Information (*Rule 12-22.007, F.A.C.*)
- Update Annual Tax Returns – Remove Obsolete or Unnecessary Provisions
 - Sales and Use Tax
 - Solid Waste Fees and Rental Car Surcharge
 - Severance Taxes
 - Insurance Premium Tax
 - Corporate Income Tax
 - Tax on Governmental Leasehold Estates(*Rules 12-3.0015, 12-6.0015, 12-16.003, 12-18.001, 12-18.004, 12-22.005, 12A-1.0142, 12A-1.097, 12A-1.107, 12A-16.008, 12B-7.008, 12B-7.026, 12B-8.001, 12B-8.0012, 12B-8.003, 12B-8.006, 12B-8.007, 12B-8.016, 12C-1.003, 12C-1.051, 12C-1.343, and 12C-2.0115, F.A.C.*)

Documentary Stamp Tax on Transfers of Ownership Interest in Legal Entities

Why are the proposed rules necessary? The proposed rules are needed to provide guidance on the documentary stamp tax due on transfers of ownership interests in a conduit entity, imposed by Chapter 2009-131, L.O.F.

What do these proposed rules do? Chapter 2009-131, L.O.F., imposes documentary stamp tax on the transfer of an ownership interest in a conduit entity when real property was transferred to the conduit entity without tax paid on the full consideration for the real property. The tax applies only if the transfer of the ownership interest is within three years after the real property was transferred to the conduit entity. The proposed rules provide definitions and clarify the application, reporting, and payment of the tax.

Were comments received from external parties? The Department conducted a rule development workshop on January 27, 2010, to receive public comment regarding issues related to the new law that need to be considered in developing the permanent rule. Based on public input received at that workshop, draft rule text was prepared for presentation at a rule development workshop

conducted on August 16, 2011. No one appeared to provide additional comment at the second workshop.

Extend the Florida Estate Tax Exemption Period to December 31, 2012

Why are the proposed rules necessary? The proposed amendments are necessary to reflect the statutory exemption period applicable to the filing of a Florida Estate Tax Return. In 2011, the Legislature extended this exemption through 2012.

What do these proposed rules do? The proposed amendments provide that no Florida estate tax return is required to be filed for a decedent who dies, or has died, between January 1, 2005, and December 31, 2012, in accord with Section 1, Chapter 2011-86, L.O.F.

Were comments received from external parties? No.

Communications Services Tax - Rounding Algorithm; Updates Local Tax Rates; Amend Terminology; Certification of Communications Services Address/Jurisdiction Databases

Why are the proposed rules necessary? One of the proposed amendments is necessary to update the method of rounding as provided by Chapter 2011-120, L.O.F., and to update the local tax rates applicable to sales of communications services, effective January 1, 2012. Proposed amendments are necessary to amend the terms “resort condominium” and “remote dwelling” to “vacation rentals,” as provided by Chapter 2011-119, L.O.F. Finally, amendments are needed to clarify the requirements that communications services dealers must meet in order to qualify for a higher collection allowance.

What do these proposed rules do? The proposed amendments update the method of computing communications services tax to a traditional rounding method; update the local communications services tax rates that will be in effect on January 1, 2012; update terminology used in the rules for sales to residential households; and clarify that the place codes contained in an address database submitted by communications services providers must correlate before the database may be certified by the Department. Communications services providers are only eligible for a higher collection allowance if they use databases certified by the Department. The proposed amendments allow for resubmission of a previously unacceptable database to allow the dealer every opportunity to qualify for the higher collection allowance.

Were comments received from external parties? No.

Fuel Tax Licenses - Update Annual Tax Rates

Why are the proposed rules necessary? The proposed amendments are necessary to provide consistency between the rules and the Department’s forms for fuel and pollutant tax. Changes were previously made to these forms in response to requests made by the Joint Administrative Procedures Committee. The proposed rule amendments are also needed to provide the procedures for obtaining a refund on fuel taxes paid on diesel fuel provided by s. 206.8745(1), F.S. In addition, changes are necessary to include the annual updates to the state fuel sales tax rate and the local option fuel tax rates, effective January 1, 2012.

What do these proposed rules do? The proposed changes amend the rules to include statutory terms and bonding requirements to obtain a Florida fuel or pollutant tax license; provides how to obtain a refund of fuel tax paid on fuel used for commercial fishing purposes or by a vessel engaged in the commercial transportation of persons or property; and updates the fuel tax rates in effect on January 1, 2012.

Were comments received from external parties? No.

Florida Tax Credit Scholarship Program - Eliminate the 75% Credit Limitation; Eliminate Restriction on Rescindment of the Credit; Extend the Carryforward of Unused Tax Credits to Five Years

Why are the proposed rules necessary? The amendments are needed to reflect changes made to the Florida Tax Credit Scholarship Program, effective July 1, 2011, under Chapter 2011-123, L.O.F.

What does this proposed rule do? The proposed rule amendments incorporate the changes to the Florida Tax Credit Scholarship Program effective July 1, 2011.

Were comments received from external parties? No.

Registration Information Sharing and Exchange (RISE) Program – Clarification of Confidentiality Requirements of Employees Handling Confidential Tax Information

Why is the proposed rule necessary? Section 213.0535, F.S., allows the Department to share tax information with local government agencies under the Registration Information Sharing and Exchange (RISE) Program. The proposed amendments are needed to clarify and update the rule provisions applicable to the Program.

What does this proposed rule do? The proposed rules amend the Registration Information Sharing and Exchange (RISE) Program agreements; clarify that each government employee with access to the tax information is required to annually certify an understanding of the requirements to maintain the confidentiality of that tax information; and provide a separate form for the annual certification.

Were comments received from external parties? No.

Update Tax Returns – Remove Obsolete or Unnecessary Provisions

Why are the proposed rules necessary? The proposed amendments are necessary to remove obsolete provisions and to update and reorganize various rule provisions for ease of taxpayer use.

What do these proposed rules do? The proposed changes include the following:

- Removes the limitation of the use of the returns to a single calendar year for tax returns for sales and use tax, solid waste tax, rental car surcharge, and severance tax. Updates

insurance premium tax returns and corporate income tax returns to report tax imposed during 2011.

- Removes obsolete references to obtaining copies of forms using the discontinued Fax on Demand System.
- Updates the Power of Attorney and Declaration of Representative form to request an e-mail address at which the Department may contact the taxpayer's representative.
- Removes obsolete rule for sales tax exemption on equipment, machinery, and other materials used for renewable energy technologies. This exemption expired July 1, 2010.
- Updates and reorganizes form DR-1, XXX, and instructions to simplify the registration process for taxpayers.
- Removes provisions regarding emergency excise tax that will be repealed effective January 1, 2012, under Section 22, Chapter 2011-76, L.O.F.
- Updates definitions and provisions regarding interest and removes obsolete and unnecessary provisions from corporate income tax rules.

Were comments received from external parties? No.

Attached are copies of:

- Summaries of the proposed rules, which includes:
 - Statements of facts and circumstances justifying the rules;
 - Federal comparison statements; and
 - Summaries of rule workshops
- Notices of Proposed Rules
- Rule text

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12B-4, FLORIDA ADMINISTRATIVE CODE
DOCUMENTARY STAMP TAX
AMENDING RULE 12B-4.003
CREATING RULE 12B-4.060

SUMMARY OF PROPOSED RULES

The creation of Rule 12B-4.060, F.A.C. (Tax on Transfers of Ownership Interest in Legal Entities), provides: (1) definitions of the terms “conduit entity” and “full consideration” for purposes of the rule; (2) that tax is due on the transfer of an ownership interest in a conduit entity that occurs within three years of the transfer of real property to the conduit entity; (3) that tax is due on the amount of consideration paid or given for the ownership interest in the conduit entity and how the tax is to be computed; (4) when the tax is due and how the tax is to be remitted to the Department; (5) that tax is not due on a gift of ownership interest in the conduit entity or transfers of equity interest that are traded on public regulated security exchanges; (6) that the discretionary surtax imposed in Miami-Dade County applies to transfers of ownership as provided in the rule; (7) that provisions of this rule do not affect the tax imposed under Section 201.02(4), F.S., on documents which convey or transfer, pursuant to Section 689.071, F.S., any beneficial interest in lands, tenements, or other real property; and (8) examples of when the tax is due.

The proposed amendments to Rule 12B-4.003, F.A.C. (Public Use Forms), adopt, by reference, changes to Form DR-228 (Documentary Stamp Tax Return for Nonregistered

Taxpayers' Unrecorded Documents), to provide for the reporting of the tax imposed under section 201.02(1)(b), F.S., when the transfer of ownership in a conduit entity is not filed or recorded in Florida.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

Section 201.02(1)(b), F.S., created by Chapter 2009-131, Laws of Florida (L.O.F.), imposes tax on transfers of ownership interests in a conduit entity when the transfer is within three years of a transfer of Florida real property into the conduit entity, and documentary stamp tax was not paid on the full consideration when the real property was transferred into the conduit entity. The purpose of the creation of Rule 12B-4.060, F.A.C. (Tax on Transfers of Ownership Interest in Legal Entities), is to clarify the application of the tax. The purpose of the proposed amendments to Rule 12B-4.003, F.A.C., is to adopt, by reference, changes to Form DR-228 (Documentary Stamp Tax Return for Nonregistered Taxpayers' Unrecorded Documents) to provide for payment of the tax when documents to transfer ownership in a conduit entity are not filed or recorded.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

HELD ON JANUARY 27, 2010

The proposed creation of Rule 12B-4.060, F.A.C. (Tax on Transfers of Ownership Interest in Legal Entities), was noticed for a rule development workshop in the Florida Administrative Weekly on December 31, 2009 (Vol. 35, No. 52, pp. 6696-6697). A rule development workshop was held on January 27, 2010, in Room 118, Carlton Building, 501 S. Calhoun Street, Tallahassee, Florida, commencing at 2:30 p.m. and concluding at 3:45 p.m., to solicit public participation and information regarding Chapter 2009-131, L.O.F.

PARTIES ATTENDING

For the Department
of Revenue

MARSHALL STRANBURG, General Counsel
MARK ZYCH, Director, Technical Assistance and Dispute
Resolution
RICHARD ROBINSON, Senior Attorney
TIM PHILLIPS, Revenue Program Administrator I

For the Public

BURT BRUTON, RPPTL Section, Florida Bar
JERRY MALCOLM, Pricewaterhouse Coopers
TREY PRICE, Florida Association of Realtors
VICKI WEBER, Florida Association of Realtors

NATURE OF COMMENTS RECEIVED ON PROPOSED RULE 12B-4.060, F.A.C.:

Paragraph 201.02(1)(b), F.S., provides for tax to be imposed on certain transfers of an interest in a conduit entity based on the consideration for such transfer. Mr. Bruton began the workshop with dialogue about the amount upon which documentary stamp tax is to be calculated on the transfer of an ownership interest in a conduit entity. Mr. Bruton gave three examples that illustrate his concerns:

1. Florida real property worth \$100 was transferred to a conduit entity. The property was

encumbered by a mortgage of \$10. Documentary stamp tax was paid on the transfer to the entity based on the mortgage balance of \$10. Within 3 years, the grantor of the real property (the sole owner of the conduit entity) sold his interest in the entity for \$90, the net value of the entity (the real property was the sole asset and it was still encumbered by the same \$10 mortgage). There was no other consideration for the transfer. On what amount was documentary stamp tax to be calculated?

2. Same facts as (1), but the conduit entity encumbered the property with an additional mortgage of \$50. The total mortgage balance at the time of the sale of the interest in the entity was \$60. The interest in the entity was sold for \$40, the net value of the entity. There was no other consideration for the transfer. On what amount was the documentary stamp tax to be calculated?
3. Same facts as (1), but the conduit entity held personal property, as well as the real property. The entity encumbered the personal property with a lien of \$50. The total mortgage balance on all property at the time of the sale of the interest in the entity was \$60 (\$10 real property and \$50 personal property). The interest in the entity was sold for \$40, the net value of the entity. There was no other consideration for the transfer. On what amount was the documentary stamp tax to be calculated?

Mr. Bruton noted that there is no clarity and that the issue is complex. One possible answer is to allow a credit against the tax owed on the entity interest transfer equal to the tax paid on the consideration for the real property transferred to the conduit entity.

Mr. Bruton believes that the rule needs to be simple to apply, since so many taxpayers and their attorneys are puzzled by documentary stamp tax. It is a complicated tax. Mr. Bruton thinks the rules should be fair to the state and to the taxpayer, and that there should be no traps

for people who do not bother to ask their lawyer before the transaction.

Mr. Bruton believes that it is best to apply the tax on the transfer of an interest in the conduit entity based on “what is paid or given for the stock in the company. Whether it’s cash, whether it’s—and it could be—an assumption of indebtedness.” He also stated that to assume a debt would be consideration, since it is a promise to pay.

Mr. Stranburg posed the following to Mr. Bruton: Florida real property encumbered by a mortgage of \$50 was transferred into a conduit entity, and then the debt was satisfied. The interest in the conduit entity was sold within 3 years for \$100. Tax was paid when the real property was transferred into the entity on \$50 and, based on what you think is the best way, tax would be due on the \$100 paid for the interest in the entity. Mr. Bruton was asked if he thinks tax should be due on \$150 of consideration on the transfer of the ownership interest in the conduit entity under this scenario. Mr. Bruton said he did.

Ms. Weber echoed Mr. Bruton’s emphasis on the importance of simplicity. She said that it is possible that realtors and “mom and pop” could be encountering related-party transfers that could get caught up in this. She also noted that down the road the issue could be revisited by the legislature if there is abuse of the rule. She believes that a credit for taxes paid on the transfer of the real property to the entity is not contemplated in the statute. To define consideration as something other than what is contemplated under Chapter 201, F.S., already is going to cause problems as well.

Mr. Malcolm expressed his concern that the rules could be made too simple and result in unintended consequences.

Ms. Weber noted that the legislative intent was to stop the step transactions that resulted in transfers without tax being paid.

Regarding the definition of “arm’s length transaction,” Mr. Malcolm stated that he believed that the term was pretty well defined and understood universally. Mr. Bruton noted that we would see the term in other legislation and agreed that it is generally understood among professionals. Mr. Bruton agreed that the price paid in an “arm’s length transaction” is the fair market value of the property.

Regarding the definition of “legal entity,” Mr. Bruton stated that he believed a “legal entity” to be someone other than a natural person and that it exists by operation of a statute. He noted that a “land trust” is not a legal entity and that it would not be a bad idea to point that out in the rule. Mr. Bruton stated that there could be some difficulty in determining which types of trusts are “legal entities.” He thinks it would be wise to define “legal entity” in the rule.

Ms. Weber and Mr. Bruton noted that the legislation, in paragraph 201.02(1)(c), F.S., provides for the imposition of documentary stamp tax on the merger or conversion of trusts that are not legal entities. Mr. Bruton noted that it would be a good idea to promulgate a rule regarding this legislation, since there are practitioners around the state who merge or convert trusts.

Regarding mergers of “legal entities,” Mr. Bruton stated that he thinks it is important to rule that a merger of a company is not a transfer of the conduit entity and not taxable, so long as the ultimate beneficial ownership of a company remains the same. Ms. Weber added that she believes the new legislation does not change what has been the Department’s position regarding mergers by operation of law, unless the transfer is outside of the related party’s relationship and there is a change of beneficial ownership.

There was discussion regarding the taxability of a transfer of ownership interest in a conduit entity for consideration that resulted in no change in the indirect ownership of the real

property. No one took a solid position.

Mr. Bruton believes we should define “beneficial ownership.” He stated that most folks think of the tax applying only when there was a transfer of beneficial ownership.

There was discussion about subparagraph 201.02(1)(b)6., F.S. This subparagraph provides that the purpose of paragraph 201.02(1)(b), F.S., is to impose tax on any transfer of a beneficial interest in Florida real property. As such, “beneficial interest” is at least partially defined as a transfer of ownership interest in a conduit entity for consideration. Does subparagraph 201.02(1)(b)6., F.S., allow for the imposition of the tax only when there is a transfer of beneficial interest, even if it appears that by the letter of the law tax may be due when there is no transfer of a beneficial interest? No strong position was taken.

There was discussion regarding defining “consideration” in such a manner as to tax, as the legislation intends, only that amount paid or given for the transfer of a beneficial interest in Florida real property.

It was decided that written comments and written examples of taxable and nontaxable transactions should be provided by the public to the Department no later than Friday, February 26, 2010.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2186-2187), to advise the public of the development of changes to Rule 12B-4.003, F.A.C. (Public Use Forms), and Rule 12B-4.060, F.A.C. (Tax on Transfers of Ownership Interest in Legal Entities), and to provide that a rule

development workshop would be held on August 16, 2011, with WebEx participation available.

There was no public appearance or participation at the workshop. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

DOCUMENTARY STAMP TAX

RULE NO: RULE TITLE:

12B-4.003 Public Use Forms

12B-4.060 Tax on Transfers of Ownership Interest in Legal Entities

PURPOSE AND EFFECT: Section 201.02(1)(b), F.S., created by Chapter 2009-131, Laws of Florida (L.O.F.), imposes tax on transfers of ownership interests in a conduit entity when the transfer is within three years of a transfer of Florida real property into the conduit entity, and documentary stamp tax was not paid on the full consideration when the real property was transferred into the conduit entity. The purpose of the creation of Rule 12B-4.060, F.A.C. (Tax on Transfers of Ownership Interest in Legal Entities), is to clarify the application of the tax. The purpose of the proposed amendments to Rule 12B-4.003, F.A.C., is to adopt, by reference, changes to Form DR-228 (Documentary Stamp Tax Return for Nonregistered Taxpayers' Unrecorded Documents) to provide for payment of the tax when documents to transfer ownership in a conduit entity are not filed or recorded.

SUMMARY: The creation of Rule 12B-4.060, F.A.C. (Tax on Transfers of Ownership Interest in Legal Entities), provides: (1) definitions of the terms "conduit entity" and "full consideration" for purposes of the rule; (2) that tax is due on the transfer of an ownership interest in a conduit entity that occurs within three years of the transfer of real property to the conduit entity; (3) that tax is due on the amount of consideration paid or given for the ownership interest in the conduit entity and how the tax is to be computed; (4) when the tax is due and how the tax is to be remitted to the Department; (5) that tax is not due on a gift of ownership interest in the conduit entity or

transfers of equity interest that are traded on public regulated security exchanges; (6) that the discretionary surtax imposed in Miami-Dade County applies to transfers of ownership as provided in the rule; (7) that provisions of this rule do not affect the tax imposed under Section 201.02(4), F.S., on documents which convey or transfer, pursuant to Section 689.071, F.S., any beneficial interest in lands, tenements, or other real property; and (8) examples of when the tax is due.

The proposed amendments to Rule 12B-4.003, F.A.C. (Public Use Forms), adopt, by reference, changes to Form DR-228 (Documentary Stamp Tax Return for Nonregistered Taxpayers' Unrecorded Documents), to provide for the reporting of the tax imposed under section 201.02(1)(b), F.S., when the transfer of ownership in a conduit entity is not filed or recorded in Florida.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that these rules will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. These rules are not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with activities to report documentary stamp tax and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 201.11, 213.06(1) FS., s. 6, Ch. 2009-131, L.O.F.

LAW IMPLEMENTED: 119.071(5), 201.01, 201.02(1), (4), 201.031, 201.07, 201.08(1)(a), 201.133 FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Tim Phillips, Revenue Program Administrator I, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850)717-7224.

THE FULL TEXT OF THE PROPOSED RULES IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12B-4, FLORIDA ADMINISTRATIVE CODE
DOCUMENTARY STAMP TAX
AMENDING RULE 12B-4.003
CREATING RULE 12B-4.060

12B-4.003 Public Use Forms.

(1)(a) The following public-use forms and instructions are employed by the Department of Revenue in its administration of the documentary stamp tax, and are hereby incorporated in this rule by reference.

(b) Copies of these forms are available, without cost, by one or more of the following methods: 1) downloading the form from the Department's Internet site at www.myflorida.com/dor/forms; or, 2) calling the Department at (800)352-3671, Monday through Friday, 8:00 a.m. to 7:00 p.m., Eastern Time; or, 3) visiting any local Department of Revenue Service Center; or, 4) writing the Florida Department of Revenue, Taxpayer Services, Mail Stop 3-2000, 5050 West Tennessee Street, Tallahassee, Florida 32399-0112. Persons with hearing or speech impairments may call the Department's TDD at (800) 367-8331 or (850) 922-1115.

Form Number	Title	Effective Date
(2) No change.		
(3) DR-228	Documentary Stamp Tax Return for Nonregistered Taxpayers' Unrecorded Documents	
	(R. <u>08/11</u> 10/09)	___ <u>06/10</u>

(4) No change.

Rulemaking Authority 201.11, 213.06(1) FS. Law Implemented 119.071(5), 201.01, 201.02(1), (4), 201.031(1), 201.07, 201.08(1)(a), 201.133 FS. History—Revised 8-18-73, Formerly 12A-4.03, Amended 9-26-77, 12-11-78, Formerly 12B-4.03, Amended 12-5-89, 2-16-93, 10-20-93, 12-30-97, 5-4-03, 6-28-05, 1-1-08, 4-14-09, 1-11-10, 06-28-10,_____.

12B-4.060 Tax on Transfers of Ownership Interest in Legal Entities.

(1)(a) Scope. This rule applies to transfers of an ownership interest in a conduit entity to which real property was transferred without tax paid on the full consideration for the property.

(b) Definitions. For purposes of this rule:

1. “Conduit entity” means a legal entity to which real property is transferred without full consideration by a grantor who owns a direct or indirect interest in the entity or a successor entity.

2. “Full consideration” means the consideration that would be paid in an arm’s length transaction between unrelated parties, which would be the consideration as provided in Section 201.02(1)(a), F.S., but an amount not less than the fair market value of the real property.

(2) When there is a transfer of an ownership interest in a conduit entity for consideration within 3 years after a transfer of real property to the conduit entity, the transfer of such ownership interest is subject to tax if the conduit entity continues to own property that would cause the entity to be considered a conduit entity.

(3) The tax is based on the consideration paid or given for the ownership interest in the conduit entity, which includes the amount of any mortgage attached to real property that was transferred to the conduit entity, less the consideration upon which tax was paid on the transfer of

the Florida real property to the conduit entity. No refund is due of tax paid on the document that transferred the property to the entity solely because the consideration for the ownership interest in the conduit entity is less than the consideration for the property transferred. If the conduit entity owns assets other than the real property described in subsection (2), tax is calculated by multiplying the consideration for the interest in the conduit entity by a fraction, the numerator of which is the value of the real property described in subsection (2) and the denominator of which is the value of all assets owned by the conduit entity, and then multiplying the result by the tax rate.

(4) A gift of an ownership interest in a conduit entity is not subject to tax to the extent there is no consideration.

(5) The transfer of shares or similar equity interests that are dealt in or traded on public, regulated security exchanges is not subject to the tax.

(6)(a) If an instrument is filed or recorded in Florida by the 20th day of the month following the month the ownership interest is transferred, the tax must be remitted at the time of the filing or recording. If an instrument is not filed or recorded by the 20th day of the month following the month the ownership interest is transferred, the tax is due to the Department on or before the 20th day of the month following the ownership transfer. The tax must be reported on a Documentary Stamp Tax Return for Nonregistered Taxpayers' Unrecorded Documents (Form DR-228, incorporated by reference in Rule 12B-4.003, F.A.C.).

(b) When the 20th day falls on a Saturday, Sunday, or legal holiday, payments accompanied with returns will be accepted as timely if postmarked on the next succeeding day which is not a Saturday, Sunday, or legal holiday. For purposes of this rule, a "legal holiday" means a holiday that is observed by federal or state agencies as a legal holiday as this term is

defined in Chapter 683, F.S., and Section 7503 of the Internal Revenue Code of 1986, as amended. A “legal holiday” pursuant to Section 7503 of the Internal Revenue Code of 1986, as amended, means a legal holiday in the District of Columbia or a statewide legal holiday at a location outside the District of Columbia but within an Internal Revenue district.

(7) The provisions of this rule do not affect the imposition of tax on transactions described in Section 201.02(4), F.S., on documents which convey or transfer, pursuant to Section 689.071, F.S., any beneficial interest in lands, tenements, or other real property.

(8) The discretionary surtax imposed under Section 201.031, F.S., applies to taxable transfers under Section 201.02(1)(b), F.S., and this rule.

(9) Examples.

(a) Example 1: On July 2, 2009, Lloyd transferred Orange County, Florida real property (the real property), owned by him alone, to a limited liability company (LLC) he owned alone. No documentary stamp tax was paid on the document that transferred the real property to the LLC. On July 3, 2009, Lloyd transferred his interest in the LLC for \$1,000,000. The LLC owned no assets other than the real property. Documentary stamp tax of \$7,000 was due on the transfer of Lloyd’s ownership interest in the LLC based on the \$1,000,000 consideration, since tax was not paid on the full consideration when the real property was transferred to the LLC.

(b) Example 2: On July 2, 2009, Calvin and Sally transferred Duval County, Florida real property (the real property), which they owned equally, to a limited liability company (LLC) owned equally by Calvin and Sally. The full consideration at the time of the transfer was \$30,000. Documentary stamp tax of \$210 was paid on the document that transferred the real property to the LLC. On July 10, 2009, Calvin and Sally sold their ownership interests in the LLC. No documentary stamp tax was due on the transfer of Calvin’s and Sally’s ownership

interests in the LLC, since no “conduit entity” was created pursuant to Section 201.02(1)(b)1.a., F.S., and this rule, since tax was paid on the full consideration for the real property when it was transferred to the LLC.

(c) Example 3: On July 2, 2009, Vern and Carol transferred Miami-Dade County, Florida commercial real property (the real property), which they owned equally, to a limited liability company (LLC) owned equally by Vern and Carol. No documentary stamp tax was paid on the document that transferred the real property to the LLC. On July 10, 2009, Vern sold his interest in the LLC for \$200,000. The LLC owned no assets other than the real property. Tax of \$1400 and discretionary surtax of \$900 were due on the transfer of Vern’s ownership interest in the LLC, since tax was not paid on the full consideration for the real property when it was transferred to the LLC.

(d) Example 4: On July 2, 2009, Pam and Mike transferred Walton County, Florida real property (the real property), which they owned equally, to a corporation. The corporation was owned equally by Mike and a limited liability company (LLC) owned by Pam alone. No documentary stamp tax was paid on the document that transferred the real property to the corporation. On July 10, 2009, Pam sold her interest in the LLC (thereby selling her indirect ownership interest in the corporation) for \$45,000. The corporation owned assets in addition to the real property transferred to it on July 2, 2009. The value of the real property was \$85,000, and the real property made up 95% of the value of all assets owned by the corporation. The only asset owned by the LLC was its interest in the corporation. Tax of \$299.60 was due on the transfer of Pam’s ownership interest based on consideration of \$42,750 (\$45,000 multiplied by the 95% attributable to the real property), since tax was not paid on the full consideration for the real property when it was transferred to the corporation.

(e) Example 5: On July 2, 2009, Tom transferred Broward County, Florida real property (the real property), owned by him alone, to a limited liability company (LLC) he owned alone. No documentary stamp tax was paid on the document that transferred the real property to the LLC. On July 10, 2009, Tom sold 50% of his interest in the LLC to Imogene for \$200,000. The LLC owned no assets other than the real property. Tax of \$1,400 was due on the transfer of Tom's 50% ownership interest in the LLC based on consideration of \$200,000, since documentary stamp tax was not paid on the full consideration for the real property when it was transferred to the LLC. On July 25, 2009, Tom sold one-half of his remaining 50% ownership interest in the LLC for \$105,000, and Imogene sold one-half of her 50% ownership interest in the LLC for \$105,000. Tax of \$735 was due on the transfer of Tom's ownership interest, since tax was not paid on the full consideration for the real property when it was transferred to the LLC. No tax was due on Imogene's transfer, since tax was due and paid on Tom's transfer to Imogene.

(f) Example 6: On July 2, 2009, Sue transferred Polk County, Florida real property (the real property), owned by her alone, to a limited liability company (LLC) she owned alone. The real property was encumbered by a mortgage at the time of the transfer of an amount less than the property's fair market value. The LLC owned no assets other than the real property. Documentary stamp tax of \$525 was paid on the document that transferred the real property to the LLC based on the mortgage balance of \$75,000. On July 31, 2009, Sue sold her interest in the LLC for \$110,000. Tax of \$245 was due on the transfer of Sue's ownership interest in the LLC based on consideration of \$35,000, the amount beyond the consideration on which tax was paid when the property was transferred to the LLC.

Rulemaking Authority s. 6, Ch. 2009-131, L.O.F. Law Implemented 201.02(1), (4), 201.031 FS. History-New _____.

NAME OF PERSON ORIGINATING PROPOSED RULES: Tim Phillips, Revenue Program Administrator I, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850)717-7224.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULES: [To be inserted upon approval.]

DATE PROPOSED RULES APPROVED BY AGENCY HEAD: [To be inserted upon approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on December 31, 2009 (Vol. 35, No. 52, pp. 6696-6697). A rule development workshop was held on January 27, 2010, to receive public comment. In response to public comment received, a second Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2186-2187). No comments were received by the Department at a rule development workshop held on August 16, 2011.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12C-3, FLORIDA ADMINISTRATIVE CODE
ESTATE TAX
AMENDING RULES 12C-3.0015 AND 12C-3.008

SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12C-3.0015, F.A.C. (Documents, Extensions, and Due Dates for Filing), update the rule to provide when a Florida estate tax return is due for decedents who died prior to January 1, 2005, or on or after December 31, 2012.

The proposed amendment to Rule 12C-3.008, F.A.C. (Public Use Forms), adopt, by reference, updates to Form DR-312 (Affidavit of No Florida Estate Tax Due), Form DR-313 (Affidavit of No Florida Estate Tax Due When Federal Return is Required), and Form F-706 (Florida Estate Tax Return for Residents, Nonresidents, and Nonresident Aliens) to reflect the extension of the exemption period from filing a Florida Estate Tax Return, as provided in Chapter 2011-86, L.O.F.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

Section 1, Chapter 2011-86, L.O.F., extends the expiration of the period of exemption from filing a Florida Estate Tax Return for decedents who die after December 31, 2004, and prior to January 1, 2013. The purpose of the proposed amendments to Rule 12C-3.0015, F.A.C. (Documents, Extensions, and Due Dates for Filing), and to Rule 12C-3.008, F.A.C. (Public Use Forms), is to update the rules and forms adopted by reference to provide the statutory period for

the exemption from the requirement to file a Florida Estate Tax Return.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2190-2191), to advise the public of the development of changes to Rule 12C-3.0015, F.A.C. (Documents, Extensions, and Due Dates for Filing), and Rule 12C-3.008, F.A.C. (Public Use Forms), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

ESTATE TAX

RULE NO: RULE TITLE:

12C-3.0015 Documents, Extensions, and Due Dates for Filing

12C-3.008 Public Use Forms

PURPOSE AND EFFECT: Section 1, Chapter 2011-86, L.O.F., extends the expiration of the period of exemption from filing a Florida Estate Tax Return for decedents who die after December 31, 2004, and prior to January 1, 2013. The purpose of the proposed amendments to Rule 12C-3.0015, F.A.C. (Documents, Extensions, and Due Dates for Filing), and to Rule 12C-3.008, F.A.C. (Public Use Forms), is to update the rules and forms adopted by reference to provide the statutory period for the exemption from the requirement to file a Florida Estate Tax Return.

SUMMARY: The proposed amendments to Rule 12C-3.0015, F.A.C. (Documents, Extensions, and Due Dates for Filing), update the rule to provide when a Florida estate tax return is due for decedents who died prior to January 1, 2005, or on or after December 31, 2012.

The proposed amendment to Rule 12C-3.008, F.A.C. (Public Use Forms), adopt, by reference, updates to Form DR-312 (Affidavit of No Florida Estate Tax Due), Form DR-313 (Affidavit of No Florida Estate Tax Due When Federal Return is Required), and Form F-706 (Florida Estate Tax Return for Residents, Nonresidents, and Nonresident Aliens) to reflect the extension of the exemption period from filing a Florida Estate Tax Return, as provided in Chapter 2011-86, L.O.F.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has

determined that these rules will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. These rules are not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with activities for reporting Florida estate taxes and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 198.08, 198.32(2), 213.06(1) FS.

LAW IMPLEMENTED: 92.525(1)(b), 119.071(5), 198.02, 198.03, 198.04, 198.05, 198.08, 198.13, 198.14, 198.15, 198.22, 198.23, 198.26, 198.32, 198.33(1), 198.38, 198.39, 213.37, 837.06 FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Debra Gifford, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850)717-6752.

THE FULL TEXT OF THE PROPOSED RULES IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12C-3, FLORIDA ADMINISTRATIVE CODE
ESTATE TAX
AMENDING RULES 12C-3.0015 AND 12C-3.008

12C-3.0015 Documents, Extensions, and Due Dates for Filing.

(1) Decedents who died prior to January 1, 2005, or, after December 31, 2012 ~~2010~~.

(a)1. When the decedent died prior to January 1, 2005, or after December 31, 2012 ~~2010~~, and the personal representative of an estate is required to file a federal estate tax form (Form 706 or 706-NA), the personal representative of every Florida resident, nonresident, or alien decedent whose estate includes Florida real property is required to file with the Department within nine months from the date of decedent's death:

a. A Florida estate tax return (Form F-706, incorporated by reference in Rule 12C-3.008, F.A.C.);

b. A copy of the executed federal estate tax return; and

c. Any payment of the Florida estate tax due.

2. through 3. No change.

(b) No change.

(2) Decedents who died on or after January 1, 2005, and prior to January 1, 2013 ~~2011~~.

(a) No Florida estate tax return is required to be filed when the decedent died on or after January 1, 2005, and prior to January 1, 2013 ~~2011~~.

(b) through (c) No change.

(3) through (5) No change.

Rulemaking Authority 198.08, 198.32(2), 213.06(1) FS. Law Implemented 198.02, 198.03, 198.04, 198.05, 198.13, 198.14, 198.15, 198.32 FS. History–New 12-13-94, Amended 1-22-01, 4-14-09,_____.

12C-3.008 Public Use Forms.

(1)(a) The following public-use forms and instructions are employed by the Department in its administration of the Florida estate tax and are hereby adopted by reference.

(b) No change.

Form Number	Title	Effective Date
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(2) through (3) No change.

(4) DR-312	Affidavit of No Florida Estate Tax Due (R. 06/11 07/07)	___ 11/07
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(5) DR-313	Affidavit of No Florida Estate Tax Due When Federal Return is Required (R. 06/11 N. 12/07)	___ 04/09
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(6) F-706	Florida Estate Tax Return for Residents, Nonresidents and Nonresident Aliens (R. 06/11 10/09)	___ 06/10
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Rulemaking Authority 198.08, 198.32(2), 213.06(1) FS. Law Implemented 92.525(1)(b), 119.071(5), 198.08, 198.13, 198.22, 198.23, 198.26, 198.32(2), 198.33(1), 198.38, 198.39, 213.37, 837.06 FS. History-New 9-26-77, Formerly 12C-3.08, Amended 1-11-93, 8-25-94, 1-22-01, 5-4-03, 10-30-06, 11-6-07, 4-14-09, 6-28-10,_____.

NAME OF PERSON ORIGINATING PROPOSED RULES: Debra Gifford, Tax Law Specialist,
Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443,
Tallahassee, Florida 32314-7443, telephone (850)717-6752.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULES: [To be inserted
upon approval.]

DATE PROPOSED RULES APPROVED BY AGENCY HEAD: [To be inserted upon
approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of
Proposed Rule Development was published in the Florida Administrative Weekly on July 29,
2011 (Vol. 37, No. 30, pp. 2190-2191). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12A-19, FLORIDA ADMINISTRATIVE CODE
COMMUNICATIONS SERVICES TAX
AMENDING RULES 12A-19.041 AND 12A-19.100

SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12A-19.041, F.A.C. (Sales of Communications Services to a Residential Household), change the example of a transient public lodging establishment from “resort dwellings” to “vacation rentals,” consistent with Chapter 509, F.S., as amended by Chapter 2011-119, L.O.F.

The proposed amendments to Rule 12A-19.100, F.A.C. (Public Use Forms), adopt, by reference, changes to forms used in the administration of the communications services tax to clarify provisions regarding place codes contained within a database submitted to the Department for certification, to remove obsolete provisions regarding tax brackets, and to update the local communications services tax rates.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

Chapter 2011-119, L.O.F., revises the classification of “resort condominiums” and “resort dwellings,” in Chapter 509, F.S., as “public lodging establishments” to “vacation rentals.” The purpose of the proposed amendments to Rule 12A-19.041, F.A.C. (Sales of Communications Services to a Residential Household), is to update “resort dwellings” to “vacation rentals,” as an example of a transient public lodging establishment consistent with the provisions of

Chapter 509, F.S.

Chapter 2011-120, L.O.F., modifies Section 202.16(3), F.S., eliminating the requirement of the Department to provide tax amounts and brackets to communications services dealers and stating the requirement of communications services dealers to compute the state and the local communications services tax based on a rounding algorithm.

Providers of communications services address/jurisdiction databases and vendors of such databases may request that the Department certify their database for accuracy of the address/jurisdictions contained within the database. To apply, service providers and database vendors must submit Form DR-700012 (Application for Certification of Communications Services Database), along with their database containing a combination of FIPS 55 place codes and GNIS Feature Identifier place codes. When the place codes do not correlate, the database is returned to the applicant for correction.

The purpose of the proposed amendments to Rule 12A-19.100, F.A.C. (Public Use Forms), is to: (1) adopt, by reference, updates to Form DR-700012 to clarify that the FIPS 55 place codes and the GNIS Feature Identifier place codes contained within a database submitted for certification must correlate; (2) provide the version of form DR-700016 that is to be used to report the communications services tax during the specified reporting periods; (3) remove the instructions contained under “Rounding rule,” on Page 20 of Form DR-700016, Florida Communications Services Tax Return (R. 07/11); and (4) update the local communications services tax rates that will be in effect on January 1, 2012, on Form DR-700016, Florida Communications Services Tax Return (R. 01/12).

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2185-2186), to advise the public of the development of changes to Rule 12A-19.041, F.A.C. (Sales of Communications Services to a Residential Household), and Rule 12A-19.100, F.A.C. (Public Use Forms), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

COMMUNICATIONS SERVICES TAX

RULE NO: RULE TITLE:

12A-19.041 Sales of Communications Services to a Residential Household

12A-19.100 Public Use Forms

PURPOSE AND EFFECT: Chapter 2011-119, L.O.F., revises the classification of “resort condominiums” and “resort dwellings,” in Chapter 509, F.S., as “public lodging establishments” to “vacation rentals.” The purpose of the proposed amendments to Rule 12A-19.041, F.A.C. (Sales of Communications Services to a Residential Household), is to update “resort dwellings” to “vacation rentals,” as an example of a transient public lodging establishment consistent with the provisions of Chapter 509, F.S.

Chapter 2011-120, L.O.F., modifies Section 202.16(3), F.S., eliminating the requirement of the Department to provide tax amounts and brackets to communications services dealers and stating the requirement of communications services dealers to compute the state and the local communications services tax based on a rounding algorithm.

Providers of communications services address/jurisdiction databases and vendors of such databases may request that the Department certify their database for accuracy of the address/jurisdictions contained within the database. To apply, service providers and database vendors must submit Form DR-700012 (Application for Certification of Communications Services Database), along with their database containing a combination of FIPS 55 place codes and GNIS Feature Identifier place codes. When the place codes do not correlate, the database is returned to the applicant for correction.

The purpose of the proposed amendments to Rule 12A-19.100, F.A.C. (Public Use Forms), is to: (1) adopt, by reference, updates to Form DR-700012 to clarify that the FIPS 55 place codes and the GNIS Feature Identifier place codes contained within a database submitted for certification must correlate; (2) provide the version of form DR-700016 that is to be used to report the communications services tax during the specified reporting periods; (3) remove the instructions contained under “Rounding rule,” on Page 20 of Form DR-700016, Florida Communications Services Tax Return (R. 07/11); and (4) update the local communications services tax rates that will be in effect on January 1, 2012, on Form DR-700016, Florida Communications Services Tax Return (R. 01/12).

SUMMARY: The proposed amendments to Rule 12A-19.041, F.A.C. (Sales of Communications Services to a Residential Household), change the example of a transient public lodging establishment from “resort dwellings” to “vacation rentals,” consistent with Chapter 509, F.S., as amended by Chapter 2011-119, L.O.F.

The proposed amendments to Rule 12A-19.100, F.A.C. (Public Use Forms), adopt, by reference, changes to forms used in the administration of the communications services tax to clarify provisions regarding place codes contained within a database submitted to the Department for certification, to remove obsolete provisions regarding tax brackets, and to update the local communications services tax rates.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that this rule will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. This rule is not

expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with activities to report communications services tax and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 175.1015(5), 185.085(5), 202.151, 202.16(2), 202.26(3)(a), (c), (d), (e), (j), 202.27(7) FS.

LAW IMPLEMENTED: 119.071(5), 175.1015, 185.085, 202.11(3), (10), (11), 202.12(1), (3), 202.125(1), 202.13(2), 202.151, 202.16(2), (4), 202.17(6), 202.19(1), (7), (10), 202.22(6), 202.27, 202.28(1), (2), 202.29, 202.30(3), 202.33, 202.34(3), (4)(c), 202.35(1), (2), (4) FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Heather Miller, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850)717-7104.

THE FULL TEXT OF THE PROPOSED RULES IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12A-19, FLORIDA ADMINISTRATIVE CODE
COMMUNICATIONS SERVICES TAX
AMENDING RULES 12A-19.041 AND 12A-19.100

12A-19.041 Sales of Communications Services to a Residential Household.

(1) through (2) No change.

(3) TRANSIENT PUBLIC LODGING ESTABLISHMENTS. The partial exemption for sales to residential households does not apply to sales to any residence that constitutes all or part of a transient public lodging establishment, as defined by Section 509.013, F.S.

(a) through (b) No change.

(c) A “transient public lodging establishment,” as defined in Section 509.013, F.S., means any unit, group of units, dwelling, building, or group of buildings within a single complex of buildings that is:

1. Advertised or held out to the public as a place that is regularly rented to guests; or
2. Rented more than three times in a calendar year, with each separate rental period having a duration less than 1 calendar month or less than 30 days.

(d) Transient public lodging establishments are rented to guests whose occupancy is intended to be temporary. Examples of transient public lodging establishments include hotels, motels, bed and breakfast inns, transient apartments, transient rooming houses, and vacation rentals ~~resort dwellings~~.

(4) through (5) No change.

Rulemaking Authority 202.26(3)(c) FS. Law Implemented 202.125(1), 202.13(2), 202.16(4), 202.19(10), 202.34(3), 202.35(4) FS. History—New 1-31-02, Amended 2-7-11,_____.

12A-19.100 Public Use Forms.

(1) No change.

(2) The following versions of Form DR-700016, Florida Communications Services Tax Return, are applicable to the reporting periods and service billing dates indicated:

REVISION DATE	REPORTING PERIODS	SERVICE BILLING DATES
01/12	January 2012 -	January 1, 2012 -
07/11	July 2011 - December 2011	July 1, 2011 - December 31, 2011
01/11	January 2011 - June 2011	January 1, 2011 - June 30, 2011
08/10	August 2010 - December 2010	August 1, 2010 - December 31, 2010
01/10	January 2010 - July 2010	January 1, 2010 - July 31, 2010
06/09	June 2009 - December 2009	June 1, 2009 - December 31, 2009
01/09	January 2009 - May 2009	January 1, 2009 - May 31, 2009
09/08	September 2008 - December 2008	September 1, 2008 - December 31, 2008
06/08	June 2008 - August 2008	June 1, 2008 - August 31, 2008
05/08	May 2008	May 1, 2008 - May 31, 2008
01/08	January 2008 - April 2008	January 1, 2008 - April 30, 2008
09/07	September 2007 - December 2007	September 1, 2007 - December 31, 2007
06/07	June 2007- August 2007	June 1, 2007- August 31, 2007

02/07	February 2007 - May 2007	February 1, 2007 - May 31, 2007
01/07	January 2007	January 1, 2007 - January 31, 2007
06/06	June 2006 - December 2006	June 1, 2006 - December 31, 2006
01/06	January 2006 - May 2006	January 1, 2006 - May 31, 2006
11/05	November 2005 - December 2005	November 1, 2005 - December 31, 2005
06/05	June 2005 - October 2005	June 1, 2005 - October 31, 2005
01/05	January 2005 - May 2005	January 1, 2005 - May 31, 2005
11/04	November 2004 - December 2004	November 1, 2004 - December 31, 2004
10/04	October 2004	October 1, 2004 - October 31, 2004
06/04	June 2004 - September 2004	June 1, 2004 - September 30, 2004
01/04	January 2004 - May 2004	January 1, 2004 - May 31, 2004
12/03	December 2003	December 1, 2003 - December 31, 2003
11/03	November 2003	November 1, 2003 - November 30, 2003
10/03	October 2003	October 1, 2003 - October 31, 2003
06/03	June 2003 - September 2003	June 1, 2003 - September 30, 2003
03/03	March 2003 - May 2003	March 1, 2003 - May 31, 2003
01/03	January 2003 - February 2003	January 1, 2003 - February 28, 2003
12/02	December 2002	December 1, 2002 - December 31, 2002
11/02	November 2002	November 1, 2002 - November 30, 2002
10/02	October 2002	October 1, 2002 - October 31, 2002
01/02	January 2002 - September 2002	January 1, 2002 - September 30, 2002
12/01	October 2001 - December 2001	October 1, 2001 - December 31, 2001

Form Number	Title	Effective Date
(3) DR-700012	Application for Certification of Communications Services Database (R. 05/11 10/09)	___ 06/10
(4)(a) <u>DR-700016</u>	<u>Florida Communications Services Tax Return</u> <u>(R. 01/12)</u>	___
<u>(b) DR-700016</u>	<u>Florida Communications Services Tax Return</u> <u>(R. 07/11)</u>	___

(a) through (gg) renumbered (c) through (ii) No change.

(5) through (12) No change.

Rulemaking Authority 175.1015(5), 185.085(5), 202.151, 202.16(2), 202.26(3)(a), (c), (d), (e), (j), 202.27(7) FS. Law Implemented 119.071(5), 175.1015, 185.085, 202.11(3), (10), (11), 202.12(1), (3), 202.13(2), 202.151, 202.16(2), (4), 202.17(6), 202.19(1), (7), 202.22(6), 202.27, 202.28(1), (2), 202.29, 202.30(3), 202.33, 202.34(3), (4)(c), 202.35(1), (2) FS. History—New 4-17-03, Amended 7-31-03, 10-1-03, 9-28-04, 6-28-05, 11-14-05, 7-16-06, 4-5-07, 11-6-07, 12-20-07, 1-28-08, 1-27-09, 1-11-10, 6-28-10(3), 6-28-10(5), 2-7-11,_____.

NAME OF PERSON ORIGINATING PROPOSED RULES: Heather Miller, Tax Law Specialist,
Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443,
Tallahassee, Florida 32314-7443, telephone (850)717-7104.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULES: [To be inserted
upon approval.]

DATE PROPOSED RULES APPROVED BY AGENCY HEAD: [To be inserted upon
approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of
Proposed Rule Development was published in the Florida Administrative Weekly on July 29,
2011 (Vol. 37, No. 30, pp. 2185-2186). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-29, FLORIDA ADMINISTRATIVE CODE
MULTITAX CREDITS
AMENDING RULES 12-29.002 and 12-29.003

SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12-29.002 (Florida Tax Credit Scholarship Program; Participation; Allocation; Carryforward; Rescindment): (1) remove the limitation on the corporate income tax and insurance premium tax credits that were limited to 75% of the tax due after the required deductions; (2) provide that the five-year carryforward period is applicable to all credits approved under the Program for carryforward on or after July 1, 2011, and to all unused carryforward credits that were eligible to be carried forward as of July 1, 2011; (3) remove the limitation that prevented taxpayers who had previously rescinded a tax credit authorized under the Program from obtaining approval to rescind an outstanding tax credit; and (4) remove obsolete provisions.

The proposed amendments to Rule 12-29.003, F.A.C. (Florida Tax Credit Scholarship Program; Applications), adopt, by reference, changes to forms used in the administration of the Program to incorporate the changes made by Chapters 2011-76 and 2011-123, L.O.F.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

Chapter 2011-123, L.O.F., extends the period for which tax credits authorized under the Florida Tax Credit Scholarship Program may be taken from three years to five years, eliminates

the 75% limitation on the corporate income tax and insurance premium tax credits, and allows taxpayers who have previously rescinded a tax credit more than once to obtain approval to rescind an outstanding tax credit.

Effective January 1, 2012, section 22, Chapter 2011-76, L.O.F., repeals the emergency excise tax.

The purpose of the amendments to Rule 12-29.002, F.A.C. (Florida Tax Credit Scholarship Program; Participation; Allocation; Carryforward; Rescindment), and to Rule 12-29.003, F.A.C. (Florida Tax Credit Scholarship Program; Applications), is to incorporate these law changes.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, p p. 2183-2184), to advise the public of the development of changes to Rule 12-29.002, F.A.C. (Florida Tax Credit Scholarship Program; Participation; Allocation; Carryforward; Rescindment), and Rule 12-29.003, F.A.C. (Florida Tax Credit Scholarship Program; Applications), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the

Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

MULTITAX CREDITS

RULE NO: RULE TITLE:

12-29.002 Florida Tax Credit Scholarship Program; Participation; Allocation; Carryforward;
 Rescindment

12-29.003 Florida Tax Credit Scholarship Program; Applications

PURPOSE AND EFFECT: Chapter 2011-123, L.O.F., extends the period for which tax credits authorized under the Florida Tax Credit Scholarship Program may be taken from three years to five years, eliminates the 75% limitation on the corporate income tax and insurance premium tax credits, and allows taxpayers who have previously rescinded a tax credit more than once to obtain approval to rescind an outstanding tax credit.

Effective January 1, 2012, section 22, Chapter 2011-76, L.O.F., repeals the emergency excise tax.

The purpose of the amendments to Rule 12-29.002, F.A.C. (Florida Tax Credit Scholarship Program; Participation; Allocation; Carryforward; Rescindment), and to Rule 12-29.003, F.A.C. (Florida Tax Credit Scholarship Program; Applications), is to incorporate these law changes.

SUMMARY: The proposed amendments to Rule 12-29.002 (Florida Tax Credit Scholarship Program; Participation; Allocation; Carryforward; Rescindment): (1) remove the limitation on the corporate income tax and insurance premium tax credits that were limited to 75% of the tax due after the required deductions; (2) provide that the five-year carryforward period is applicable to all credits approved under the Program for carryforward on or after July 1, 2011, and to all

unused carryforward credits that were eligible to be carried forward as of July 1, 2011; (3) remove the limitation that prevented taxpayers who had previously rescinded a tax credit authorized under the Program from obtaining approval to rescind an outstanding tax credit; and (4) remove obsolete provisions.

The proposed amendments to Rule 12-29.003, F.A.C. (Florida Tax Credit Scholarship Program; Applications), adopt, by reference, changes to forms used in the administration of the Program to incorporate the changes made by Chapters 2011-76 and 2011-123, L.O.F.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that this rule will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. This rule is not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with activities for administering the Florida Tax Credit Scholarship Program and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 213.06(1), 1002.395(13) FS.

LAW IMPLEMENTED: 92.525(1)(b), 211.0251, 212.1831, 213.37, 220.1875, 561.1211, 624.51055, 1002.395(1)-(3), (13) FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Robert DuCasse, Revenue Program Administrator, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850)717-6476.

THE FULL TEXT OF THE PROPOSED RULES IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-29, FLORIDA ADMINISTRATIVE CODE
MULTITAX CREDITS
AMENDING RULES 12-29.002 AND 12-29.003

12-29.002 Florida Tax Credit Scholarship Program; Participation; Allocation;
Carryforward; Rescindment.

(1) No change.

(2) **TAXPAYERS ELIGIBLE TO PARTICIPATE IN THE PROGRAM.** Taxpayers who pay any of the following taxes may apply to the Department for a credit allocation as follows:

(a) For the taxes administered by the Department:

1. through 4. No change.

~~5. Taxpayers who were eligible for tax credits authorized by Sections 220.187 and 624.51055, F.S., prior to July 1, 2010, remain eligible for the tax credit now authorized by Section 1002.395, F.S.~~

(b) No change.

(3) through (4) No change.

(5) **TAX CREDITS.**

(a)1. Corporate Income Tax - For tax years ending on or after July 1, 2011, a A tax credit of 100 percent of the contribution against any corporate income tax due for the tax year is allowed. The amount of the tax credit for a tax year:

a. Is taken in the order of the credits provided against the corporate income tax in Section

~~220.02(8), F.S. Is limited to 75 percent of the corporate income tax due after application of any other allowable credits taken by the taxpayer for that tax year;~~

b. through c. No change.

2. No change.

(b)1. Insurance Premium Tax - For tax years ending on or after July 1, 2011, a ~~A~~ tax credit of 100 percent of the contribution against any insurance premium tax due under Section 624.509(1), F.S., for the tax year is allowed. The amount of the tax credit is limited to ~~75 percent~~ of the insurance premium tax due after deducting:

a. through c. No change.

2. No change.

(c)1. Sales and Use Tax - ~~A Beginning January 1, 2011,~~ a tax credit of 100 percent of the contribution is allowed against any sales and use tax due imposed under Chapter 212, F.S., to any taxpayer who holds a valid Sales and Use Tax Direct Pay Permit issued by the Department.

(d) through (f) No change.

(6) CARRYFORWARD OF UNUSED CREDITS.

(a) When a taxpayer is unable to use a tax credit during the period specified by the Department in the approval letter, because the taxpayer's liability is insufficient, the taxpayer may apply to carry forward the unused tax credit amount for a period not to exceed five ~~three~~ years. The five-year carryforward period is applicable to all credits approved for carryforward on or after July 1, 2011, and to all unused carryforward credits that were eligible to be carried forward as of July 1, 2011. Taxpayers must apply on-line using the Department's website at www.myflorida.com/dor/taxes/tax_incentives.html or submit an Application for Tax Credit for Contributions to Nonprofit Scholarship Funding Organizations (SFOs) (Form DR-116000,

incorporated by reference in Rule 12-29.003, F.A.C.) requesting approval to carry forward the unused portion of the tax credit during the year in which the taxpayer wants to carry forward the unused tax credit. Applications to carry forward amounts beyond the five-year ~~three-year~~ period will not be accepted by the Department. See paragraph (3)(a) for submitting the application to the Department.

(b) No change.

(c) Within ten days of receipt of the application, the Department will send written correspondence regarding the amount of the credit carryforward, or the reason the carryforward request could not be approved. For excise tax on liquor, wine, and malt beverages, the Division must approve the carryforward before the Department will issue such correspondence. No request will be approved when the application for a credit allocation carryforward is submitted for a period beyond five ~~three~~ years from the year in which the credit allocation was approved.

(d) Examples.

1. Corporate Income Tax Example - A calendar year taxpayer applied for and was approved for a credit allocation against corporate income tax for the year ending December 31, 2011. To carry forward the unused portion of the credit allocation from its tax year ending December 31, 2011, to its tax year ending December 31, 2012, the taxpayer must apply to the Department, specifying the carryforward amount, on or after January 3, 2012. The application must be filed on or before December 31, 2012. If any unused portion of the credit allocation remains, the taxpayer must apply for a carryforward of the unused portion. Any unused carryforward from its tax year ending December 31, 2011, expires on December 31, 2016 ~~2014~~.

2. Insurance Premium Tax Example - A taxpayer applied for and was approved for a credit allocation against insurance premium tax due for calendar year 2010. To carry forward the

unused portion of the credit allocation that was not taken on the 2010 insurance premium tax return (due March 1, 2011) to the 2011 insurance premium tax return, the taxpayer must apply to the Department, specifying the carryforward amount, on or after January 3, 2011. The application must be filed and approved on or before December 31, 2011. If any unused portion of the credit allocation remains, the taxpayer must apply for a carryforward of the unused portion. Any unused carryforward from its tax year ending December 31, 2010, expires on December 31, 2015 ~~2013~~.

3. Sales and Use Tax Example - A taxpayer who holds a Sales Tax Direct Pay Permit applied for and was approved for a credit allocation against sales and use tax due to the Department for the state fiscal year 2011-2012. The taxpayer paid the contribution to an eligible nonprofit scholarship funding organization on July 15, 2011, and submitted a copy of the certificate of contribution received from the organization to the Department. The taxpayer's liability was insufficient to use the entire credit allocation on sales and use tax returns filed with the Department on or before June 30, 2012. To carry forward the unused portion of the tax credit to the 2012-2013 state fiscal year, the taxpayer must apply to the Department, specifying the carryforward amount during the 2012-2013 state fiscal year. The application must be filed and approved, and any approved carryforward must be taken on a sales and use tax return filed on or before June 30, 2013. If any unused portion of the credit allocation remains, the taxpayer must apply for a carryforward of the unused portion to be used during the following state fiscal year. Any unused carryforward from the 2011-2012 state fiscal year expires June 30, 2017 ~~2015~~.

4. Tax on Oil and Gas Production - The same application periods and credit carryforward periods that apply to a sales and use tax credit allocation apply to a credit allocation against the tax on oil and gas production.

5. Excise Taxes on Liquor, Wine, and Malt Beverages Example - A taxpayer who holds a

liquor license issued by the Division applied for and was approved for a credit allocation against the liquor excise tax for returns due during the state fiscal year 2011-2012. The taxpayer's liability was insufficient to use the entire credit allocation during that state fiscal year. To carry forward the unused portion of the tax credit to the 2012-2013 state fiscal year, the taxpayer must apply to the Department, specifying the carryforward amount during the 2012-2013 state fiscal year. The application must be filed and approved, and any approved carryforward must be taken on a return filed with the Division, on or before June 30, 2013. If any unused portion of the credit allocation remains, the taxpayer must apply for a carry forward of the unused portion to be used during the following state fiscal year. Any unused carryforward from the 2011-2012 state fiscal year expires June 30, 2017 ~~2015~~.

(e) No change.

(7) RESCINDMENT OF UNUSED TAX CREDITS.

(a) No change.

(b) An application for rescindment of the unused credit allocation by the Department will not be approved when:

1. The amount of credit allocation requested to be rescinded has been claimed as a credit on a previously filed return; or

~~2. The taxpayer has had more than one approved rescindment of credit within the last three tax years; or,~~

~~2.3.~~ The allocation year is closed for all taxpayers. The allocation period for a calendar year is closed for all taxes and all taxpayers on November 30 of the subsequent calendar year.

(c) through (d) No change.

Rulemaking Authority 1002.395(13) F.S. Law Implemented 92.525(1)(b), 211.0251, 212.1831,

213.37, 220.1875, 561.1211, 624.51055, 1002.395(1)-(3), (13) FS. History-New 6-6-11,
Amended.

12-29.003 Florida Tax Credit Scholarship Program; Applications.

(1)(a) The following application forms and instructions are used by the Department in its administration of the Florida Tax Credit Scholarship Program. These forms are hereby incorporated by reference in this rule.

(b) No change.

Form Number	Title	Effective Date
(2)(a) DR-116000	Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship Funding Organizations (SFOs)	
	(R. 07/11 04/11)	___ 06/11
	(http://www.flrules.org/Gateway/reference.asp?No=Ref-___00269)	
(b) DR-116100	Application for Rescindment of Tax Credit Allocation for Contributions to Nonprofit Scholarship Funding Organizations (SFOs)	
	(N. 07/11 04/11)	___ 06/11
	(http://www.flrules.org/Gateway/reference.asp?No=Ref-___00270)	

Rulemaking Authority 213.06(1), 1002.395(13) F.S. Law Implemented 92.525(1)(b), 211.0251, 212.1831, 213.37, 220.1875, 561.1211, 624.51055, 1002.395(1)-(3), (13) FS. History-New 6-6-

11. Amended _____.

NAME OF PERSON ORIGINATING PROPOSED RULES: Robert DuCasse, Revenue Program Administrator, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850)717-6476.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULES: [To be inserted upon approval.]

DATE PROPOSED RULES APPROVED BY AGENCY HEAD: [To be inserted upon approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2183-2184). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12B-5, FLORIDA ADMINISTRATIVE CODE
TAX ON MOTOR FUELS, DIESEL FUELS, ALTERNATIVE FUELS,
AVIATION FUELS, AND POLLUTANTS
AMENDING RULES 12B-5.030, 12B-5.040, 12B-5.050, 12B-5.060,
12B-5.070, 12B-5.080, 12B-5.090, 12B-5.100, 12B-5.110,
12B-5.121, 12B-5.130, 12B-5.150, 12B-5.200, AND 12B-5.400

SUMMARY OF PROPOSED RULES

The proposed amendments to Rule Chapter 12B-5, F.A.C. (Tax on Motor Fuels, Diesel Fuels, Alternative Fuels, Aviation Fuels, and Pollutants): (1) revise terms to be consistent with the statutory terms “license tax” and “filing fee” for purposes of obtaining an annual Florida fuel tax license; (2) clarify that there is no license fee or license tax for local government users or mass transit systems to obtain a Florida fuel tax license; (3) clarify bonding requirements for licensing of wholesalers of fuel; (4) remove provisions regarding the availability of a refund of tax paid on diesel fuel used in the operations of boats, vessels, or equipment for fishing that are not consistent with the provisions of section 206.8745(1), F.S.; (5) provide the procedures on how to obtain a refund of the fuel taxes paid on diesel fuel used for commercial fishing purposes or by a vessel engaged in the commercial transportation of persons or property consistent with the provisions of section 206.8745(1), F.S.; (6) clarify that diesel fuel used for such commercial purposes is subject to sales tax, plus any applicable discretionary sales surtax; (7) adopt, by reference, updates to the fuel and pollutant tax returns.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

Section 206.02(2)(c), F.S., requires terminal suppliers, importers, exporters, blenders, biodiesel manufacturers, and wholesalers to pay a \$30 license tax to obtain an annual fuel license or to renew an annual fuel license. Similar provisions are provided for carriers and terminal operators to obtain an annual fuel license in sections 206.021(3) and 206.022(2), F.S. Section 206.89(4), F.S., provides that a \$5 filing fee is required to obtain a license as a retailer of alternative fuel.

Sections 206.05(1), 206.051, and 206.89(2), F.S., provide that terminal suppliers, importers, exporters, wholesalers, and retailers of alternative fuel are required to post a bond to obtain a Florida fuel license. Section 206.9931(1), F.S., provides bond requirements for applicants applying for a license as an importer or producer of pollutants.

To obtain a Florida fuel license, the licensee is required to maintain a bond sufficient to ensure payment to the state of the amount of the tax, plus any penalties and interest, for which the person may become liable. A wholesaler who has no import or export activity that sells only undyed diesel fuel and that is not authorized by the Department to remit fuel tax to its supplier would have no liability to the state and would not be required to post a bond. Any applicant for a pollutants tax license for the sole purpose of applying for refunds of tax-paid pollutants would not be required to post a bond.

The purpose of the proposed amendments to Rule Chapter 12B-5, F.A.C. (Tax on Motor Fuels, Diesel Fuels, Alternative Fuels, Aviation Fuels, and Pollutants), is to: (1) correct the use of the term “license fee” to “license tax” and to correct the use of the term “registration fee” to “filing fee,” consistent with Sections 206.02(2)(c), 206.021(3), 206.022(2), and 206.89(4), F.S., as requested by the Joint Administrative Procedures Committee; (2) update provisions regarding

bonding requirements consistent with Sections 206.05(1), 206.051, 206.89(2), 206.9931(1), F.S.; and (3) adopt, by reference, changes to the fuel and pollutant returns to include the annual updates to the state fuel sales tax rate and the local option tax rates effective January 2012.

Section 206.8745(1), F.S., provides that any purchaser who purchases tax-paid diesel fuel and has paid the fuel taxes to the seller may claim a refund of the fuel taxes paid, as provided in Section 215.26, F.S., if the fuel is used for an exempt purpose as provided in section 206.874(3), F.S. The purpose of the proposed amendments to Rule 12B-5.130, F.A.C. (Refunds), is to amend the rule to reflect the provisions of Sections 206.874(3) and 206.8745(1), F.S.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2187-2188), to advise the public of the development of changes to Rule Chapter 12B-5, F.A.C. (Tax on Motor Fuels, Diesel Fuels, Alternative Fuels, Aviation Fuels, and Pollutants), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

TAX ON MOTOR FUELS, DIESEL FUELS, ALTERNATIVE FUELS, AVIATION FUELS,
AND POLLUTANTS

RULE NO: RULE TITLE:

12B-5.030 Importers

12B-5.040 Carriers

12B-5.050 Terminal Suppliers

12B-5.060 Wholesalers

12B-5.070 Terminal Operators

12B-5.080 Exporters

12B-5.090 Local Government Users

12B-5.100 Mass Transit Systems

12B-5.110 Blenders

12B-5.121 Temporary Licenses Issued Under a Declared Emergency

12B-5.130 Refunds

12B-5.150 Public Use Forms

12B-5.200 Retailers of Alternative Fuel

12B-5.400 Producers and Importers of Pollutants

PURPOSE AND EFFECT: Section 206.02(2)(c), F.S., requires terminal suppliers, importers, exporters, blenders, biodiesel manufacturers, and wholesalers to pay a \$30 license tax to obtain an annual fuel license or to renew an annual fuel license. Similar provisions are provided for carriers and terminal operators to obtain an annual fuel license in sections 206.021(3) and

206.022(2), F.S. Section 206.89(4), F.S., provides that a \$5 filing fee is required to obtain a license as a retailer of alternative fuel.

Sections 206.05(1), 206.051, and 206.89(2), F.S., provide that terminal suppliers, importers, exporters, wholesalers, and retailers of alternative fuel are required to post a bond to obtain a Florida fuel license. Section 206.9931(1), F.S., provides bond requirements for applicants applying for a license as an importer or producer of pollutants.

To obtain a Florida fuel license, the licensee is required to maintain a bond sufficient to ensure payment to the state of the amount of the tax, plus any penalties and interest, for which the person may become liable. A wholesaler who has no import or export activity that sells only undyed diesel fuel and that is not authorized by the Department to remit fuel tax to its supplier would have no liability to the state and would not be required to post a bond. Any applicant for a pollutants tax license for the sole purpose of applying for refunds of tax-paid pollutants would not be required to post a bond.

The purpose of the proposed amendments to Rule Chapter 12B-5, F.A.C. (Tax on Motor Fuels, Diesel Fuels, Alternative Fuels, Aviation Fuels, and Pollutants), is to: (1) correct the use of the term “license fee” to “license tax” and to correct the use of the term “registration fee” to “filing fee,” consistent with Sections 206.02(2)(c), 206.021(3), 206.022(2), and 206.89(4), F.S., as requested by the Joint Administrative Procedures Committee; (2) update provisions regarding bonding requirements consistent with Sections 206.05(1), 206.051, 206.89(2), 206.9931(1), F.S.; and (3) adopt, by reference, changes to the fuel and pollutant returns to include the annual updates to the state fuel sales tax rate and the local option tax rates effective January 2012.

Section 206.8745(1), F.S., provides that any purchaser who purchases tax-paid diesel fuel and has paid the fuel taxes to the seller may claim a refund of the fuel taxes paid, as provided in

Section 215.26, F.S., if the fuel is used for an exempt purpose as provided in section 206.874(3), F.S. The purpose of the proposed amendments to Rule 12B-5.130, F.A.C. (Refunds), is to amend the rule to reflect the provisions of Sections 206.874(3) and 206.8745(1), F.S.

SUMMARY: The proposed amendments to Rule Chapter 12B-5, F.A.C. (Tax on Motor Fuels, Diesel Fuels, Alternative Fuels, Aviation Fuels, and Pollutants): (1) revise terms to be consistent with the statutory terms “license tax” and “filing fee” for purposes of obtaining an annual Florida fuel tax license; (2) clarify that there is no license fee or license tax for local government users or mass transit systems to obtain a Florida fuel tax license; (3) clarify bonding requirements for licensing of wholesalers of fuel; (4) remove provisions regarding the availability of a refund of tax paid on diesel fuel used in the operations of boats, vessels, or equipment for fishing that are not consistent with the provisions of section 206.8745(1), F.S.; (5) provide the procedures on how to obtain a refund of the fuel taxes paid on diesel fuel used for commercial fishing purposes or by a vessel engaged in the commercial transportation of persons or property consistent with the provisions of section 206.8745(1), F.S.; (6) clarify that diesel fuel used for such commercial purposes is subject to sales tax, plus any applicable discretionary sales surtax; (7) adopt, by reference, updates to the fuel and pollutant tax returns.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that this rule will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. This rule is not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement

of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with licensing activities for purposes of Florida fuel and pollutant taxes, or activities to report Florida fuel and pollutant taxes, and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 206.14(1), 206.485(1), 206.59(1), 213.06(1), 213.755(8), 526.206 FS.

LAW IMPLEMENTED: 119.071(5), 206.02, 206.021, 206.022, 206.025, 206.026, 206.027, 206.028, 206.05, 206.055, 206.095, 206.11, 206.404, 206.41, 206.43, 206.44, 206.485, 206.64, 206.86, 206.874, 206.8745, 206.877, 206.90, 206.91, 206.92, 206.97, 206.9835, 206.9865, 206.9931, 206.9943, 212.0501, 213.255, 213.755, 526.203 FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Ronald Gay, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850)717-6745.

THE FULL TEXT OF THE PROPOSED RULES IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12B-5, FLORIDA ADMINISTRATIVE CODE
TAX ON MOTOR FUELS, DIESEL FUELS, ALTERNATIVE FUELS,
AVIATION FUELS, AND POLLUTANTS
AMENDING RULES 12B-5.030, 12B-5.040, 12B-5.050, 12B-5.060,
12B-5.070, 12B-5.080, 12B-5.090, 12B-5.100, 12B-5.110,
12B-5.121, 12B-5.130, 12B-5.150, 12B-5.200, AND 12B-5.400

PART I TAX ON MOTOR AND DIESEL FUEL

12B-5.030 Importers.

(1) No change.

(2) LICENSING AND BONDING.

(a)1. through 5. No change.

6. Each initial and renewal application must be accompanied by a \$30 license tax fee.

(b) No change.

(3) through (5) No change.

Rulemaking Authority 206.14(1), 206.485(1), 206.59(1), 206.87(1)(e)2., 213.06(1), 213.755(8)
FS. Law Implemented 206.01(3), 206.02, 206.026, 206.027, 206.028, 206.03, 206.05, 206.051,
206.054, 206.43, 206.48(2), 206.485, 206.9835, 213.755 FS. History—New 7-1-96, Amended 11-
21-96, 10-27-98, 5-1-06, 6-1-09,_____.

12B-5.040 Carriers.

(1) LICENSING.

(a) through (c) No change.

(d) Each initial or renewal application must be accompanied by a \$30 license tax fee.

(2) through (3) No change.

Rulemaking Authority 206.14(1), 206.485(1), 206.59(1), 206.97, 206.9915, 213.06(1),
213.755(8) FS. Law Implemented 206.021, 206.09, 206.199, 206.20, 206.204, 206.205, 206.485,
213.755 FS. History—New 7-1-96, Amended 11-21-96, 5-1-06, 6-1-09,_____.

12B-5.050 Terminal Suppliers.

(1) No change.

(2) LICENSING AND BONDING.

(a)1. through 6. No change.

7. Each initial or renewal application must be accompanied by a \$30 license tax fee.

8. through 9. No change.

(b) No change.

(3) through (5) No change.

(6) REFUNDS AND CREDITS.

(a) No change.

(b) Motor and Diesel Fuel Used for Agricultural Purposes.

1. Sales by terminal suppliers of taxable motor ~~diesel~~ fuel to persons for agricultural uses as provided in Rule 12B-5.020, F.A.C., are exempt from the local option fuel tax, the state comprehensive transportation system tax, and the fuel sales tax imposed by Section 206.41(1)(e),

(f), and (g), F.S.

2. No change.

Rulemaking Authority 206.14(1), 206.485(1), 206.59(1), 206.87(1)(e)2., 213.06(1), 213.755(8)
FS. Law Implemented 206.01, 206.02, 206.05, 206.41, 206.413, 206.414, 206.43, 206.48,
206.485, 206.62, 206.86, 206.87, 206.872, 206.873, 206.874, 206.8745, 206.90, 206.91, 206.97,
206.9815, 206.9941, 206.9942, 213.755 FS. History–New 7-1-96, Amended 11-21-96, 10-27-98,
5-1-06, 6-1-09, ____.

12B-5.060 Wholesalers.

(1) No change.

(2) LICENSING AND BONDING.

(a)1. through 5. No change.

6. Each initial and renewal application must be accompanied by a \$30 license tax fee.

(b) No change.

(c)1. Each wholesaler that which is licensed pursuant to Section 206.02, F.S., will be required to furnish a bond to the Department in a sum of not more than \$100,000, for each product type (motor fuel, diesel fuel, and aviation fuel).

~~2. A bond will not be required if the sum of three times the average monthly fuel tax is less than \$50.~~

3. through 7. Renumbered 2. through 6. No change.

7. A wholesaler who has no import or export activity, who sells only undyed diesel fuel, and who is not authorized by the Department to remit fuel tax to its supplier is not required to post a bond.

8. through 9. No change.

(d) No change.

(e) To conduct business as a retailer ~~wholesaler~~ of alternative fuel, a bond must be posted and calculated pursuant to Section 206.90, F.S., not to exceed \$100,000. If the bond of a wholesaler of diesel fuel who sells alternative fuel is less than \$100,000, an additional bond for the retailer ~~wholesaler~~ of alternative fuel will be calculated and added to the bond of the wholesaler of diesel fuel. The combined bond will not exceed \$100,000.

(3) through (6) No change.

Rulemaking Authority 206.14(1), 206.485(1), 206.59(1), 206.97, 213.06(1), 213.755(8) FS. Law Implemented 206.01(6), 206.02, 206.05, 206.404, 206.43, 206.48, 206.485, 206.86, 206.89, 206.90, 206.91, 206.9825, 213.755 FS. History—New 7-1-96, Amended 11-21-96, 10-27-98, 5-1-06, 6-1-09, ____.

12B-5.070 Terminal Operators.

(1) LICENSING.

(a) through (c) No change.

(d) Each initial or renewal application must be accompanied by a \$30 license tax ~~fee~~ for each terminal location operated.

(2) No change.

Rulemaking Authority 206.14(1), 206.485(1), 206.59(1), 206.97, 213.06(1), 213.755(8) FS. Law Implemented 206.01(19), 206.022, 206.095, 206.485, 206.872, 213.755 FS. History—New 7-1-96, Amended 11-21-96, 5-1-06, 6-1-09, ____.

12B-5.080 Exporters.

(1) No change.

(2) LICENSING AND BONDING.

(a) No change.

(b) 1. through 5. No change.

6. Each initial or renewal application must be accompanied by a \$30 license tax fee.

(c) No change.

(3) through (6) No change.

Rulemaking Authority 206.14(1), 206.485(1), 206.59(1), 206.87(1)(e)2., 213.06(1), 213.755(8)

FS. Law Implemented 206.01(21), 206.02, 206.03, 206.04, 206.05, 206.051, 206.052, 206.41,

206.416, 206.43, 206.48, 206.485, 206.62, 206.87, 206.90, 206.91, 206.97, 206.9915, 213.755

FS. History—New 7-1-96, Amended 11-21-96, 10-27-98, 5-1-06, 6-1-09,_____.

12B-5.090 Local Government Users.

(1) No change.

(2) LICENSING AND BONDING.

(a) 1. through 2. No change.

3. There is no ~~application fee or license fee or license tax~~ for a local government user to obtain a license.

(b) No change.

(3) No change.

(4) REFUNDS AND CREDITS.

(a) No change.

(b)1. Any county, municipality, or school district, which is not licensed as a local government user, that uses tax-paid diesel fuel, gasoline, or gasohol in vehicles operated on the highways, may seek a refund each calendar quarter for the fuel ~~taxes~~ ~~sales tax~~ imposed under Section 206.41(1)(b) and (g), F.S., for gasoline and gasohol, ~~and~~ 1 cent of the tax imposed under Section 206.87(1)(a), F.S., and all of the tax imposed under Section 206.87(1)(~~e~~)(b), F.S., on diesel fuel.

2. through 4. No change.

Rulemaking Authority 206.14(1), 206.59(1), 206.87(1)(e)2., 213.06(1), 213.755(8) FS. Law Implemented 206.41(4), 206.86(11), 206.874(4), 213.755 FS. History—New 7-1-96, Amended 11-21-96, 10-27-98, 5-1-06, 6-1-09,_____.

12B-5.100 Mass Transit Systems.

(1) No change.

(2) LICENSING AND BONDING.

(a)1. through 2. No change.

3. There is no ~~application fee or license fee~~ or license tax for a mass transit system to obtain a license.

(b) No change.

(3) through (4) No change.

Rulemaking Authority 206.14(1), 206.59(1), 206.87(1)(e)2., 213.06(1), 213.755(8) FS. Law Implemented 206.41(4), 206.86(12), 206.874(5)(a), 213.755 FS. History—New 7-1-96, Amended 11-21-96, 10-27-98, 5-1-06, 6-1-09,_____.

12B-5.110 Blenders.

(1) No change.

(2) LICENSING.

(a) 1. through 4. No change.

5. Each initial or renewal application must be accompanied by a \$30 license tax ~~fee~~.

(b) No change.

(3) No change.

Rulemaking Authority 206.14(1), 206.485(1), 206.59(1), 206.87(1)(e)2., 213.06(1), 213.755(8)

FS. Law Implemented 206.02(3), 206.48(1), 206.485, 206.86(7), 206.87(2)(e), 213.755 FS.

History—New 7-1-96, Amended 11-21-96, 10-27-98, 5-1-06, 6-1-09, ____.

12B-5.121 Temporary Licenses Issued Under a Declared Emergency.

(1) No change.

(2) LICENSING.

(a) through (b) No change.

(c) No licensing tax ~~fee~~ is required to obtain a temporary fuel license. No criminal background investigation of an applicant will be conducted.

(d) through (e) No change.

(3) through (7) No change.

Rulemaking Authority 206.14(1), 206.59(1) FS. Law Implemented 206.02(8), 206.021(5),

206.051(4), 206.052, 206.41(1), 206.43(1), 206.62, 206.87(1), 206.8745, 206.91, 206.9825(1)(a),

213.255(2), (3), 215.26(2) FS. History—New 6-1-09, ____.

12B-5.130 Refunds.

(1) FUEL USED FOR AGRICULTURAL, AQUACULTURAL, COMMERCIAL FISHING, AND COMMERCIAL AVIATION PURPOSES.

(a)1. No change.

2. Persons using motor fuel ~~or diesel fuel~~ in the operation of boats, vessels, or equipment used exclusively for the taking of fish, crayfish, oysters, shrimp, and sponges from the salt or fresh waters of Florida for sales are entitled to a refund of municipal fuel tax and local option, state comprehensive enhanced transportation system, ~~municipal fuel tax,~~ and fuel sales taxes paid under Section 206.41(1)(c), (e), (f), and (g), F.S., and Sections 206.87(1)(c), (d), ~~(e), F.S.~~

3. No change.

(b) through (c) No change.

(2) through (3) No change.

(4) DIESEL FUEL SOLD FOR USE IN VESSELS.

(a) through (b) No change.

(c) Undyed diesel fuel sold to a purchaser for use in a commercial fishing vessel or a vessel engaged in the business of commercial transportation of persons or property is subject to the fuel taxes imposed under Section 206.87(1), F.S. The purchaser may obtain a refund of diesel fuel tax paid as follows:

1. The purchaser must file an Application for Refund of Tax Paid on Undyed Diesel Used for Off-Road or Other Exempt Purposes (Form DR-309639) with the Department within three years after the right to refund has accrued.

2. The purchaser is required to submit original invoices or copies of invoices showing the amount of fuel taxes paid with the application. Form DR-309639 must meet the requirements of

Sections 213.255(2) and (3), F.S., and Rule 12-26.003, F.A.C.

3. The purchaser is required to pay the sales tax, plus any applicable discretionary sales surtax. The Department will reduce the amount of refund due on tax-paid diesel fuel used for commercial fishing purposes or for use by a vessel engaged in the business of commercial transportation of persons or property by the amount of sales tax and discretionary sales surtax due.

(5) No change.

Rulemaking Authority 206.14(1), 206.59(1), 213.06(1) FS. Law Implemented 206.41(4), (5), 206.43(5), (6), 206.64, 206.8745, 206.97, 213.255(2), (3), 215.26 FS. History—New 7-1-96, Amended 11-21-96, 10-27-98, 5-1-06, 1-27-09, 6-1-09, ____.

Cross Reference – Rules 12A-1.059 and 12A-1.0641, F.A.C.

12B-5.150 Public Use Forms.

(1)(a) The following public use forms and instructions are utilized by the Department and are hereby incorporated by reference in this rule.

(b) No change.

Form Number	Title	Effective Date
(2) DR-138	Application for Fuel Tax Refund – Agriculture, Aquacultural, Commercial Fishing or Commercial Aviation Purposes (R. <u>01/12</u> 01/11)	<u>01/11</u>
(3) through (9)	No change.	
(10) DR-160	Application for Fuel Tax Refund – Mass Transit System Users (R. <u>01/12</u> 01/11)	<u>01/11</u>

(11) through (13)	No change.	
(14) DR-182	Florida Air Carrier Fuel Tax Return (R. <u>01/12</u> 01/11)	<u>01/11</u>
(15)	No change.	
(16) DR-189	Application for Fuel Tax Refund – Municipalities, Counties and School Districts (R. <u>01/12</u> 01/11)	<u>01/11</u>
(17) DR-190	Application for Fuel Tax Refund – Non-Public Schools (R. <u>01/12</u> 01/11)	<u>01/11</u>
(18) DR-191	Application for Aviation Fuel Refund – Air Carriers (R. <u>01/12</u> 07/06)	<u>04/07</u>
(19) DR-248	<u>2012</u> 2011 Alternative Fuel Use Permit Application, Renewal, and Decal Order Form (R. <u>11/11</u> 11/10)	<u>01/11</u>
(20) DR-904	Pollutants Tax Return (R. <u>01/12</u> 01/11)	<u>01/11</u>
(21) DR-309631	Terminal Supplier Fuel Tax Return (R. <u>01/12</u> 01/11)	<u>01/11</u>
(22) DR-309631N	Instructions for Filing Terminal Supplier Fuel Tax Return (R. <u>01/12</u> 01/11)	<u>01/11</u>
(23) DR-309632	Wholesaler/Importer Fuel Tax Return (R. (R. <u>01/12</u> 01/11))	<u>01/11</u>
(24) DR-309632N	Instructions for Filing Wholesaler/Importer Fuel Tax Return (R. <u>01/12</u> 01/11)	<u>01/11</u>
(25) DR-309633	Mass Transit System Provider Fuel Tax Return (R. <u>01/12</u> 01/11)	<u>01/11</u>

(26) DR-309633N	Instructions for Filing Mass Transit System Provider Fuel Tax Return (R. <u>01/12</u> 01/11)	___ 01/11
(27) DR-309634	Local Government User of Diesel Fuel Tax Return (R. <u>01/12</u> 01/11)	___ 01/11
(28) DR-309634N	Instructions for Filing Local Government User of Diesel Fuel Tax Return (R. <u>01/12</u> 01/11)	___ 01/11
(29) DR-309635	Blender/Retailer of Alternative Fuel Tax Return (R. <u>01/12</u> 01/11)	___ 01/11
(30) DR-309635N	Instructions for Filing Blender/Retailer of Alternative Fuel Tax Return (R. <u>01/12</u> 01/11)	___ 01/11
(31) DR-309636	Terminal Operator Information Return (R. <u>01/12</u> 01/11)	___ 01/11
(32) DR-309636N	Instructions for Filing Terminal Operator Information Return (R. <u>01/12</u> 01/11)	___ 01/11
(33) DR-309637	Petroleum Carrier Information Return (R. <u>01/12</u> 01/11)	___ 01/11
(34) DR-309637N	Instructions for Filing Petroleum Carrier Information Return (R. <u>01/12</u> 01/11)	___ 01/11
(35) DR-309638	Exporter Fuel Tax Return (R. <u>01/12</u> 01/11)	___ 01/11
(36) DR-309638N	Instructions for Filing Exporter Fuel Tax Return (R. <u>01/12</u> 01/11)	___ 01/11
(37) DR-309639	Application for Refund of Tax Paid on Undyed Diesel Used for Off-Road or Other Exempt	

- | | | |
|----------------|---|----------------------|
| | Purposes (with instructions) (R. <u>01/12</u> 07/11) | ___ 07/11 |
| (38) DR-309640 | Application for Refund of Tax Paid on Undyed Diesel Consumed by Motor Coaches During Idle Time in Florida (R. <u>01/12</u> 01/11) | ___ 01/11 |
| (39) DR-309645 | <u>2012</u> 2011 Refundable Portion of Local Option and State Comprehensive Enhanced Transportation System (SCETS) Tax (R. <u>01/12</u> 01/11) | ___ 01/11 |
| (40) DR-309660 | Application for <u>Pollutants</u> Pollutant Tax Refund (R. <u>01/12</u> 01/11) | ___ 01/11 |
| (41) | No change. | |

Rulemaking Authority 206.14(1), 206.485(1), 206.59(1), 213.06(1), 213.755(8), 526.206 FS. Law Implemented 119.071(5), 206.02, 206.021, 206.022, 206.025, 206.026, 206.027, 206.028, 206.05, 206.055, 206.06, 206.095, 206.11, 206.404, 206.41, 206.43, 206.44, 206.485, 206.86, 206.874, 206.8745, 206.877, 206.90, 206.91, 206.92, 206.9835, 206.9865, 206.9931, 206.9942, 206.9943, 212.0501, 213.255, 213.755, 526.203 FS. History-New 11-21-96, Amended 10-27-98, 5-1-06, 4-16-07, 1-1-08, 1-27-09, 4-14-09, 6-1-09, 6-1-09(5), 1-11-10, 7-28-10, 1-12-11, 7-20-11, ____.

PART II TAX ON ALTERNATIVE FUEL

12B-5.200 Retailers of Alternative Fuel.

(1) No change.

(2) LICENSING AND BONDING.

(a)1. No change.

2. Each initial or renewal application must be accompanied by a \$5 filing registration fee.

(b) through (c) No change.

(3) through (5) No change.

Rulemaking Authority 206.14(1), 206.59(1), 206.877, 213.06(1) FS. Law Implemented 206.485, 206.877, 206.89 FS. History–New 11-21-96, Amended 10-27-98, 5-1-06,_____.

PART IV TAX ON POLLUTANTS

12B-5.400 Producers and Importers of Pollutants.

(1) through (2) No change.

(3) LICENSING AND BONDING.

(a) through (d) No change.

(e) No bond ~~is will~~ be required to obtain a pollutant tax license for the sole purpose of applying for refunds of tax paid on pollutants, as provided in Section 206.9942, F.S. if three times the average monthly pollutants tax paid or due is less than \$50.

(4) through (7) No change.

Rulemaking Authority 206.14(1), 206.59(1), 213.06(1), 213.755(8) FS. Law Implemented 206.9915, 206.9925, 206.9931, 206.9935, 206.9941, 206.9942, 206.9943, 213.755 FS. History- New 11-21-96, Amended 10-27-98, 5-1-06, 6-1-09,_____.

NAME OF PERSON ORIGINATING PROPOSED RULES: Ronald Gay, Tax Law Specialist,
Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443,
Tallahassee, Florida 32314-7443, telephone (850)717-6745.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULES: [To be inserted
upon approval.]

DATE PROPOSED RULES APPROVED BY AGENCY HEAD: [To be inserted upon
approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of
Proposed Rule Development was published in the Florida Administrative Weekly on July 29,
2011 (Vol. 37, No. 30, pp. 2187-2188). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-22, FLORIDA ADMINISTRATIVE CODE
CONFIDENTIALITY AND DISCLOSURE OF TAX INFORMATION
AMENDING RULES 12-22.005 AND 12-22.007

SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12-22.005, F.A.C. (Disclosure Procedures), remove information on how to obtain copies of Form DR-835 (Power of Attorney and Declaration of Representative) from the Department redundant of the provisions of Rule 12-6.0015, F.A.C.

The proposed amendments to Rule 12-22.007, F.A.C. (Registration Information Sharing and Exchange Program): (1) update the Registration Information Sharing and Exchange Program Coordinator's contact information; (2) adopt, by reference, forms used by the Department in the administration of the Program; and (3) clarify that each authorized employee of a Program participant must execute the certification regarding confidentiality requirements by January 31 of each year.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

The purpose of the proposed rule amendments to Rule 12-22.005, F.A.C. (Disclosure Procedures), is to remove language on how to obtain copies of forms from the Department that is redundant of the provisions of Rule 12-6.0015, F.S., which incorporates by reference, Form DR-835 (Power of Attorney and Declaration of Representative).

The purpose of the proposed amendments to Rule 12-22.007, F.A.C. (Registration Information Sharing and Exchange Program), is to: (1) amend the agreements used by the Department to administer the Program, requiring an indication of which locally-imposed tax the participating Government Entity is requesting an exchange of tax information for; (2) create a separate form for Program participants to make the required annual certification regarding the confidentiality of the information exchanged under the Program; (3) clarify that each authorized employee of a Program participant must execute the certification regarding confidentiality requirements by January 31 of each year; and (4) update the Registration Information Sharing and Exchange Program Coordinator's contact information.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, p. 2183), to advise the public of the development of changes to Rule 12-22.005, F.A.C. (Disclosure Procedures), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 29, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on August 12, 2011 (Vol. 37, No. 32, pp. 2331-2332), to advise the public of the development of changes to Rule 12-22.007, F.A.C. (Registration Information Sharing and Exchange Program), and to provide that, if requested in writing, a rule development workshop would be held on August 29, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

CONFIDENTIALITY AND DISCLOSURE OF TAX INFORMATION

RULE NO: RULE TITLE:

12-22.005 Disclosure Procedures

12-22.007 Registration Information Sharing and Exchange Program

PURPOSE AND EFFECT: The purpose of the proposed rule amendments to Rule 12-22.005, F.A.C. (Disclosure Procedures), is to remove language on how to obtain copies of forms from the Department that is redundant of the provisions of Rule 12-6.0015, F.S., which incorporates by reference, Form DR-835 (Power of Attorney and Declaration of Representative).

The purpose of the proposed amendments to Rule 12-22.007, F.A.C. (Registration Information Sharing and Exchange Program), is to: (1) amend the agreements used by the Department to administer the Program, requiring an indication of which locally-imposed tax the participating Government Entity is requesting an exchange of tax information for; (2) create a separate form for Program participants to make the required annual certification regarding the confidentiality of the information exchanged under the Program; (3) clarify that each authorized employee of a Program participant must execute the certification regarding confidentiality requirements by January 31 of each year; and (4) update the Registration Information Sharing and Exchange Program Coordinator's contact information.

SUMMARY: The proposed amendments to Rule 12-22.005, F.A.C. (Disclosure Procedures), remove information on how to obtain copies of Form DR-835 (Power of Attorney and Declaration of Representative) from the Department redundant of the provisions of Rule 12-6.0015, F.A.C.

The proposed amendments to Rule 12-22.007, F.A.C. (Registration Information Sharing and Exchange Program): (1) update the Registration Information Sharing and Exchange Program Coordinator's contact information; (2) adopt, by reference, forms used by the Department in the administration of the Program; and (3) clarify that each authorized employee of a Program participant must execute the certification regarding confidentiality requirements by January 31 of each year.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that these rules will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. These rules are not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with activities for providing the public copies of tax-related forms, or for administering the Registration Information Sharing and Exchange Program, and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 213.0535(4), 213.06(1) FS.

LAW IMPLEMENTED: 213.053, 213.0535, 213.22 FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Janet Young, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

THE FULL TEXT OF THE PROPOSED RULES IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-22, FLORIDA ADMINISTRATIVE CODE
CONFIDENTIALITY AND DISCLOSURE OF TAX INFORMATION
AMENDING RULES 12-22.005 AND 12-22.007

12-22.005 Disclosure Procedures.

(1) through (2)(b)2. No change.

3. A taxpayer may authorize his representative to receive confidential state tax information by a documented Power of Attorney filed with the Department. The Department prescribes form DR-835, Power of Attorney and Declaration of Representative (incorporated by reference in Rule 12-6.0015, F.A.C.), as the form to be used for the purposes of this chapter. ~~This form may be obtained through one of the following methods: 1) writing the Florida Department of Revenue, Records Management Room 1-4364, 5050 West Tennessee Street, Tallahassee, Florida 32399-0158; or, 2) faxing the request for forms to the Forms Distribution Center at (850) 922-2208; or, 3) using a fax machine telephone handset to call the Department's automated Fax on Demand system at (850) 922-3676; or, 4) visiting any local Department of Revenue Service Center to personally obtain a copy; or, 5) calling the Forms Request Line during regular office hours at (800) 352-3671; or, 6) downloading selected forms from the Department's Internet site at the address shown in parentheses (www.myflorida.com/dor).~~

4. No change.

(3) through (5) No change.

Rulemaking Specific Authority 213.06(1) FS. Law Implemented 213.053, 213.22 FS. History—

New 12-18-88,_____.

12-22.007 Registration Information Sharing and Exchange Program.

(1)(a) No change.

(b) General information regarding the RISE Program and specific questions regarding the status of any data supplied by the Department should be directed to the General Tax Administration RISE Coordinator, General Tax Administration Resource Management, Mail Stop 1-1229 Compliance Enforcement Process Manager's Office, 5050 West Tennessee Street, Tallahassee, Florida 32399-0131 or by telephone, (850) 717-6370 ~~(850) 717-6730~~ or by visiting the Department's Internet site at <http://www.myflorida.com/dor/governments/rise.html>.

(2)(a) through (b) No change.

(c) The Department hereby incorporates the following agreements used in the administration of the RISE Program. Copies of these agreements may be obtained, without cost, by: 1) downloading the selected agreement from the Department's Internet site at www.myflorida.com/dor; or, 2) calling the General Tax Administration RISE Coordinator at (850) 717-6370 ~~(850) 717-6730~~; or, 3) writing the General Tax Administration RISE Coordinator, General Tax Administration Resource Management, Mail Stop 1-1229 Compliance Enforcement Process Manager's Office, 5050 West Tennessee Street, Tallahassee, Florida 32399-0131. Persons with hearing or speech impairment may call the Department's TDD at (800) 367-8331.

Number	Title	Effective Date
1. GT-400210	Registration and Information Sharing and Exchange <u>(RISE)</u> Program – Level-One	

	Agreement (R. <u>01/12</u> 10/06)	___ 04/07
2. GT-400211	Registration and Information Sharing and Exchange (<u>RISE</u>) Program – Level-Two Agreement (R. <u>01/12</u> 10/06)	___ 04/07
3. <u>GT-400212</u>	<u>Registration Information Sharing and Exchange (RISE) Program Participant Certification for Access to Confidential State Tax Information (N. 01/12)</u>	___

(d) No change.

(e) 1. Section 213.053(8)(j), F.S., provides that the Department may provide the information authorized under Section 213.0535, F.S., to eligible participants and certified public accountants for such participants in the RISE Program. As a part of the Level-one RISE Agreement (GT-400210), or the Level-two RISE Agreement (GT-400211), each authorized employee of the participating government agency is required to execute Form GT-400212 Attachment C (Registration Information Sharing and Exchange (RISE); Program Participant Certification for Access to Confidential State Tax Information), with the confidentiality requirements of Section 213.053, F.S., and Rule Chapter 12-22, F.A.C., ~~by January 31 of each year.~~ Any person who becomes an authorized employee subsequent to January 31 must execute a separate certification. Executed certifications must be forwarded to the RISE Coordinator within 15 business days of the date of hire or the date of change in employment status.

2. Each year each authorized employee of the participating government agency is required to execute Form GT-400212 certifying his or her familiarity with the confidentiality

requirements. Executed certifications must be forwarded to the RISE Coordinator by January 31 of each year.

(3) through (4) No change.

Rulemaking Authority 213.0535(4), 213.06(1) FS. Law Implemented 213.053(8)(j), 213.0535 FS. History—New 3-17-93, Amended 4-2-00, 4-16-07,_____.

NAME OF PERSON ORIGINATING PROPOSED RULES: Janet Young, Tax Law Specialist,
Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443,
Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULES: [To be inserted
upon approval.]

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: [To be inserted upon approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of
Proposed Rule Development of Rule 12-22.005, F.A.C., was published in the Florida
Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, p. 2183). A Notice of Proposed Rule
Development of Rule 12-22.007, F.A.C., was published in the Florida Administrative Weekly on
August 12, 2011 (Vol. 37, No. 32, pp. 2331-2332). No comments were received by the
Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-3, FLORIDA ADMINISTRATIVE CODE
GENERAL; PROCEDURE
AMENDING RULE 12-3.0015

SUMMARY OF PROPOSED RULE

The proposed amendments to Rule 12-3.0015, F.A.C. (Interest Applicable to Unpaid Tax Liabilities or Amounts Not Timely Refunded), remove provisions regarding the obsolete Fax on Demand System and provisions referring to Chapter 221, F.S., which imposes the Florida emergency excise tax.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

Prior to posting forms and other documents on the Department's website, taxpayers were able to obtain forms and tax information using the Department's Fax on Demand System. With forms and tax information readily available on the website, the Fax on Demand System has been discontinued.

Effective January 1, 2012, section 22, Chapter 2011-76, L.O.F., repeals the emergency excise tax.

The purpose of the proposed amendments to Rule 12-3.0015, F.A.C. (Interest Applicable to Unpaid Tax Liabilities or Amounts Not Timely Refunded), is to remove provisions regarding the obsolete Fax on Demand System and provisions regarding the emergency excise tax that will be repealed effective January 1, 2012.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, p. 2181), to advise the public of the development of changes to Rule 12-3.0015, F.A.C. (Interest Applicable to Unpaid Tax Liabilities or Amounts Not Timely Refunded), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

GENERAL; PROCEDURE

RULE NO: RULE TITLE:

12-3.0015 Interest Applicable to Unpaid Tax Liabilities or Amounts Not Timely Refunded

PURPOSE AND EFFECT: Prior to posting forms and other documents on the Department's website, taxpayers were able to obtain forms and tax information using the Department's Fax on Demand System. With forms and tax information readily available on the website, the Fax on Demand System has been discontinued.

Effective January 1, 2012, section 22, Chapter 2011-76, L.O.F., repeals the emergency excise tax.

The purpose of the proposed amendments to Rule 12-3.0015, F.A.C. (Interest Applicable to Unpaid Tax Liabilities or Amounts Not Timely Refunded), is to remove provisions regarding the obsolete Fax on Demand System and provisions regarding the emergency excise tax that will be repealed effective January 1, 2012.

SUMMARY: The proposed amendments to Rule 12-3.0015, F.A.C. (Interest Applicable to Unpaid Tax Liabilities or Amounts Not Timely Refunded), remove provisions regarding the obsolete Fax on Demand System and provisions referring to Chapter 221, F.S., which imposes the Florida emergency excise tax.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that this rule will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost

regulatory alternative, must do so in writing within 21 days of this notice. This rule is not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with activities for providing the public tax information and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 213.06(1) FS.

LAW IMPLEMENTED: 231.235, 213.255 FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Janet Young, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

THE FULL TEXT OF THE PROPOSED RULE IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-3, FLORIDA ADMINISTRATIVE CODE
GENERAL; PROCEDURE
AMENDING RULE 12-3.0015

12-3.0015 Interest Applicable to Unpaid Tax Liabilities or Amounts Not Timely Refunded.

(1) The provisions of Section 213.235, F.S., and this rule apply to all taxes listed in Section 213.05, F.S., except those taxes imposed by ~~Chapter~~ Chapters 220 and 221, F.S. The interest rate provisions of Rule 12C-1.343, F.A.C., ~~shall continue to~~ apply to the taxes imposed by ~~Chapter~~ Chapters 220 and 221, F.S.

(2) through (3) No change.

(4)(a) The interest rate determined pursuant to Section 213.235, F.S., is subject to change on January 1st and July 1st of each year.

(b) The applicable interest rate for any 6-month period can be obtained by any of the following methods:

1. Accessing the Department's ~~website at www.myflorida.com/dor/taxes~~ ~~web site at the address in brackets~~ [<http://www.myflorida.com/dor/>].

2. Calling ~~Taxpayer Tax Information~~ Taxpayer Tax Information Services during regular business hours at (800) 352-3671.

3. ~~Calling the Department's Fax on Demand Retrieval System by dialing (850) 922-3676 from the handset of the fax machine.~~

(5) No change.

Rulemaking Specific Authority 213.06(1) FS. Law Implemented 213.235, 213.255 FS. History—
New 4-2-00, Amended _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Janet Young, Tax Law Specialist,
Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443,
Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: [To be inserted
upon approval.]

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: [To be inserted upon approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of
Proposed Rule Development was published in the Florida Administrative Weekly on July 29,
2011 (Vol. 37, No. 30, p. 2181). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-6, FLORIDA ADMINISTRATIVE CODE
INFORMAL PROTEST AND APPEAL PROCEDURE
AMENDING RULE 12-6.0015

SUMMARY OF PROPOSED RULE

The proposed amendments to Rule 12-6.0015, F.A.C. (Public Use Forms), adopt, by reference, changes to Form DR-835 (Power of Attorney and Declaration of Representative), used by taxpayers to grant a representative the authority to perform certain duties on their behalf with the Department.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

The purpose of the proposed amendments to Rule 12-6.0015, F.A.C. (Public Use Forms), is to adopt, by reference, changes to Form DR-835 (Power of Attorney and Declaration of Representative) that will provide for the inclusion of an e-mail address at which the Department may contact a taxpayer's representative.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2181-2182), to advise the public of the development of changes to Rule 12-6.0015, F.A.C. (Public Use Forms), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

INFORMAL PROTEST AND APPEAL PROCEDURE

RULE NO: RULE TITLE:

12-6.0015 Public Use Forms

PURPOSE AND EFFECT: The purpose of the proposed amendments to Rule 12-6.0015, F.A.C. (Public Use Forms), is to adopt, by reference, changes to Form DR-835 (Power of Attorney and Declaration of Representative) that will provide for the inclusion of an e-mail address at which the Department may contact a taxpayer's representative.

SUMMARY: The proposed amendments to Rule 12-6.0015, F.A.C. (Public Use Forms), adopt, by reference, changes to Form DR-835 (Power of Attorney and Declaration of Representative), used by taxpayers to grant a representative the authority to perform certain duties on their behalf with the Department.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that this rule will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. This rule is not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with activities granting a taxpayer representative the authority for certain duties with the Department and rules of this nature, the adverse impact or regulatory cost,

if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 213.06(1), 213.21(1) FS.

LAW IMPLEMENTED: 72.011, 119.071(5), 213.21 FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Janet Young, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

THE FULL TEXT OF THE PROPOSED RULE IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-6, FLORIDA ADMINISTRATIVE CODE
INFORMAL PROTEST AND APPEAL PROCEDURE
AMENDING RULE 12-6.0015

12-6.0015 Public Use Forms. The following form is employed by the Department in its dealings with the public. This form is hereby incorporated by reference in this rule. Copies of this form are available, without cost, by using one or more of the following methods: 1) downloading the form from the Department’s Internet site at www.myflorida.com/dor/forms; or, 2) calling the Department at (800)352-3671, Monday through Friday, 8:00 a.m. to 7:00 p.m., Eastern Time; or, 3) visiting any local Department of Revenue Service Center; or, 4) writing the Florida Department of Revenue, Taxpayer Services, Mail Stop 3-2000, 5050 West Tennessee Street, Tallahassee, Florida 32399-0112. Persons with hearing or speech impairments may call the Department’s TDD at (800)367-8331 or (850)922-1115.

Form Number	Title	Effective Date
DR-835	Power of Attorney and Declaration of Representative (R. 07/11 09/09)	___ 06/10

Rulemaking Authority 213.06(1), 213.21(1) FS. Law Implemented 72.011, 119.071(5), 213.21 FS.

History—New 3-6-03, Amended 4-5-07, 1-27-09, 6-28-10,_____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Janet Young, Tax Law Specialist,
Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443,
Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: [To be inserted
upon approval.]

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: [To be inserted upon approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of
Proposed Rule Development was published in the Florida Administrative Weekly on July 29,
2011 (Vol. 37, No. 30, pp. 2181-2182). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-16, FLORIDA ADMINISTRATIVE CODE
CONSENT AGREEMENTS
AMENDING RULE 12-16.003

SUMMARY OF PROPOSED RULE

The proposed amendments to Rule 12-6.003, F.A.C. (Form of Consent Agreements), remove provisions regarding the obsolete Fax on Demand System.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

Prior to posting forms and other tax information on the Department's website, taxpayers were able to obtain forms and tax information using the Department's Fax on Demand System. With forms and tax information readily available on the website, the Fax on Demand System has been discontinued. The purpose of the proposed rule amendments to Rule 12-16.003, F.A.C. (Form of Consent Agreements), is to remove obsolete provisions regarding the Fax on Demand System.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, p. 2182), to advise the public of the development of changes to Rule 12-16.003, F.A.C. (Form of Consent Agreements), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

CONSENT AGREEMENTS

RULE NO: RULE TITLE:

12-16.003 Form of Consent Agreements

PURPOSE AND EFFECT: Prior to posting forms and other tax information on the Department's website, taxpayers were able to obtain forms and tax information using the Department's Fax on Demand System. With forms and tax information readily available on the website, the Fax on Demand System has been discontinued. The purpose of the proposed rule amendments to Rule 12-16.003, F.A.C. (Form of Consent Agreements), is to remove obsolete provisions regarding the Fax on Demand System.

SUMMARY: The proposed amendments to Rule 12-6.003, F.A.C. (Form of Consent Agreements), remove provisions regarding the obsolete Fax on Demand System.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that this rule will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. This rule is not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with activities for providing the public tax information and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one

of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 213.06(1), 213.23(2) FS.

LAW IMPLEMENTED: 213.23 FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Janet Young, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

THE FULL TEXT OF THE PROPOSED RULE IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-16, FLORIDA ADMINISTRATIVE CODE
CONSENT AGREEMENTS
AMENDING RULE 12-16.003

12-16.003 Form of Consent Agreements.

(1) No change.

(2) The Department prescribes Form DR-872, Consent to Extend the Time to Issue an Assessment or to File a Claim for Refund, dated October 2003, as the form to be used for the purposes of this chapter and incorporates this form by reference. A copy of this form may be obtained, without cost, by one or more of the following methods: 1) downloading the form from the Department's Internet site at www.myflorida.com/dor/forms; ~~writing the Florida Department of Revenue, Taxpayer Services, Mail Stop 3-2000, 5050 West Tennessee Street, Tallahassee, Florida 32399-0112~~; or, 2) calling the Department at (800)352-3671, Monday through Friday, 8:00 a.m. to 7:00 p.m., Eastern Time; ~~faxing the Distribution Center at (850)922-2208~~; or, 3) ~~using a fax machine telephone handset to call the Department's automated Fax on Demand system at (850)922-3676~~; or, 4) visiting any local Department of Revenue Service Center to personally obtain a copy; or, 4) writing the Florida Department of Revenue, Taxpayer Services, Mail Stop 3-2000, 5050 West Tennessee Street, Tallahassee, Florida 32399-0112 5) ~~calling the Forms Request Line during regular office hours at (800) 352-3671~~; or, 6) downloading selected forms from the Department's Internet site at the address shown inside the parentheses (www.myflorida.com/dor). Persons with hearing or speech impairments may call the

Department's TDD at (800) 367-8331. The Department will provide this form to the taxpayer with the information specified in subsection (1) of this rule already entered on the form.

Rulemaking Specific Authority 213.06(1), 213.23(2) FS. Law Implemented 213.23 FS. History–
New 12-28-88, Amended 3-16-93, 12-2-03,_____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Janet Young, Tax Law Specialist,
Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443,
Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: [To be inserted
upon approval.]

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: [To be inserted upon approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of
Proposed Rule Development was published in the Florida Administrative Weekly on July 29,
2011 (Vol. 37, No. 30, p. 2182). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-18, FLORIDA ADMINISTRATIVE CODE
COMPENSATION FOR TAX INFORMATION
AMENDING RULES 12-18.001 AND 12-18.004

SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12-18.001, F.A.C. (Authorization for Compensation), remove provisions regarding the emergency excise tax.

The proposed amendments to Rule 12-18.004, F.A.C. (Submission of Information and Claims for Compensation), adopt, by reference, changes to Form DR-55 (Application for Compensation for Tax Information) that remove reference to the emergency excise tax.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

Effective January 1, 2012, Section 22, Chapter 2011-76, L.O.F., repeals the emergency excise tax. The purpose of the proposed amendments to Rule 12-18.001, F.A.C. (Authorization for Compensation), and Rule 12-18.004, F.A.C. (Submission of Information and Claims for Compensation), is to reflect the repeal of the emergency excise tax.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2182-2183), to advise the public of the development of changes to Rule 12-18.001, F.A.C. (Authorization for Compensation), and Rule 12-18.004, F.A.C. (Submission of Information and Claims for Compensation), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

COMPENSATION FOR TAX INFORMATION

RULE NO: RULE TITLE:

12-18.001 Authorization for Compensation

12-18.004 Submission of Information and Claims for Compensation

PURPOSE AND EFFECT: Effective January 1, 2012, Section 22, Chapter 2011-76, L.O.F., repeals the emergency excise tax. The purpose of the proposed amendments to Rule 12-18.001, F.A.C. (Authorization for Compensation), and Rule 12-18.004, F.A.C. (Submission of Information and Claims for Compensation), is to reflect the repeal of the emergency excise tax.

SUMMARY: The proposed amendments to Rule 12-18.001, F.A.C. (Authorization for Compensation), remove provisions regarding the emergency excise tax.

The proposed amendments to Rule 12-18.004, F.A.C. (Submission of Information and Claims for Compensation), adopt, by reference, changes to Form DR-55 (Application for Compensation for Tax Information) that remove reference to the emergency excise tax.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that these rules will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. These rules are not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2)

based on past experiences with activities regarding compensation for tax information and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 213.06(1), 213.30(1) FS.

LAW IMPLEMENTED: 92.525(2), 119.071(5), 213.30 FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Janet Young, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

THE FULL TEXT OF THE PROPOSED RULES IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-18, FLORIDA ADMINISTRATIVE CODE
COMPENSATION FOR TAX INFORMATION
AMENDING RULES 12-18.001 AND 12-18.004

12-18.001 Authorization for Compensation.

(1)(a) The Executive Director of the Department of Revenue or the Executive Director's designee is authorized to compensate persons who provide information leading to the punishment of, or collection of taxes, surtaxes, surcharges, fees, penalties, or interest from, any person with respect to the taxes enumerated in Section 213.05, F.S. The Department is not authorized to compensate persons who provide information with respect to a revenue or tax law that is not administered, regulated, controlled, and collected by the Department, as provided in Section 213.05, F.S. No person is authorized under these rules to make any offer, or promise, or otherwise to bind the Executive Director or the Executive Director's designee with respect to the payment of any compensation or the amount thereof.

(b) The Department administers, regulates, controls, and collects the following:

1. No change.
2. Corporate income and ~~emergency~~ excise tax;
3. through 18. No change.

(2) No change.

Rulemaking Authority 213.06(1), 213.30(1) FS. Law Implemented 213.30 FS. History—New 6-21-88, Amended 11-14-91, 9-14-93, 10-19-99, 6-1-09,_____.

12-18.004 Submission of Information and Claims for Compensation.

(1) through (2) No change.

(3)(a) The Department designates Form DR-55, Application for Compensation for Tax Information, as the form to be used by claimants for this purpose. Form DR-55, Application for Compensation for Tax Information (R. 01/12 ~~09/09~~, Effective ___ ~~06/10~~), is hereby incorporated, by reference, in this rule.

(b) No change.

Rulemaking Authority 213.06(1), 213.30(1) FS. Law Implemented 92.525(2), 119.071(5), 213.30 FS. History—New 6-21-88, Amended 11-14-91, 10-19-99, 10-1-03, 10-30-06, 6-1-09, 6-28-10,_____.

NAME OF PERSON ORIGINATING PROPOSED RULES: Janet Young, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULES: [To be inserted upon approval.]

DATE PROPOSED RULES APPROVED BY AGENCY HEAD: [To be inserted upon approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2182-2183). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12A-1, FLORIDA ADMINISTRATIVE CODE
SALES AND USE TAX
AMENDING RULES 12A-1.097 AND 12A-1.107
REPEALING 12A-1.0142

SUMMARY OF PROPOSED RULES

The proposed repeal of Rule 12A-1.0142, F.A.C. (Refund of Tax Paid on Purchases of Equipment, Machinery, and Other Materials for Renewable Energy Technologies), removes obsolete provisions regarding the Department's administration of the Program.

The proposed amendments to Rule 12A-1.097, F.A.C. (Public Use Forms), adopt, by reference, updates to Form DR-1 (Florida Business Tax Application), changes to sales and use tax returns, and updates to direct pay permits issued by the Department to qualified taxpayers.

The proposed amendments to Rule 12A-1.107, F.A.C. (Enterprise Zone and Florida Neighborhood Revitalization Programs), remove provisions regarding the obsolete Fax on Demand System.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

The Department of Environmental Protection Florida Renewable Energy Technologies Sales Tax Program, as provided in Section 212.08(7)(ccc), F.S., established by Section 9, Chapter 2008-227, L.O.F., expired July 1, 2010. Section 1, Chapter 2011-3, L.O.F., removes the obsolete statutory section from the Florida Statutes. The purpose of the proposed repeal of Rule

12A-1.0142, F.A.C. (Refund of Tax Paid on Purchases of Equipment, Machinery, and Other Materials for Renewable Energy Technologies), is to remove obsolete provisions regarding the Department's administration of the Program.

Form DR-1 (Florida Business Tax Application) has been updated and reorganized to simplify the registration process for Florida's taxes administered by the Department and to obtain information from taxpayers that will allow the Department to provide information regarding Florida's tax laws to those taxpayers impacted by the law. In addition, the use of the sales and use tax returns is currently limited to reporting tax for a single calendar year. The purpose of the proposed amendments to Rule 12A-1.097, F.A.C. (Public Use Forms), is to: (1) adopt the changes to Form DR-1 (Florida Business Tax Application); (2) consolidate and simplify instructions for sales and use tax returns; and (3) remove the limitation of the use of the tax return to a single calendar year.

Prior to posting forms and other documents on the Department's website, taxpayers were able to obtain forms and documents by fax, using the Department's Fax on Demand System. With forms and documents readily available on the website, the Fax on Demand System has been discontinued. The purpose of the proposed rule amendments to Rule 12A-1.107, F.A.C. (Enterprise Zone and Florida Neighborhood Revitalization Programs), is to remove provisions regarding the obsolete Fax on Demand System.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2184-2185), to advise the public of the development of changes to Rule 12A-1.0142, F.A.C. (Refund of Tax Paid on Purchases of Equipment, Machinery, and Other Materials for Renewable Energy Technologies), Rule 12A-1.097, F.A.C. (Public Use Forms), and Rule 12A-1.107, F.A.C. (Enterprise Zone and Florida Neighborhood Revitalization Programs), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

SALES AND USE TAX

RULE NO: RULE TITLE:

12A-1.0142 Refund of Tax Paid on Purchases of Equipment, Machinery, and Other Materials
for Renewable Energy Technologies

12A-1.097 Public Use Forms

12A-1.107 Enterprise Zone and Florida Neighborhood Revitalization Programs

PURPOSE AND EFFECT: The Department of Environmental Protection Florida Renewable Energy Technologies Sales Tax Program, as provided in Section 212.08(7)(ccc), F.S., established by Section 9, Chapter 2008-227, L.O.F., expired July 1, 2010. Section 1, Chapter 2011-3, L.O.F., removes the obsolete statutory section from the Florida Statutes. The purpose of the proposed repeal of Rule 12A-1.0142, F.A.C. (Refund of Tax Paid on Purchases of Equipment, Machinery, and Other Materials for Renewable Energy Technologies), is to remove obsolete provisions regarding the Department's administration of the Program.

Form DR-1 (Florida Business Tax Application) has been updated and reorganized to simplify the registration process for Florida's taxes administered by the Department and to obtain information from taxpayers that will allow the Department to provide information regarding Florida's tax laws to those taxpayers impacted by the law. In addition, the use of the sales and use tax returns is currently limited to reporting tax for a single calendar year. The purpose of the proposed amendments to Rule 12A-1.097, F.A.C. (Public Use Forms), is to: (1) adopt the changes to Form DR-1 (Florida Business Tax Application); (2) consolidate and simplify instructions for sales and use tax returns; and (3) remove the limitation of the use of the tax

return to a single calendar year.

Prior to posting forms and other documents on the Department's website, taxpayers were able to obtain forms and documents by fax, using the Department's Fax on Demand System.

With forms and documents readily available on the website, the Fax on Demand System has been discontinued. The purpose of the proposed rule amendments to Rule 12A-1.107, F.A.C. (Enterprise Zone and Florida Neighborhood Revitalization Programs), is to remove provisions regarding the obsolete Fax on Demand System.

SUMMARY: The proposed repeal of Rule 12A-1.0142, F.A.C. (Refund of Tax Paid on Purchases of Equipment, Machinery, and Other Materials for Renewable Energy Technologies), removes obsolete provisions regarding the Department's administration of the Program.

The proposed amendments to Rule 12A-1.097, F.A.C. (Public Use Forms), adopt, by reference, updates to Form DR-1 (Florida Business Tax Application), changes to sales and use tax returns, and updates to direct pay permits issued by the Department to qualified taxpayers.

The proposed amendments to Rule 12A-1.107, F.A.C. (Enterprise Zone and Florida Neighborhood Revitalization Programs), remove provisions regarding the obsolete Fax on Demand System.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that these rules will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. These rules are not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement

of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with registration to report sales and use activities, and activities for providing the public tax information, and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 201.11, 202.17(3)(a), 202.22(6), 202.26(3), 212.0515(7), 212.07(1)(b), 212.08(5)(b)4., (g)6., (h)6., (n)4., (o)4., (7), (15)(e), 212.11(5)(b), 212.12(1)(b)2., 212.17(6), 212.18(2), (3), 213.06(1), 376.70(6)(b), 376.75(9)(b), 403.718(3)(b), 403.7185(3)(b), 443.171(2), (7) FS.

LAW IMPLEMENTED: 92.525(1)(b), (3), 95.091, 119.071(5), 125.0104, 125.0108, 201.01, 201.08(1)(a), 201.133, 201.17(1)-(5), 202.11(2), (3), (6), (16), (24), 202.17, 202.22(3)-(6), 202.28(1), 203.01, 212.02, 212.03, 212.0305, 212.031, 212.04, 212.05, 212.0501, 212.0515, 212.054, 212.055, 212.06, 212.0606, 212.07(1), (8), (9), 212.08, 212.084(3), 212.085, 212.09, 212.096, 212.11(1), (4), (5), 212.12(1), (2), (9), (13), 212.13, 212.14(4), (5), 212.15(2), 212.17, 212.18(2), (3), 213.235, 213.255, 213.29, 213.37, 215.26, 219.07, 288.1083, 288.1258, 376.70, 376.75, 377.801-806, 403.717, 403.718, 403.7185, 443.036, 443.121(1), (3), 443.131, 443.1315, 443.1316, 443.171(2), (7) FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such

proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Janet Young, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

THE FULL TEXT OF THE PROPOSED RULES IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12A-1, FLORIDA ADMINISTRATIVE CODE
SALES AND USE TAX
AMENDING RULES 12A-1.097 AND 12A-1.107
REPEALING 12A-1.0142

12A-1.0142 Refund of Tax Paid on Purchases of Equipment, Machinery, and Other Materials for Renewable Energy Technologies.

Rulemaking Authority 212.08(7)(ccc), 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 212.08(7)(ccc), 213.255, 215.26, 377.801-.806 FS. History—New 6-4-08, Repealed.

12A-1.097 Public Use Forms.

(1) The following public use forms and instructions are employed by the Department in its dealings with the public related to the administration of Chapter 212, F.S. These forms are hereby incorporated by reference in this rule.

(a) No change.

(b) Forms (certifications) specifically denoted by an asterisk (*) are issued by the Department upon final approval of the appropriate application. Defaced copies of certifications, for purposes of example, may be obtained by written request directed to:

Florida Department of Revenue

Taxpayer Services

5050 West Tennessee Street, ~~Bldg. L~~

Tallahassee, Florida 32399-0112.

Form Number	Title	Effective Date
(2)(a) DR-1	<u>Florida Business Tax Application to Collect and/or Report Tax in Florida</u> (R. 07/11 09/09)	___ 06/10
<u>(b) DR-1N</u>	<u>Instructions for Completing the Florida Business Tax Application (Form DR-1)</u> (N. 07/11)	___
<u>(c)(b) DR-1CON</u>	Application for Consolidated Sales and Use Tax Filing Number (R. 02/11 03/04)	___ 09/04
(3) through (4)	No change.	
(5)(a) DR-7	Consolidated Sales and Use Tax Return (R. 01/12 01/11)	___ 01/11
(b) DR-7N	Instructions for Consolidated Sales and Use Tax Return (R. 01/12 01/11)	___ 01/11
(c) DR-15CON	Consolidated Summary - Sales and Use Tax Return (R. 01/12 01/11)	___ 01/11
(6)(a) DR-15	Sales and Use Tax Return (R. 01/12 01/11)	___ 01/11
<u>(b) DR-15N</u>	<u>Instructions for DR-15 Sales and Use Tax Returns (R. 01/12)</u>	___
(b) DR-15CS	Sales and Use Tax Return (R. 01/11)	01/11
(c) DR-15CSN	DR-15 Sales and Use Tax Instructions (R. 01/11)	01/11

(c) (d) DR-15EZ	Sales and Use Tax Return (R. <u>01/12</u> 01/11)	<u> </u> 01/11
(e) DR-15EZCSN	DR-15EZ Sales and Use Tax Return—Instructions	
	(R. 01/11)	01/11
(d) (f) DR-15EZN	Instructions for 2011 DR-15EZ Sales and	
	Use Tax Returns (R. <u>01/12</u> 01/11)	<u> </u> 01/11
(e) (g) DR-15JEZ	No change.	
(f) (h) DR-15MO	No change.	
(i) DR-15N	Instructions for 2011 DR-15 Sales and Use	
	Tax Returns (R. 01/11)	01/11

Renumber (j) through (m) as (g) through (j) No change.

(7)(a) No change.

(b) DR-16P*	Sales and Use Tax Direct Pay Permit	
	<u>(R. 09/11 N. 01/03)</u>	<u> </u> 06/03

(c) No change.

(8) through (23) No change.

Rulemaking Authority 201.11, 202.17(3)(a), 202.22(6), 202.26(3), 212.0515(7), 212.07(1)(b), 212.08(5)(b)4., (7), 212.11(5)(b), 212.12(1)(b)2., 212.17(6), 212.18(2), (3), 213.06(1), 376.70(6)(b), 376.75(9)(b), 403.718(3)(b), 403.7185(3)(b), 443.171(2), (7) FS. Law Implemented 92.525(1)(b), (3), 95.091, 119.071(5), 125.0104, 125.0108, 201.01, 201.08(1)(a), 201.133, 201.17(1)-(5), 202.11(2), (3), (6), (16), (24), 202.17, 202.22(3)-(6), 202.28(1), 203.01, 212.02, 212.03, 212.0305, 212.031, 212.04, 212.05, 212.0501, 212.0515, 212.054, 212.055, 212.06, 212.0606, 212.07(1), (8), (9), 212.08, 212.084(3), 212.085, 212.09, 212.096, 212.11(1), (4), (5), 212.12(1), (2), (9), (13), 212.13, 212.14(4), (5), 212.17, 212.18(2), (3), 213.235, 213.29, 213.37,

219.07, 288.1258, 376.70, 376.75, 403.717, 403.718, 403.7185, 443.036, 443.121(1), (3), 443.131, 443.1315, 443.1316, 443.171(2), (7) FS. History-New 4-12-84, Formerly 12A-1.97, Amended 8-10-92, 11-30-97, 7-1-99, 4-2-00, 6-28-00, 6-19-01, 10-2-01, 10-21-01, 8-1-02, 4-17-03, 5-4-03, 6-12-03, 10-1-03, 9-28-04, 6-28-05, 5-1-06, 4-5-07, 1-1-08, 4-1-08, 6-4-08, 1-27-09, 9-1-09, 11-3-09, 1-11-10, 4-26-10, 6-28-10, 7-12-10, 1-12-11,_____.

12A-1.107 Enterprise Zone and Florida Neighborhood Revitalization Programs.

(1) through (7) No change.

(8) OBTAINING FORMS.

(a) The forms referenced in this rule are available, without cost, by one or more of the following methods: 1) downloading the form from the Department's Internet site at www.myflorida.com/dor/forms; writing the Florida Department of Revenue, Taxpayer Services, Mail Stop 3-2000, 5050 West Tennessee Street, Tallahassee, Florida 32399-0112; or, 2) calling the Department at (800)352-3671, Monday through Friday, 8:00 a.m. to 7:00 p.m., Eastern Time; faxing the Distribution Center at (850)922-2208; or, 3) using a fax machine telephone handset to call the Department's automated Fax on Demand system at (850) 922-3676; or, 4) visiting any local Department of Revenue Service Center to personally obtain a copy; or, 4) writing the Florida Department of Revenue, Taxpayer Services, Mail Stop 3-2000, 5050 West Tennessee Street, Tallahassee, Florida 32399-0112 5) calling the Forms Request Line during regular office hours at (800) 352-3671; or, 6) downloading selected forms from the Department's Internet site at the address shown inside the parentheses (www.myflorida.com/dor). Persons with hearing or speech impairments may call the Department's TDD at (800) 367-8331.

(b) These forms may also be obtained from the Enterprise Zone Development Agency for

the enterprise zone in which the business is located.

(9) No change.

Rulemaking Authority 212.08(5)(g)6., (h)6., (n)4., (o)4., (15)(e), 212.11(5)(b), 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 212.08(5)(g), (h), (n), (o), (q), (15), 212.096, 212.11(5), 212.15(2), 212.17(6), 212.18(2) FS. History—New 1-3-96, Amended 6-19-01, 8-1-02, 5-4-03, 5-1-06,_____.

NAME OF PERSON ORIGINATING PROPOSED RULES: Janet Young, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULES: [To be inserted upon approval.]

DATE PROPOSED RULES APPROVED BY AGENCY HEAD: [To be inserted upon approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2184-2185). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12A-16, FLORIDA ADMINISTRATIVE CODE
RENTAL CAR SURCHARGE
AMENDING RULE 12A-16.008

SUMMARY OF PROPOSED RULE

The proposed amendments to Rule 12A-16.008, F.A.C. (Public Use Forms), will update forms used by the Department in the administration of solid waste fees and the rental car surcharge.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

Currently, the use of the solid waste and rental car surcharge form is limited to a single calendar year. The purpose of the proposed amendments to Rule 12A-16.008, F.A.C. (Public Use Forms), is to consolidate and simplify instructions for the solid waste fees and the rental car surcharge returns and to remove the limitation of the use of the tax return to a single calendar year.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, p. 2185), to advise the public of the development of changes to Rule 12A-16.008, F.A.C. (Public Use Forms), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

RENTAL CAR SURCHARGE

RULE NO: RULE TITLE:

12A-16.008 Public Use Forms

PURPOSE AND EFFECT: Currently, the use of the solid waste and rental car surcharge form is limited to a single calendar year. The purpose of the proposed amendments to Rule 12A-16.008, F.A.C. (Public Use Forms), is to consolidate and simplify instructions for the solid waste fees and the rental car surcharge returns and to remove the limitation of the use of the tax return to a single calendar year.

SUMMARY: The proposed amendments to Rule 12A-16.008, F.A.C. (Public Use Forms), will update forms used by the Department in the administration of solid waste fees and the rental car surcharge.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that this rule will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. This rule is not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with activities to report solid waste fees and the rental car surcharge and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would

exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 212.17(6), 212.18(2), 213.06(1) FS.

LAW IMPLEMENTED: 212.0606, 212.12(2), 213.235, 376.70, 403.717, 403.718, 403.7185 FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Janet Young, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

THE FULL TEXT OF THE PROPOSED RULE IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12A-16, FLORIDA ADMINISTRATIVE CODE
RENTAL CAR SURCHARGE
AMENDING RULE 12A-16.008

12A-16.008 Public Use Forms.

(1)(a) The following public use forms and instructions are employed by the Department of Revenue in its dealings with the public in administering the rental car surcharge, as provided in this rule chapter, and the solid waste fees, as provided in Rule Chapter 12A-12, F.A.C. These forms are hereby incorporated by reference in this rule.

(b) No change.

Form Number	Title	Effective Date
(2) DR-15SW	Solid Waste and Surcharge Return (R. <u>01/12</u> 01/11)	<u> </u> 01/11
(3) DR-15SWN	Instructions for DR-15SW Solid Waste and Surcharge Returns (R. <u>01/12</u> 01/11)	<u> </u> 01/11

(4) No change.

Rulemaking Authority 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 212.0606, 212.12(2), 213.235, 376.70, 403.717, 403.718, 403.7185 FS. History-New 11-14-89, Amended 7-7-91, 8-10-92, 3-21-95, 6-19-01, 4-17-03, 9-28-04, 6-28-05, 7-25-06, 4-5-07, 1-1-08, 1-27-09, 1-11-10, 1-12-11,_____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Janet Young, Tax Law Specialist,
Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443,
Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: [To be inserted
upon approval.]

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: [To be inserted upon approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of
Proposed Rule Development was published in the Florida Administrative Weekly on July 29,
2011 (Vol. 37, No. 30, p. 2185). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12B-7, FLORIDA ADMINISTRATIVE CODE
SEVERANCE TAXES, FEES, AND SURCHARGES
AMENDING RULES 12B-7.008 AND 12B-7.026

SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12B-7.008, F.A.C. (Public Use Forms), adopt, by reference, updates to Forms DR-144 and DR-144ES for reporting the tax on gas and sulfur production in Florida.

The proposed amendments to Rule 12B-7.026, F.A.C. (Public Use Forms), adopt, by reference, updates to Forms DR-142 and DR-142ES for reporting the severance taxes on the solid mineral production in Florida.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

The purpose of the proposed amendments to Rules 12B-7.008 and 12B-7.026, F.A.C. (Public Use Forms), is to adopt, by reference, changes to forms used by the Department in the administration of the severance tax imposed on oil, gas, sulfur, and solid minerals produced in Florida.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, p. 2188), to advise the public of the development of changes to Rules 12B-7.008 and 12B-7.026, F.A.C. (Public Use Forms), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

SEVERANCE TAXES, FEES, AND SURCHARGES

RULE NO: RULE TITLE:

12B-7.008 Public Use Forms

12B-7.026 Public Use Forms

PURPOSE AND EFFECT: The purpose of the proposed amendments to Rules 12B-7.008 and 12B-7.026, F.A.C. (Public Use Forms), is to adopt, by reference, changes to forms used by the Department in the administration of the severance tax imposed on oil, gas, sulfur, and solid minerals produced in Florida.

SUMMARY: The proposed amendments to Rule 12B-7.008, F.A.C. (Public Use Forms), adopt, by reference, updates to Forms DR-144 and DR-144ES for reporting the tax on gas and sulfur production in Florida.

The proposed amendments to Rule 12B-7.026, F.A.C. (Public Use Forms), adopt, by reference, updates to Forms DR-142 and DR-142ES for reporting the severance taxes on the solid mineral production in Florida.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that these rules will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. These rules are not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement

of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with activities to report severance taxes and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 211.075(2), 211.125(1), 211.33(6), 213.06(1), 1002.395(13) FS.

LAW IMPLEMENTED: 92.525(1)(b), (2), (3), (4), 211.02, 211.0251, 211.026, 211.075, 211.076, 211.125, 211.30, 211.31, 211.3103, 211.3106, 211.33, 213.755(1), 1002.395 FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Janet Young, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

THE FULL TEXT OF THE PROPOSED RULES IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12B-7, FLORIDA ADMINISTRATIVE CODE
SEVERANCE TAXES, FEES, AND SURCHARGES
AMENDING RULES 12B-7.008 AND 12B-7.026

12B-7.008 Public Use Forms.

(1)(a) The following forms and instructions are used by the Department in its administration of the taxes imposed on the production of oil, gas, and sulfur. These forms are hereby incorporated by reference in this rule.

(b) No change.

Form Number	Title	Effective Date
(2) DR-144	Gas and Sulfur Production Quarterly Tax Return (R. 07/11 01/11)	___ 01/11
(3) DR-144ES	Declaration of Estimated Gas and Sulfur Production Tax (R. 07/11 01/11)	___ 01/11

(4) through (5) No change.

Rulemaking Authority 211.075(2), 211.125(1), 213.06(1), 1002.395(13) FS. Law Implemented 92.525(1)(b), (2), (3), (4), 211.02, 211.0251, 211.026, 211.075, 211.076, 211.125, 213.755(1), 1002.395 FS. History-New 12-28-78, Formerly 12B-7.08, Amended 12-18-94, 5-4-03, 10-1-03, 11-6-07, 1-27-09, 1-11-10, 1-12-11,_____.

12B-7.026 Public Use Forms.

(1)(a) The following forms and instructions are used by the Department in its administration of the taxes and surcharge imposed on the severance of solid minerals, phosphate rock, or heavy minerals from the soils and waters of this state. These forms are hereby incorporated by reference in this rule.

(b) No change.

Form Number	Title	Effective Date
(2) DR-142	Solid Mineral Severance Tax Return (R. <u>01/12</u> 01/11)	<u> </u> 01/11
(3) DR-142ES	Declaration/Installment Payment of Estimated Solid Mineral Severance Tax (R. <u>01/12</u> 01/11)	<u> </u> 01/11

Rulemaking Authority 211.33(6), 213.06(1), 1002.395(13) FS. Law Implemented 92.525(2), 211.0251, 211.30, 211.31, 211.3103, 211.3106, 211.33, 213.755(1), 1002.395 FS. History-New 12-18-94, Amended 10-4-01, 5-4-03, 10-1-03, 11-6-07, 1-27-09, 1-11-10, 1-12-11,_____.

NAME OF PERSON ORIGINATING PROPOSED RULES: Janet Young, Tax Law Specialist,
Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443,
Tallahassee, Florida 32314-7443, telephone (850) 717-7610.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULES: [To be inserted
upon approval.]

DATE PROPOSED RULES APPROVED BY AGENCY HEAD: [To be inserted upon
approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of
Proposed Rule Development was published in the Florida Administrative Weekly on July 29,
2011 (Vol. 37, No. 30, p. 2188). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12B-8, FLORIDA ADMINISTRATIVE CODE
INSURANCE PREMIUM TAXES, FEES AND SURCHARGES
AMENDING RULES 12B-8.001, 12B-8.0012, 12B-8.003, 12B-8.006, AND 12B-8.016
REPEALING 12B-8.007

SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12B-8.001, F.A.C. (Premium Tax; Rate and Computation), update statutory references, remove unnecessary effective dates, remove provisions regarding the emergency excise tax, and update an example regarding credits against the tax.

The proposed amendments to Rule 12B-8.0012, F.A.C. (Insurance Policy Surcharge; Rate and Computation), remove unnecessary effective dates and the trust fund into which the insurance policy surcharge proceeds are deposited, as provided in section 252.372, F.S.

The proposed amendments to Rule 12B-8.003, F.A.C. (Tax Statement; Overpayments): (1) remove the requirement for a corporate officer or attorney to declare the correctness and completeness of the insurance premium tax, fee, and surcharge return that is redundant of provisions contained in insurance premium tax returns; and (2) adopt, by reference, changes to forms used by the Department in the administration of the insurance premium taxes, fees, and surcharges.

The proposed amendments to Rule 12B-8.006, F.A.C. (State Fire Marshal Regulatory Assessment and Surcharge; Levy and Amount), remove obsolete provisions regarding the trust

fund into which the regulatory assessment and surcharge are deposited. Section 624.516, F.S., requires the regulatory assessment imposed under section 624.515(1), F.S., and the surcharge imposed under section 624.515(2), F.S., to be deposited into the Insurance Regulatory Trust Fund.

The proposed repeal of Rule 12B-8.007, F.A.C. (Deposit of Certain Tax Receipts; Refund of Improper Payments), removes unnecessary provisions regarding the deposit and distribution of proceeds from all premium taxes that are provided in Section 624.521, F.S.

The proposed amendments to Rule 12B-8.016, F.A.C. (Retaliatory Provisions), remove unnecessary effective dates, obsolete provisions, and provisions regarding the emergency excise tax.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

The purpose of the proposed amendments to Rule Chapter 12B-8, F.A.C. (Insurance Premium Taxes, Fees and Surcharges), is to update statutory and rule references, remove unnecessary effective dates, remove provisions regarding the emergency excise tax repealed effective January 1, 2012, by section 22, Chapter 2011-76, L.O.F., and provide technical changes.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2188-2189), to advise the public of the development of changes to Rule Chapter 12B-8, F.A.C. (Insurance Premium Taxes, Fees and Surcharges), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

INSURANCE PREMIUM TAXES, FEES AND SURCHARGES

RULE NO: RULE TITLE:

12B-8.001 Premium Tax; Rate and Computation

12B-8.0012 Insurance Policy Surcharge; Rate and Computation

12B-8.003 Tax Statement; Overpayments

12B-8.006 State Fire Marshal Regulatory Assessment and Surcharge; Levy and Amount

12B-8.007 Deposit of Certain Tax Receipts; Refund of Improper Payments

12B-8.016 Retaliatory Provisions

PURPOSE AND EFFECT: The purpose of the proposed amendments to Rule Chapter 12B-8, F.A.C. (Insurance Premium Taxes, Fees and Surcharges), is to update statutory and rule references, remove unnecessary effective dates, remove provisions regarding the emergency excise tax repealed effective January 1, 2012, by section 22, Chapter 2011-76, L.O.F., and provide technical changes.

SUMMARY: The proposed amendments to Rule 12B-8.001, F.A.C. (Premium Tax; Rate and Computation), update statutory references, remove unnecessary effective dates, remove provisions regarding the emergency excise tax, and update an example regarding credits against the tax.

The proposed amendments to Rule 12B-8.0012, F.A.C. (Insurance Policy Surcharge; Rate and Computation), remove unnecessary effective dates and the trust fund into which the insurance policy surcharge proceeds are deposited, as provided in section 252.372, F.S.

The proposed amendments to Rule 12B-8.003, F.A.C. (Tax Statement; Overpayments):

(1) remove the requirement for a corporate officer or attorney to declare the correctness and completeness of the insurance premium tax, fee, and surcharge return that is redundant of provisions contained in insurance premium tax returns; and (2) adopt, by reference, changes to forms used by the Department in the administration of the insurance premium taxes, fees, and surcharges.

The proposed amendments to Rule 12B-8.006, F.A.C. (State Fire Marshal Regulatory Assessment and Surcharge; Levy and Amount), remove obsolete provisions regarding the trust fund into which the regulatory assessment and surcharge are deposited. Section 624.516, F.S., requires the regulatory assessment imposed under section 624.515(1), F.S., and the surcharge imposed under section 624.515(2), F.S., to be deposited into the Insurance Regulatory Trust Fund.

The proposed repeal of Rule 12B-8.007, F.A.C. (Deposit of Certain Tax Receipts; Refund of Improper Payments), removes unnecessary provisions regarding the deposit and distribution of proceeds from all premium taxes that are provided in Section 624.521, F.S.

The proposed amendments to Rule 12B-8.016, F.A.C. (Retaliatory Provisions), remove unnecessary effective dates, obsolete provisions, and provisions regarding the emergency excise tax.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that these rules will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. These rules are not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other

statute), before becoming effective for the following reasons: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with activities to report insurance premium taxes, fees, and surcharges and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 213.06(1), 220.183(4)(d), 288.99(11), 624.5105(4)(b), 1002.395(13) FS., Ch. 93-128, L.O.F.

LAW IMPLEMENTED: 92.525, 175.041, 175.101, 175.1015, 175.111, 175.121, 175.141, 175.151, 185.02, 185.03, 185.08, 185.085, 185.09, 185.10, 185.12, 185.13, 213.05, 213.053, 213.235, 213.37, 220.183, 220.19, 220.191, 252.372, 288.99, 440.51, 443.1216, 624.11, 624.402, 624.4072, 624.4094, 624.4621, 624.4625, 624.475, 624.501, 624.509, 624.5091, 624.5092, 624.50921, 624.510, 624.5105, 624.51055, 624.5107, 624.511, 624.515, 624.516, 624.518, 624.519, 624.520, 624.521, 624.601, 624.610, 626.7451(11), 627.311, 627.351, 627.3512, 627.357(9), 627.7711, 627.943, 628.6015, 629.401, 629.5011, 631.72, 632.626, 634.131, 634.313(2), 634.415(2), 636.066, 642.0301, 642.032, 1002.395 FS., Ch. 93-128, s. 29, Ch. 2005-280 L.O.F.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such

proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Terrence Branch, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-6196.

THE FULL TEXT OF THE PROPOSED RULES IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12B-8, FLORIDA ADMINISTRATIVE CODE
INSURANCE PREMIUM TAXES, FEES AND SURCHARGES
AMENDING RULES 12B-8.001, 12B-8.0012, 12B-8.003, 12B-8.006, AND 12B-8.016
REPEALING 12B-8.007

12B-8.001 Premium Tax; Rate and Computation.

(1) No change.

(a) A tax at the rate of 1.75 percent of the gross amount of receipts for insurance premiums and assessments shall be applied to the following types of policies:

1. through 2. No change.

3. Reciprocal insurance under Chapter 629 ~~Section 629.5011~~, F.S.

4. through 9. No change.

(b) No change.

(c) ~~A Effective July 1, 1988,~~ a tax at the rate of 1.6 percent of the gross premiums, contributions, and assessments received by the following shall be applied:

1. Commercial self-insurance fund under Section 624.475, F.S.

2. Group self-insurance fund under Section 624.4621, F.S.

(d) A tax at the rate of 1.6 percent of the gross premiums, contributions, or assessments received by the following shall be applied:

1. Medical Malpractice Self-Insurance under Section 627.357, F.S.

2. Assessable Mutual Insurers under Section 628.6015, F.S., ~~effective October 1, 1991.~~

3. Corporation Not for Profit Self-Insurance Funds under Section 624.4625, F.S.

4. Public Housing Authorities Self-Insurance Funds under Section 624.46226, F.S.

(e) No change.

(2) No change.

(a) The installment of the estimated premium tax due shall not be less than 90 percent of the amount finally shown to be due in any quarter, as evidenced by the annual report, without deductions for any credits. ~~The Effective January 1, 1993, the 90 percent is shall be~~ based on the actual tax paid for that year, as evidenced by the annual return, after allowable credits. The 90 percent will be determined by computing the gross tax due for each quarter, direct premiums written times the tax rate, less 25 percent of the allowable credits as evidenced by line 2 of the first page of the annual return filed for that year times 90 percent. However, the taxpayer has the option of paying, in each installment, 27 percent of the amount of annual tax reported, after allowable credits, on his return for the previous year without penalty or interest applying. If a return was not filed for the previous year, the installments must meet the 90 percent requirement. If the tax is not paid in this manner, a 10 percent penalty shall be imposed on each underpayment or late payment of tax due and payable for that quarter. If the installment is based on 27 percent of the amount of the annual tax reported on the return for the preceding year and the installment payment is remitted to the Department after the due date, the installment shall be based on the 90 percent requirement instead of the 27 percent method. Any underpayment or delinquent payment shall be subject to a penalty of 10 percent, and interest from the due date until paid.

(b) through (c) No change.

(3) Credits Against the Tax.

(a)1. The corporate income tax imposed under Chapter 220, F.S., ~~and the emergency~~

~~excise tax imposed under Chapter 221, F.S., which is~~ are, or should have been, filed and paid by an insurer shall discharge the liability for the insurance premium tax (~~HPT~~) imposed under Section 624.509, F.S., for the annual period in which such tax payment is, ~~payments are~~ or should have been made, to the extent of the maximum allowed. Any insurer issuing policies insuring against loss or damage from the risks of fire, tornado, and certain casualty lines may take a credit against gross premium receipts tax for the excise tax(es) imposed by Sections 175.101 and 185.08, F.S.

2.a. When an insurer is required to file a corporate income tax return where the due date and extended due date are in different calendar years, the due date, or the extended date when a valid extension of time is made of said Florida return, determines the annual period in which such tax payments should have been made.

b. For example, a Florida corporate income tax return for tax year ending August 31, 2013 ~~2000~~, is due, without extension, on December 1, 2013 ~~2000~~. Since the Florida corporate income tax return is due on or before December 31, 2013 ~~2000~~, the insurer should include the amount of tax due on the return in computation of the corporate income tax ~~and emergency excise tax~~ credit on its 2013 ~~2000~~ insurance premium tax return (Form, ~~the~~ ~~2000~~ DR-908, which is due March 1, 2014) ~~2001~~. If, however, the insurer extended the due date of the Florida corporate income tax return to June 1, 2014 ~~2001~~, and did not file and pay the return on or before December 31, 2013 ~~2000~~, the amount of tax due on the return is included in the computation of the corporate income tax ~~and emergency excise tax~~ credit on its 2014 ~~2001~~ insurance premium tax return (Form, ~~the~~ ~~2001~~ DR-908, which is due March 1, 2015) ~~2002~~.

3. If a taxpayer is required to amend its corporate income tax liability under Chapter 220, F.S., the taxpayer shall amend its corresponding insurance premium tax return for the tax year in

which it claimed, or was entitled to claim the credit provided in Section 624.509(4), F.S., for the corporate income tax paid for that tax year. The taxpayer shall file an amended insurance premium tax return and pay additional tax due, if any, or claim a refund, if any, as provided in Section 624.50921, F.S.

(b) Salaries. Fifteen percent of the amount paid ~~after June 30, 1988,~~ in salaries by the insurer to employees located or based in Florida may be credited against the net tax imposed by Section 624.509, F.S.

1. through 2. No change.

3. Salary credit shall be allowed only to the extent that:

a. The employees are not disqualified under Section 624.509(5), F.S.;

b. The employees are located or based in Florida; and

c. The insurer claiming the credit is the employer, as defined in Section 443.036~~(17)~~, F.S., of the claimed employees, and said insurer satisfies the Chapter ~~60BB-2 38B-2~~, F.A.C., filing requirements.

4. through 5. No change.

6. Net tax is the tax imposed under Section 624.509(1), F.S., after deductions for the corporate income tax imposed under Chapter 220, F.S., ~~the emergency excise tax imposed under Chapter 221, F.S.,~~ and for gross premium receipts tax payable for firefighters' ~~firefighter's~~ pension trust funds under Section 175.101, F.S., and police officers' retirement funds under Section 185.08, F.S.

7. Salary Tax Credit Exceptions.

a. through c. No change.

d. ~~Effective July 1, 2006,~~ Section 624.509(6)(b), F.S., provides that, to the extent that the

salary tax credit is limited by the 65 percent limitation, the excess of the salary tax credit that was available and exceeded the 65 percent limitation may be transferred to any insurer that is a member of that insurer's affiliated group if such excess salary tax credit is related to salaries and wages of employees whose place of employment is located within an enterprise zone created pursuant to Chapter 290, F.S. The amount of such excess salary tax credit transferred to all affiliates can not exceed 25 percent of such excess salary tax credit. An affiliated group of corporations that participates in a concurrent common paymaster arrangement as defined in Section 443.1216, F.S., is not eligible to use this provision. Any such transferred credits are subject to the same provisions and limitations set forth in Part IV, Chapter 624, F.S.

(c) Assessments Credited Against the Tax.

1. No change.

2.a. Insurers ~~Effective with the tax return filed for the 1997 taxable year, insurers~~ who have paid an assessment to the Florida Life and Health Insurance Guaranty Association (Association) may claim a credit for part of such assessment as provided in Section 631.72, F.S. Any credits not taken or utilized when available cannot be carried forward.

b. through c. No change.

(d) No change.

(e) Certified Capital Company (CAPCO) Credit.

1. through 2. No change.

3. Transfer/Sale of CAPCO Credit. ~~Effective May 26, 2005,~~ CAPCO credits may be sold. A transfer or sale of a CAPCO credit will not affect the time schedule for taking the CAPCO credit. The claim of a transferee of a certified investor's unused CAPCO credit is permitted in the same manner and subject to the same provisions and limitations as the original certified investor.

Transfers or sales of a current year CAPCO credit (the amount of CAPCO credit available to be claimed in the current tax year), future year CAPCO credits (the amount of CAPCO credit available to be claimed in future years - excluding carryover CAPCO credits), and CAPCO credit carryovers (the amount of CAPCO credit carried over from prior years where the current year CAPCO credit at that time was not fully used) are allowed.

a. through b. No change.

4. No change.

(f) No change.

(4) The maximum allowable credit for corporate income tax, ~~emergency excise tax~~ and salaries cannot exceed sixty-five percent of the tax due under Section 624.509(1), F.S., after deducting the taxes paid under Sections 175.101 and 185.08, F.S., and assessments pursuant to Section 440.51, F.S.

(5) No change.

(6) Credits and deductions against the tax imposed by Sections 624.509 and 624.510, F.S., shall be taken in the following order:

(a) Deductions for assessments under Section 440.51, F.S.

(b) Credits for taxes paid under Sections 175.101 and 185.08, F.S.

(c) Credits for corporate income taxes paid under Chapter 220, F.S.

~~(d) Credits for the emergency excise tax paid under Chapter 221, F.S.~~

~~(d)~~(e) Salary tax credit.

~~(e)~~(f) All other available credits and deductions.

~~(f)~~(g) A refund will not be created by credits.

(7) through (9) No change.

Rulemaking Authority 213.06(1), 220.183(4)(d), 288.99(11), 624.5105(4)(b), 1002.395(13) FS.
Law Implemented 175.101, 175.1015, 175.121, 175.141, 185.08(3), 185.085, 185.10, 185.12,
213.05, 213.235, 220.183(3), 288.99(11), 624.4621, 624.46226, 624.4625, 624.475, 624.509,
624.5092, 624.50921, 624.510, 624.5105, 624.51055, 624.511, 624.518, 624.519, 624.520(2),
626.7451(11), 627.3512, 627.357(9), 628.6015, 629.5011, 634.131, 634.313(2), 634.415(2),
1002.395 FS. History—New 2-3-80, Formerly 12B-8.01, Amended 3-25-90, 4-10-91, 2-18-93, 6-
16-94, 10-19-94, 1-2-96, 12-9-97, 6-2-98, 4-2-00, 10-15-01, 8-1-02, 6-20-06, 9-1-09, 4-26-10, 6-
6-11,_____.

12B-8.0012 Insurance Policy Surcharge; Rate and Computation.

(1) Every insurer must collect a surcharge of \$2 and \$4 from the policyholders of certain types of property insurance issued or renewed ~~on or after May 1, 1993. The proceeds will be deposited into the Emergency Management, Preparedness, and Assistance Trust Fund.~~

(2) The \$2 surcharge applies to each residential dwelling fire policy, homeowner's, mobile homeowner's, tenant homeowner's, condominium unit owner's, and any other type of insurance coverage on residential property, ~~issued or renewed on or after May 1, 1993.~~

(3) The \$4 surcharge applies to each commercial fire, commercial multiple peril, and business owner's property insurance policy ~~issued or renewed on or after May 1, 1993,~~ including marine policies if the coverage includes real property.

(4) through (14) No change.

Rulemaking Specific Authority 213.06(1) FS., Ch. 93-128, L.O.F. Law Implemented 624.5092 FS., Ch. 93-128, L.O.F. History—New 6-16-94, Amended 6-20-06,_____.

12B-8.003 Tax Statement; Overpayments.

(1) Tax returns and reports shall be made by insurers on forms prescribed by the Department. These forms are hereby incorporated by reference in this rule.

(2) No change.

~~(3) The prescribed forms shall be sworn by one or more of the executive officers or attorney (if reciprocal insurer) of the insurer making the return, by signing the return after attesting to the following:~~

~~“Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has any knowledge [Section 92.525(1)(b), F.S.]” Tax returns and accompanying data will be maintained by the Department for purposes of analysis and audit.~~

~~(3)~~(4) No change.

Form Number	Title	Effective Date
(4) (5)(a) DR-907	Florida Insurance Premium Installment Payment (R. <u>01/12</u> 01/11)	<u>01/11</u> 01/11
(b) DR-907N	Information for Filing Insurance Premium Installment Payment (Form DR-907) (R. <u>01/12</u> 01/11)	<u>01/11</u> 01/11
(5) (6)(a) DR-908	Insurance Premium Taxes and Fees Return for Calendar Year <u>2011</u> 2010 (R. <u>01/12</u> 01/11)	<u>01/11</u> 01/11
(b) DR-908N	Instructions for Preparing Form DR-908 Florida	

Insurance Premium Taxes and Fees Return

(R. 01/12 ~~01/11~~) _____ ~~01/11~~

~~(6)(7)~~ DR-350900 2011 ~~2010~~ Insurance Premium Tax Information
for Schedules XII and XIII, DR-908

(R. 01/12 ~~01/11~~) _____ ~~01/11~~

Rulemaking Authority 213.06(1) FS. Law Implemented 92.525, 175.041, 175.101, 175.1015, 175.111, 175.121, 175.141, 175.151, 185.02, 185.03, 185.08, 185.085, 185.09, 185.10, 185.12, 185.13, 213.05, 213.053, 213.235, 213.37, 220.183, 220.19, 220.191, 252.372, 288.99, 440.51, 443.1216, 624.11, 624.402, 624.4072, 624.4094, 624.4621, 624.4625, 624.475, 624.501, 624.509, 624.5091, 624.5092, 624.50921, 624.510, 624.5105, 624.5107, 624.511, 624.515, 624.516, 624.518, 624.519, 624.520, 624.521, 624.601, 624.610, 626.7451(11), 627.311, 627.351, 627.3512, 627.357(9), 627.7711, 627.943, 628.6015, 629.401, 629.5011, 631.72, 632.626, 634.131, 634.313(2), 634.415(2), 636.066, 642.0301, 642.032, FS., Ch. 93-128, s. 29, Ch. 2005-280, L.O.F. History–New 2-3-80, Formerly 12B-8.03, Amended 3-25-90, 3-10-91, 2-18-93, 6-16-94, 12-9-97, 3-23-98, 7-1-99, 10-15-01, 8-1-02, 5-4-03, 9-28-04, 6-28-05, 6-20-06, 4-5-07, 1-1-08, 1-27-09, 1-11-10, 1-12-11, _____.

12B-8.006 State Fire Marshal Regulatory Assessment and Surcharge; Levy and Amount.

(1) through (4) No change.

~~(5) The surcharge imposed under Section 624.515(2), F.S., shall be deposited by the Department of Revenue, when received and audited, into the Fire College Trust Fund.~~

Rulemaking Authority 213.06(1) FS. Law Implemented 213.05, 624.509, 624.510, 624.511, 624.515, 624.516 FS. History–New 2-3-80, Formerly 12B-8.06, Amended 4-10-91, 2-18-93, 12-

9-97, 7-31-03, 12-25-08,_____.

12B-8.007 Deposit of Certain Tax Receipts; Refund of Improper Payments.

Rulemaking Authority 20.21(5) FS. Law Implemented 624.521 FS. History–New 2-3-80,

Formerly 12B-8.07, Repealed_____.

12B-8.016 Retaliatory Provisions.

(1) through (2) No change.

(3)(a) Other items which shall be included in the retaliatory calculations are:

1. The excise taxes imposed under Sections 175.101 and 185.08, F.S., as well as comparable taxes in other states.

2. The State Fire Marshal Regulatory Assessment imposed under Section 624.515, F.S., as well as comparable assessments in other states.

3. The Florida corporate income tax (CIT) imposed under Chapter 220, F.S., ~~and the emergency excise tax imposed under Chapter 221, F.S.~~, as well as comparable taxes in other states. Insurers ~~must~~ should always use the prior year's taxable income and resulting CIT liability when calculating Florida's aggregate taxes. However, the insurer ~~must~~ should use the income from the taxable year applicable for calculating any CIT in its state of incorporation. Such taxable years may vary depending upon the individual state's taxing statutes. These taxable years may reflect the prior year's taxable income or the current year's taxable income.

4. through 6. No change.

~~7. Any credits obtained prior to January 1, 1990, pursuant to the provisions of Section 624.5105, F.S.~~

(b) through (c) No change.

(4) ~~The~~ For the years 1997 and after, the amount of any deduction against premium taxes granted under Section 440.51, F.S., as well as comparable deductions in other states shall be added back to net premium taxes.

(5) ~~For purposes of this rule, the corporate income tax return (CIT) imposed under Chapter 220, F.S., and the emergency excise tax (EET) imposed under Chapter 221, F.S., is the amount of CIT and EET used to compute the corporate income and emergency excise tax credit in Rule 12B-8.001, F.A.C.~~

Rulemaking Authority 213.06(1) FS. Law Implemented 213.05, 624.509, 624.5091, 624.5092 FS. History—New 3-25-90, Amended 4-10-91, 12-9-97, 3-23-98, 10-15-01, 6-1-09,_____.

NAME OF PERSON ORIGINATING PROPOSED RULES: Terrence Branch, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-6196.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULES: [To be inserted upon approval.]

DATE PROPOSED RULES APPROVED BY AGENCY HEAD: [To be inserted upon approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2188-2189). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12C-1, FLORIDA ADMINISTRATIVE CODE
CORPORATE INCOME TAX
AMENDING RULES 12C-1.003, 12C-1.051, AND 12C-1.343

SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12C-1.003, F.A.C. (Definitions), define the term “written notice” to include any original or amended corporate income tax or franchise tax return, or any original or amended emergency excise tax return due prior to January 1, 2012.

The proposed amendments to Rule 12C-1.051, F.A.C. (Forms), adopt, by reference, changes to tax returns used by the Department in the administration of the corporate income tax and remove obsolete Form DR-703 (Dealer Questionnaire), which is no longer used by the Department.

The proposed amendments to Rule 12C-1.343, F.A.C. (Interest Computations): (1) update the provisions regarding interest, as provided in Section 220.807, F.S., on any underpayment or erroneous refund of the corporate income tax or franchise tax, or the emergency excise tax imposed prior to January 1, 2012, and the payment of interest on any overpayment of such taxes; (2) remove obsolete or unnecessary provisions; and (3) provide how to obtain the interest rates.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

Effective January 1, 2012, Section 22, Chapter 2011-76, L.O.F., repeals the emergency excise tax.

The purpose of the proposed amendments to Rule 12C-1.003, F.A.C. (Definitions), is to update the definition of the term “written notice” to include any original or amended corporate income tax or franchise tax return, or any original or amended emergency excise tax return due prior to January 1, 2012.

The purpose of the proposed amendments to Rule 12C-1.051, F.A.C. (Forms), is to adopt, by reference, changes to tax returns used by the Department in the administration of the corporate income tax, and to remove an obsolete form no longer used by the Department.

The purpose of the proposed amendments to Rule 12C-1.343, F.A.C. (Interest Computations), is to: (1) update the provisions regarding interest, as provided in Section 220.807, F.S., on any underpayment or erroneous refund of the corporate income tax or franchise tax, or the emergency excise tax imposed prior to January 1, 2012, and the payment of interest on any overpayment of such taxes, removing obsolete or unnecessary provisions; and (2) provide how to obtain the interest rates.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2189-2190), to advise the public of the

development of changes to Rule 12C-1.003, F.A.C. (Definitions), Rule 12C-1.051, F.A.C. (Forms), and Rule 12C-1.343, F.A.C. (Interest Computations), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

CORPORATE INCOME TAX

RULE NO: RULE TITLE:

12C-1.003 Definitions

12C-1.051 Forms

12C-1.343 Interest Computations

PURPOSE AND EFFECT: Effective January 1, 2012, Section 22, Chapter 2011-76, L.O.F., repeals the emergency excise tax.

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RULEMAKING AUTHORITY: 213.06(1), 220.1896(9), 220.192(5), (7), 220.193(4), 220.51, 288.9921, 1002.395(13) FS.

LAW IMPLEMENTED: 119.071(5), 213.755(1), 220.11, 220.12, 220.13(1), (2), 220.14, 220.15, 220.16, 220.181, 220.182, 220.183, 220.184, 220.1845, 220.185, 220.186, 220.1875, 220.1895, 220.1896, 220.19, 220.191, 220.192, 220.193, 220.21, 220.211, 220.22, 220.221, 220.222, 220.23, 220.24, 220.241, 220.31, 220.32, 220.33, 220.34, 220.41, 220.42, 220.43, 220.44, 220.51, 220.721, 220.723, 220.725, 220.737, 220.801, 220.803, 220.805, 220.807, 220.809, 221.04, 288.9916, 624.51055, 1002.395 FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Jennifer Ensley, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-7659.

THE FULL TEXT OF THE PROPOSED RULES IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12C-1, FLORIDA ADMINISTRATIVE CODE
CORPORATE INCOME TAX
AMENDING RULES 12C-1.003, 12C-1.051, AND 12C-1.343

12C-1.003 Definitions. Any term used in these rules shall have the meaning which is ascribed to it in Chapter 220, F.S., unless a clearly different meaning is indicated from the context in which the term is used. For the purposes of these rules:

(1) through (5) No change.

(6) “Written Notice” means any corporate income tax, franchise tax, or emergency excise tax return ~~the corporate income/franchise and emergency excise tax return~~ required by Section Sections 220.22, F.S., former Section and 221.04, F.S., or Rule 12C-1.022, F.A.C., amended returns (Form F-1120X or an amended F-1120 or F-1120A), or a final determination made pursuant to an audit.

Rulemaking Authority 213.06(1), 220.51 FS. Law Implemented 220.03, 220.13, 220.15, 220.16, 220.22, 220.63, 220.64 FS. History—New 10-20-72, Amended 10-8-74, 8-4-75, 9-6-76, 4-11-77, 12-18-83, Formerly 12C-1.03, Amended 12-21-88, 4-8-92, 5-17-94,_____.

12C-1.051 Forms.

(1)(a) The following forms and instructions are used by the Department in its administration of the corporate income tax and franchise tax. These forms are hereby incorporated by reference in this rule.

(b) No change.

Form Number	Title	Effective Date
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(2) DR-703	Dealer Questionnaire (R. 01/10)	06/10
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~~(2)(3)~~ No change.

(3)(4)(a) F-1065	Florida Partnership Information Return (R. <u>01/12</u> 01/11)	<u>01/11</u>
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(b) F-1065N	Instructions for Preparing Form F-1065 Florida Partnership Information Return (R. <u>01/12</u> 01/11)	<u>01/11</u>
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(4)(5) F-1120A	Florida Corporate Short Form Income Tax Return (R. <u>01/12</u> 01/11)	<u>01/11</u>
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(5)(6)(a) F-1120	Florida Corporate Income/Franchise and Emergency Excise Tax Return (R. <u>01/12</u> 01/11)	<u>01/11</u>
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(b) F-1120N	F-1120 Instructions – Corporate Income/Franchise and Emergency Excise Tax Return for taxable years beginning on or after January 1, <u>2011</u> 2010 (R. <u>01/12</u> 01/11)	<u>01/11</u>
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(6)(7) F-1120ES	Declaration/Installment of Florida Estimated Income/Franchise and Emergency Excise Tax For Taxable Year Beginning on or after January 1, <u>2012</u> 2011 (R. <u>01/12</u> 01/11)	<u>01/11</u>
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(8) through (11) Renumbered (7) through (10) No change.

~~(11)(12)(a)~~ No change.

(b) F-1193T Notice of Intent to Transfer A Florida Energy Tax
Credit (R. 01/12 ~~01/11~~) _____ ~~01/11~~

~~(12)~~(13) No change.

~~(13)~~(14) F-7004 Florida Tentative Income/Franchise and
Emergency Excise Tax Return and Application
for Extension of Time to File Return
(R. 01/12 ~~01/11~~) _____ ~~01/11~~

Rulemaking Authority 213.06(1), 220.192(7), 220.193(4), 220.51, 1002.395(13) FS. Law
Implemented 119.071(5), 213.755(1), 220.11, 220.12, 220.13(1), (2), 220.14, 220.15, 220.16,
220.181, 220.182, 220.183, 220.184, 220.1845, 220.185, 220.186, 220.1875, 220.1895,
220.1896, 220.19, 220.191, 220.192, 220.193, 220.21, 220.211, 220.22, 220.221, 220.222,
220.23, 220.24, 220.241, 220.31, 220.32, 220.33, 220.34, 220.41, 220.42, 220.43, 220.44,
220.51, 220.721, 220.723, 220.725, 220.737, 220.801, 220.803, 220.805, 220.807, 220.809,
221.04, 624.51055, 1002.395 FS. History—New 9-26-77, Amended 12-18-83, Formerly 12C-
1.51, Amended 12-21-88, 12-31-89, 1-31-91, 4-8-92, 12-7-92, 1-3-96, 3-18-96, 3-13-00, 6-19-
01, 8-1-02, 6-19-03, 3-15-04, 9-24-04, 6-28-05, 5-1-06, 4-5-07, 1-1-08, 1-27-09, 1-11-10, 4-26-
10(12)(a),(b), 4-26-10(13)(a),(b), 6-28-10, 1-12-11, 6-6-11,_____.

12C-1.343 Interest Computations.

(1) ~~The Effective for taxable years ending on or after December 31, 1986, the interest rate~~
on any underpayment of tax or on any overpayment will be determined pursuant to Section
220.807, F.S.

~~(2) For taxable years ending on or after December 31, 1986, interest shall be allowed and~~

~~paid in accordance with the provision of Section 220.807, F.S., upon any overpayment.~~

~~(2)(3)(a) Interest For taxable years ending on or after December 31, 1986, interest on any overpayment accrues ~~shall accrue~~ from the date the taxpayer files written notice with the Department. However, if an overpayment is refunded or credited within 3 months after the date upon which the taxpayer files written notice advising the Department ~~department~~ of the overpayment, no interest is ~~shall be~~ allowed on such overpayment.~~

(b) Subsection 12C-1.003(6), F.A.C., defines “written notice” as an original return, an amended return, or a final determination of an audit liability.

~~(3)(4) Interest on deficiencies For taxable years ending prior to December 31, 1986, interest accrues from the due date of the return without regard to extensions of time to file.~~

~~(4)(5) Erroneous refund.~~

~~(a) Any tax, interest or penalty which has been erroneously refunded for a taxable year ending before December 31, 1986, and which is recoverable by the Department, shall bear interest at the rate of 12 percent per year. Interest will be assessed from the date of payment of such refund to the date of recovery.~~

~~(b) Any tax, interest, or penalty which has been erroneously refunded for a taxable year ending on or after December 31, 1986, and which is recoverable by the Department will ~~shall~~ bear interest at the rate provided in Section 220.807, F.S., and will be assessed from the date of payment of such refund to the date of recovery.~~

~~(c) Erroneous refund. An amount will be considered to be an “erroneous refund” whenever a taxpayer is refunded any amount of tax finally determined to be due. The interest provisions of Section 220.809(6), F.S., apply to an amount equal to the refund, regardless of whether the basis for the refund is the same basis for which a deficiency is later assessed. Any~~

~~additional tax, penalty, or interest should be assessed within the time limitations set forth in Section 95.091(3)(a)1.a., F.S., and interest computed pursuant to Section 220.809(1), F.S.~~

~~(5)(6)~~ The daily rate of interest computed under this rule shall use a year based on 365 days, and 366 days in a leap year. This daily rate will be carried out to nine decimal places.

~~(6)(7)~~ Interest Rates.

~~(a) The interest rate determined pursuant to Section 220.807, F.S., is subject to change on January 1st and July 1st of each year. Effective January 1, 1987, interest rates are computed every 6 months.~~

~~(b) The applicable interest rate for any period can be obtained by:~~

~~1. Accessing the Department's website at www.myflorida.com/dor/taxes; or,~~

~~2. Calling Taxpayer Services during regular business hours at (800) 352-3671.~~

~~3. Persons with hearing or speech impairments may call the Department's TDD at (800)367-8331 or (850)922-1115 is published as a Tax Information Publication (TIP), by the Department. The applicable interest rate may also be obtained through the Department's Fax on Demand Document Retrieval System by dialing (850) 922-3676 from the handset of the fax machine.~~

~~Rulemaking Specific Authority 213.06(1), 220.51 FS. Law Implemented 220.723, 220.807, 220.809 FS. History—New 4-2-78, Amended 12-21-88, 4-8-92, 5-17-94, 3-18-96,_____.~~

NAME OF PERSON ORIGINATING PROPOSED RULES: Jennifer Ensley, Tax Law Specialist, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-7659.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULES: [To be inserted upon approval.]

DATE PROPOSED RULES APPROVED BY AGENCY HEAD: [To be inserted upon approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, pp. 2189-2190). No comments were received by the Department.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12C-2, FLORIDA ADMINISTRATIVE CODE
INTANGIBLE PERSONAL PROPERTY TAX
AMENDING RULE 12C-2.0115

SUMMARY OF PROPOSED RULE

The proposed amendments to Rule 12C-2.0115, F.A.C. (Public Use Forms), adopt, by reference, changes to the form used by the Department in the administration of the tax on governmental leasehold estates.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

The purpose of the proposed amendments to Rule 12C-2.0115, F.A.C. (Public Use Forms), is to adopt, by reference, changes to the forms used by the Department in the administration of the tax on governmental leasehold estates and to provide the 2012 Valuation Factor Table used to calculate the amount of tax due.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

AUGUST 16, 2011

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, p. 2190), to advise the public of the development of changes to Rule 12C-2.0115, F.A.C. (Public Use Forms), and to provide that, if requested in writing, a rule development workshop would be held on August 16, 2011. No request was received by the Department. No written comments have been received by the Department.

NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

INTANGIBLE PERSONAL PROPERTY TAX

RULE NO: RULE TITLE:

12C-2.0115 Public Use Forms

PURPOSE AND EFFECT: The purpose of the proposed amendments to Rule 12C-2.0115, F.A.C. (Public Use Forms), is to adopt, by reference, changes to the forms used by the Department in the administration of the tax on governmental leasehold estates and to provide the 2012 Valuation Factor Table used to calculate the amount of tax due.

SUMMARY: The proposed amendments to Rule 12C-2.0115, F.A.C. (Public Use Forms), adopt, by reference, changes to the form used by the Department in the administration of the tax on governmental leasehold estates.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The agency has determined that this rule will not have an adverse impact on small business. A Statement of Estimated Regulatory Cost has not been prepared by the agency. Any person who wishes to provide information regarding regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice. This rule is not expected to require legislative rule ratification under Section 120.541(3), F.S. (or any other statute), before becoming effective for the following reasons: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences with activities to report the tax on government leasehold estates and rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

RULEMAKING AUTHORITY: 199.202(2), 213.06(1) FS.

LAW IMPLEMENTED: 119.071(5), 196.199(2), 199.032 (2005), 199.042 (2005), 199.103(7), 199.135 (2005), 199.202, 199.232, 199.282 (2005), 199.292, 213.24(3), 215.26 FS.

A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW:

DATE AND TIME: [To be inserted upon approval.]

PLACE: [To be inserted upon approval.]

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tammy Miller at (850) 617-8346. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Tim Phillips, Revenue Program Administrator I, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850)717-7224.

THE FULL TEXT OF THE PROPOSED RULE IS:

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12C-2, FLORIDA ADMINISTRATIVE CODE
INTANGIBLE PERSONAL PROPERTY TAX
AMENDING RULE 12C-2.0115

12C-2.0115 Public Use Forms.

(1)(a) The following public use forms and instructions are employed by the Department in its dealings with the public related to administration of the intangible tax. These forms are hereby incorporated and made a part of this rule by reference.

(b) No change.

Form Number	Title	Effective Date
(2) DR-601G	Governmental Leasehold Intangible Personal Property Tax Return for <u>2012</u> 2011 Tax Year (R. <u>01/12</u> 01/11)	<u>01/11</u>

(3) through (5) No change.

Rulemaking Authority 199.202(2), 213.06(1) FS. Law Implemented 119.071(5), 196.199(2), 199.032 (2005), 199.042 (2005), 199.103(7), 199.135 (2005), 199.202, 199.232, 199.282 (2005), 199.292, 213.24(3), 215.26 FS. History-New 11-21-91, Amended 1-5-94, 10-9-01, 5-4-03, 9-28-04, 6-28-05, 10-30-06, 1-28-08, 1-27-09, 1-31-10, 2-7-11,_____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Tim Phillips, Revenue Program Administrator I, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850)717-7224.

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: [To be inserted upon approval.]

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: [To be inserted upon approval.]

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on July 29, 2011 (Vol. 37, No. 30, p. 2190). No comments were received by the Department.



Executive Director
Lisa Vickers

September 20, 2011

MEMORANDUM

TO: The Honorable Rick Scott, Governor
Attention: Marc Slager, Deputy Chief of Staff/Cabinet Affairs Director
Rachel Goodson, Cabinet Aide

The Honorable Jeff Atwater, Chief Financial Officer
Attention: Robert Tornillo, Chief Cabinet Aide

The Honorable Pam Bondi, Attorney General
Attention: Kent Perez, Associate Deputy Attorney General/General Counsel
Rob Johnson, Cabinet Affairs Director

The Honorable Adam Putnam, Commissioner of Agriculture and Consumer Services
Attention: Jim Boxold, Chief Cabinet Aide
Brooke McKnight, Cabinet Aide

FROM: French Brown, Deputy Director, Technical Assistance and Dispute Resolution

SUBJECT: Requesting Adoption and Approval to File and Certify Proposed Rule –
Undistributable Child Support Collections

Statement of Sections 120.54(3)(b) and 120.541, F.S., Impact: No impact.

The Department has reviewed the proposed rules for compliance with Sections 120.54(3)(b) and 120.541, F.S. The proposed rules will not likely have an adverse impact on small business, small counties, or small cities, and they are not likely to have an increased regulatory cost in excess of \$200,000 within 1 year. Additionally, the proposed rules are not likely to have an adverse impact or increased regulatory costs in excess of \$1,000,000 within 5 years.

What is the Department Requesting? The Department requests final adoption and approval to file and certify with the Secretary of State proposed Rule 12E-1.0051, F.A.C. (*Undistributable Collections*).

ATTACHMENT #5

Child Support Enforcement – Ann Coffin, Director • General Tax Administration – Jim Evers, Director
Property Tax Oversight – James McAdams, Director • Information Services – Tony Powell, Director

www.myflorida.com/dor
Tallahassee, Florida 32399-0100

Undistributable Child Support Collections

Why is the proposed rule necessary?: Section 409.2558(3), F.S., requires the Department to establish a method to determine when a child support collection or refund cannot be distributed to the intended recipient due to the death of or the inability to locate the recipient.

What does this proposed rule do?: The proposed rule provides the method that the Department will use to attempt to locate an intended child support recipient for the purpose of distributing a child support collection or refund to that person. If the Department is unable to locate the recipient using the sources set out in the proposed rule, then the monies will be processed according to statute. The proposed rule also provides the method to be used by the intended recipient to reclaim any amounts determined to be undistributable.

Were comments received from external parties?: A rule development workshop was scheduled for November 22, 2010, on request. No request was received to hold the scheduled workshop. A rule hearing was held on August 1, 2011. No one attended to provide comment and no written comments were received from the public.

Attached are copies of:

- Summary of the proposed rule, which includes:
 - Statement of facts and circumstances justifying the rule;
 - Federal comparison statement; and
 - Summary of rule workshop
- Rule text

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12E-1, FLORIDA ADMINISTRATIVE CODE
CHILD SUPPORT ENFORCEMENT PROGRAM
CREATING RULE 12E-1.0051

SUMMARY OF PROPOSED RULE

The proposed creation of Rule Chapter 12E-1.0051, Florida Administrative Code, provides guidance to the public about the Department's procedures for locating individuals to whom collections or refunds are owed, processing undistributable collections, allowing individuals to reclaim an undistributable collection, and processing refund requests. The proposed rule also tells the public that if the Department disburses a payment of less than \$1.00 by paper check and the check is not cashed after 180 days, or if less than \$1 is owed on a closed Title IV-D case, the Department will process the payment as program income, which is split between the state (General Revenue Fund) and federal government.

FACTS AND CIRCUMSTANCES JUSTIFYING THE PROPOSED RULE

Section 409.2558(3) F.S., requires the Department to establish by rule a method to determine a collection or refund to be undistributable to the final intended recipient. The law also authorizes the Department to process, as program income, payments the Department disburses that are less than \$1.00 by paper check and the check is not cashed after 180 days, or any payment less than \$1.00 owed on a closed Title IV-D case.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT

A Notice of Proposed Rule Development was published in the Florida Administrative Weekly on November 5, 2010 (Vol. 36, No. 44, pp. 5318-5319), to advise the public of the creation of Rule 12E-1.0051, F.A.C., (Undistributable Collections), and to provide that, if requested in writing, a rule development workshop would be held on November 22, 2010. No request was received by the Department.

SUMMARY OF PUBLIC HEARING

HELD ON JUNE 16, 2011

The Governor and Cabinet, sitting as head of the Department of Revenue, met on June 16, 2011, and approved the publication of the Notice of Proposed Rule for creating Rule 12E-1.0051, F.A.C. (Undistributable Collections). A notice for the public hearing was published in the Florida Administrative Weekly on May 27, 2011 (Vol. 37, No. 21, p. 1436).

SUMMARY OF RULE HEARING

HELD ON AUGUST 1, 2011

Proposed Rule 12E-1.0051, F.A.C. (Undistributable Collections), was noticed for a rule hearing in the Florida Administrative Weekly on July 8, 2011 (Vol. 37, No. 27, pp. 1967 - 1969). A rule hearing was held on August 1, 2011, in Room 4102, Building Two, 2450 Shumard Oak Blvd.,

Tallahassee, Florida. No one from the public attended and no comments were received. Comments were received from the Joint Administrative Procedures Committee, dated July 20, 2011, regarding the Department's Summary of Statement of Estimated Regulatory Costs. A Notice of Correction was published in the Florida Administrative Weekly on August 19, 2011, (Vol. 37, No. 33, p. 2459), that complies with Chapter 2011-225, section 1, Laws of Florida, that amended Section 120.54(3)(a)1., Florida Statutes. The Notice of Correction states the rule is not expected to require legislative rule ratification under section 120.541(3), Florida Statutes (or any other statutes) before becoming effective.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12E-1, FLORIDA ADMINISTRATIVE CODE
CHILD SUPPORT ENFORCEMENT PROGRAM
CREATING RULE 12E-1.0051

12E-1.0051 Undistributable Collections.

(1) Introduction. The Department is responsible for distribution of child support payments under Section 409.2558, F.S. When the Department is unable to disburse the payment to the final intended recipient, the provisions of this rule shall be applied.

(2) Definitions. For purposes of this rule:

(a) “Final intended recipient” means a custodial parent, noncustodial parent, a parent’s estate, or a state, country, or Federal agency providing Title IV-D services, including those agencies administering programs under Title IV-A (Temporary Assistance for Needy Families), IV-E (Foster Care), and XIX (Medicaid) of the Social Security Act.

(b) “Obligee” means the person to whom support payments are made pursuant to an alimony or child support order.

(c) “Obligor” means a person who is responsible for making support payments pursuant to an alimony or child support order.

(d) “Undistributable collection” is defined by the social and economic assistance provisions in Section 409.2554(14), F.S., to mean a support payment received by the Department which the Department determines cannot be distributed to the final intended recipient.

(3) Undistributable Collection Processing.

(a) The Department will consider a collection undistributable when:

1. The final intended recipient is deceased and the Department cannot locate the final intended recipient's estate or the estate does not claim the funds.

2. The final intended recipient cannot be found after making reasonable efforts to locate the individual.

(b) The Department will use the following sources to try to find the final intended recipient. If the final intended recipient is deceased, location searches under subparagraphs 1 through 6 are not required. Reasonable efforts to locate a final intended recipient are considered exhausted when, at a minimum, searches of the following sources have taken place and the Department has not found the final intended recipient.

1. Department's automated case management computer system, to include electronic searches with multiple sources and responses from the Federal Parent Locator Service, as required in 45 CFR 303.70. This search includes the obligor, obligee, and children.

2. Florida Department of Highway Safety and Motor Vehicles.

3. Florida Agency for Workforce Innovation. This search includes employment, wage, unemployment, and Workers' Compensation records.

4. Florida Department of Corrections.

5. Location sources available from an out-sourced location vendor, subject to a contractual agreement between the Department and vendor.

6. Secure Internet locate sites, as determined on a case-by-case basis.

(c) If the searches under subparagraphs (b)1. through 6. find the final intended recipient, the Department disburses the payment.

(d) If the searches under subparagraphs (b)1. through 6. do not find the final intended recipient, the collection is considered undistributable. The Department shall process the

collection in priority order as provided in Section 409.2558(3), F.S.

(e) When the obligor has more than one support order with a past-due balance being enforced by the Department, the Department shall notify the obligor by certified mail, restricted delivery, return receipt requested, of its intent to apply the collection to the obligor's other cases, according to Section 409.2558(3)(b)6., F.S. If the address of the obligor is unknown, the Department will try to find the obligor using sources referenced in paragraph (b) of this subsection.

(f) If the obligor disagrees with the Department's plan to apply the collection to the obligor's other cases and a petition is filed in circuit court and served on the Department within 30 calendar days of the mailing date of notice, the Department will not apply the collection to the obligor's other cases unless the court enters an order for the Department to apply the collection to the obligor's other cases.

(g) When the Department has processed the collections as required in Section 409.2558(3)(b)6., F.S., and there are collections remaining, the Department will refund the remaining collections to the obligor if the address of the obligor is known. If the address of the obligor is unknown, the Department will try to find the obligor using sources referenced in paragraph (b) of this subsection.

(4) Undistributed Collections for Ninety-Nine Cents or Less.

(a) If the Department has sent one or more paper checks totaling ninety-nine cents or less to a final intended recipient, the final intended recipient has not cashed the check(s) within 180 days of the issue date on the check(s), the collection(s) is the only remaining payment due to the final intended recipient, and the final intended recipient does not have an established method of electronic disbursement, the Department shall process the collection as program income.

(b) If the Department identifies undistributed collections totaling ninety-nine cents or less on a closed case and the collection is the only remaining collection due to the final intended recipient, the Department shall process the collection as program income without attempting to locate the final intended recipient.

(5) Reclamation of Undistributable Collections.

(a) The final intended recipient may reclaim undistributable collections retained as program income. The final intended recipient may not reclaim an undistributable collection if the collection was applied to bad check charges because the obligor's payment is returned to the Child Support Enforcement Program for insufficient funds, overpayments, state-assigned arrears, administrative costs, other cases in which the obligor owes past-due support, or the collection was returned to the obligor. The final intended recipient may contact the local child support office or contact the Child Support Enforcement Program Office and ask for the Payment Processing Unit, and request a reclamation form.

(b) To reclaim a collection, the final intended recipient must complete and send to the Department, Form CS-FM125, Request for Refund, dated July 2010, incorporated by reference in this rule. The final intended recipient must prove they are the collection owner by giving his or her name, mailing address, and if known, the child support or case number, date of payment(s), and amount claimed.

(c) The Department will review the information submitted by the final intended recipient and respond in writing to approve or deny the request.

1. If approved, the Department will mail the collection to the final intended recipient.

2. If denied, the Department will mail Form CS-FM127, Request for Refund Denied, dated July 2010, incorporated by reference in this rule, to the final intended recipient. Form CS-FM127

states the request is denied, reason for the denial, and the final intended recipient may contest the decision by seeking an administrative hearing under Chapter 120, F.S. The form includes a Notice of Rights.

3. A final intended recipient may seek an administrative hearing to contest the Department's decision to deny a request to reclaim a collection considered undistributable by the Department. A petition for an administrative hearing must be received by the Department of Revenue, Child Support Enforcement Program, Deputy Agency Clerk within 20 calendar days from the mailing date of Form CS-FM127. Administrative hearings shall be conducted pursuant to Chapter 120, F.S.

(6) Forms.

Members of the public may get a copy of the forms used in this rule chapter, incorporated by reference, without cost, by writing to the Department of Revenue, Child Support Enforcement Program, Attn.: Forms Coordinator, P.O. Box 8030, Tallahassee, Florida 32314-8030.

Rulemaking Authority 409.2557(3)(j), 409.2558(3), 409.2558(9), FS. Law Implemented 409.2558(3), 409.2558(5), FS. History-New _____.