

Assessing the Need for Taxpayer Advocacy

Highlights of Report 13-11

December 10, 2013

Taxpayers Will Benefit from Clear and Accessible Commission Publications

The Idaho Taxpayer Bill of Rights serves as the foundation in helping taxpayers understand their rights throughout the collection process. We found that commission publications lack clarity, are not comprehensive, and are not easily accessible to taxpayers. These shortcomings may create challenges for taxpayers who are unsure of their rights or who believe their rights have been violated, particularly lower income taxpayers who do not use or do not have access to tax professionals.

Use of Statewide Data Will Strengthen Commission Management Decisions

The commission does not track many key data elements that would allow for an analysis of statewide trends of garnishments, liens, write offs, appeals, or complaints. Without a systematic and uniform process for collecting and retrieving data about these processes, the commission cannot adequately assess changes over time to identify staff training or education needs.

Recommendations

To address the findings in our report, we recommend the commission:

1. Create more comprehensive, clear, and accessible publications
2. Improve its current data management system

The commission plans to implement our recommendations, which will help improve its process for making management decisions and strengthen its relationship with taxpayers and tax professionals.

Idaho's 2012 Individual Tax Returns

Nearly 700,000 returns were filed
43% were not signed by a paid preparer
69% reported a taxable income of \$25,000 or less

Tax Professionals Offer Perspectives on the Need for Advocacy

In the report, we provide perspectives offered by Idaho tax professionals and commission staff on issues relating to taxpayer advocacy. We found that tax professionals generally support taxpayer advocacy; tax professionals responding to our survey rated the commission less favorably on balancing the duties of the commission with the livelihood of the taxpayer. In contrast, commission staff questioned whether advocacy is necessary; staff responding to our survey graded themselves high in providing case and systemic advocacy.

Policy Consideration

We could not determine the need for taxpayer advocacy in Idaho because of significant data limitations. However, research in this report can assist policymakers in their decisions of whether Idaho could benefit from an independent taxpayer advocate. Should policymakers pursue taxpayer advocacy, we offer options in the report based on our analysis of advocacy models at the federal level and in 29 states.

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