

# STATE OF COLORADO

## DEPARTMENT OF REVENUE

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Dear Colorado Citizens:

The Colorado Department of Revenue is presenting its Strategic Plan for FY 2011-2012. The plan covers strategies to continue to carry out the Department's core objectives while reflecting upon past accomplishments and focusing on implementing new legislation.

The downturn in the economy has significantly impacted resources available to the State of Colorado to deliver services to its residents. The Department of Revenue has eliminated positions and cut spending while striving to maintain service levels. The Department is committed to exploring ways to be more efficient and effective by maximizing the use of technology and other resources to enhance service delivery to the citizens of Colorado.

The Department continues to make progress on a major technological initiative, the Colorado Integrated Tax Architecture system (CITA). As an investment by and for Colorado taxpayers, this project replaces an antiquated, disparate tax processing system with a single, contemporary, and integrated taxpayer account-centric system that incorporates business best practices for state tax administration. CITA is being implemented over a five-year period. The Department is in the process of completing Phase III in October 2010, which is mainly the modernization of handling state and local sales and use taxes. The Department has successfully converted income tax, severance tax, estate tax, and property tax credits in the previous two phases. Currently, the Department has received funding for Phase IV, which will address fuel/gasoline taxes, taxpayer access point, and discovery. A capital construction request has been submitted for \$8.6 million to complete the fifth and final phase in FY 2011-12. This phase consists of food services licenses, gaming tax, tobacco products tax, cigarette tax, and alcohol and fermented beverage tax.

The Department is partnering with the Statewide Internet Portal Authority to provide on-line services. In FY 2009-10, citizens and businesses completed 647,715 transactions on the portal totaling over \$132.2 million, which is a 100% increase in the number of transactions and 134% increase in dollars processed since FY 2008-09. Most of the transaction volume is attributable to on-line renewal of motor vehicle registrations and

on-line individual and corporate income tax payments. In the last year, the following services went online, including DUI Interlock control and accounting, sales tax filing and payment for single locations, and credit card processing in 62 county motor vehicle offices. In addition, a number of services are expected to go on-line in FY 10-11, including an online driver's license tutorial to inform citizens what documents to bring to a driver's license office, driver's license office appointment scheduling, and driver's license wait line management. Also, the Department is expanding gambling intercept to capture judicial fees in addition to delinquent child support.

In the last legislative session, the General Assembly passed several bills that have an impact on the Department of Revenue and the tax laws it administers. Most significantly, sales tax exemptions for direct mail advertising, energy used for industry purposes, candy and soft drinks, agriculture compounds, and nonessential articles were eliminated or suspended. Other legislation expanded the definition of taxable computer software and required online retailers to collect sales taxes from state residents who conduct business transactions online. The Department is educating the public and businesses on the new tax law changes as well as ensuring the changes are incorporated into the tax system.

One of the Department's core objectives is to enhance revenue collections through the fair administration of Colorado's tax laws. Despite the State's budget challenges, the Department received funding to implement several initiatives to improve compliance with state tax laws. These initiatives include the Data Conversion Identification Program, 1099 Program, and Voluntary Compliance Program, which are expected to generate over \$20.3 million in the next two fiscal years. To enhance collection of delinquent taxes, the Department received funding to participate in the Treasury Offset Program on an ongoing basis. This program allows the state to intercept a federal income tax refund to satisfy income tax debts owed to the State of Colorado. In addition, the Department received funding to expand the number of billings sent to individuals with delinquent income tax accounts. These two initiatives are expected to generate an additional \$9.2 million in revenue to the state annually.

The Department received resources in FY 2010-11 to resolve a significant backlog in conservation easement refund claims. Currently there are over 480 claims for conservation easements that the Department either has disputed or is in the process of disputing. These claims date from 2001 through 2008 and total \$121.2 million. The Department's goal is to process and offer mediation to all disputed cases with the intent to resolve the backlog over a five-year period. By resolving these cases in a reasonable timeframe, the Department estimates that an additional \$4.1 million will be generated each year over the next five years.

The funding mechanism for the Division of Motor Vehicles (DMV), which was changed for FY 2009-10 from general fund to cash fund, was extended for an additional two years. The cash fund is supported by fees generated through the issuance of various driver's licenses, permits, and identification cards. Beginning in June, 2010, the number of driver's license documents issued by the Department is expected to increase over the next few years to reflect a change in the expiration dates on driver's licenses from 10

years to 5 years. Although the Department expects to issue more driver's license documents, the revenues generated from such issuance will not be sufficient to cover the Department's appropriation or operational needs. Consequently, the Department has had to hold vacancies and restrict expenditures, which has reduced customer service in driver's license offices across the State.

This holds true for the Colorado State Titling and Registration System (CSTARS). Due to a decline in the number of vehicles titled and registered in the State of Colorado, the revenue generated from this activity is not sufficient to support CSTARS. Through restrictions in spending and an infusion of cash funding from another source, CSTARS only has enough funding to support its operations for the next two fiscal years. In order to remedy the fiscal problems of both the DMV and CSTARS, the Department will continue to work with the Governor and Legislature to develop long-term sustainable financing strategies that will adequately support operations and provide for investments in technology for future years.

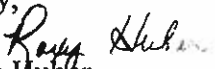
The 2010 legislative session resulted in a significant change to the Motor Carrier Services Division. HB 10-1113 changed the agency responsible for performing oversight of commercial vehicle industry safety through the Motor Carrier Safety Assistance Program from the Port of Entry to the Colorado State Patrol (CSP), effective August, 2010. The purpose of this transfer is to consolidate safety inspection and enforcement responsibilities in the CSP. The Port of Entry will continue to focus their efforts mainly on enforcing size, weight and load of commercial vehicles, possession of appropriate commercial driver's licenses, registration of commercial vehicles, and issuing commercial vehicle permits. The bill also requires a study of the Ports of Entry operations. The study will determine which principal department is the most appropriate for operating the Ports of Entry in a cost effective manner. The Department intends to fully cooperate with the study, which is due by June 1, 2011.

The 2010 legislative session also resulted in significant expansion of the duties and responsibilities of the Enforcement Division in the Department of Revenue. HB 10-1284 was passed regulating medical marijuana by creating a medical marijuana licensing authority in the Enforcement Division. The bill requires the licensure of any business that cultivates, manufactures or sells medical marijuana or medical marijuana-infused products. Revenues generated from the license application fees will be deposited in a medical marijuana license cash fund to pay for the costs of the state licensing authority. The Department was appropriated \$10.3 million and 110.0 FTE to implement the legislation.

In addition, SB 10-141 was passed designating the Department of Revenue as the licensing and enforcement authority for games of chance, such as bingo and raffles, previously the responsibility of the Secretary of State. All staff, resources, and funds were transferred. The bill is conditional upon voter approval of HCR09-1103, which is a proposed constitutional amendment to give the General Assembly authority to determine which agency regulates bingo and raffles.

Despite the challenging fiscal environment, the Department of Revenue is committed to finding new ways to provide its core services more efficiently and effectively. Although the Department has been assigned new responsibilities, it will remain focused on meeting the needs of the public and businesses it serves.

Sincerely,

  
Roxanne Huber  
Executive Director

## **STRATEGIC PLAN – Colorado Department of Revenue**

### Introduction

The Department of Revenue is one of a few state agencies that have a relationship with every citizen of the state. Paying taxes, registering a vehicle, obtaining a driver's license, and playing the lottery are a few of the activities that require citizens to interact with the Department.

The Department administers Colorado's tax system, inclusive of state sales, fuel, motor vehicle, gaming, liquor, income, racing, cigarette, severance, and estate taxes. This effort requires support that ranges from handling mail and payments to auditing and fielding taxpayer questions through a call center. Every year, the Department processes approximately 4.3 million pieces of incoming mail and approximately 6.1 million pieces of out-going mail. Incoming mail may contain taxes due the state and, along with electronic payments that are also processed, contain approximately \$10.2 billion in tax revenues deposited into the state's General Fund, deposited into the Highway Users Tax Fund, or distributed to local jurisdictions.

Through its Division of Motor Vehicles, the Department of Revenue licensed approximately 650,000 drivers, issued approximately 110,000 identification cards and approximately 143,000 permits in FY 2009-10. Dramatic increases are expected in the next four years as license renewals become due. The Division administers a statewide effort to title and register motor vehicles. In FY 2009-10, the Department received approximately 1.4 million title applications. Total vehicle registrations for that year were 5.1 million.

The Motor Carrier Services Division inspects commercial vehicles to ensure compliance with statutory size and weight restrictions. The Division is required to file an annual State Size and Weight Enforcement Plan for Federal Highway Administration approval, which qualifies Colorado for Federal funding of its highway infrastructure. The Colorado Port of Entry clears approximately 5.0 million vehicles a year. In fiscal year 2009-10, the Port of Entry collected \$8.0 million in fines and fees, most of which are deposited into the Highway Users Tax Fund.

The Department of Revenue is tasked with enforcing the liquor and tobacco laws of the state, as well as oversight of Colorado's limited gaming and racing industries. From a liquor enforcement standpoint, its primary responsibilities are to license or grant permits to manufacturers, importers, wholesalers, and retailers. Tobacco enforcement focuses on ensuring laws prohibiting sales to those less than eighteen years of age are enforced. The Enforcement Division also includes Hearings. In fiscal year 2009-2010, the Hearings Division conducted more than 27,000 hearings. Limited gaming is allowed in three towns: Black Hawk, Central City, and Cripple Creek. The Auto Industry Division administers and enforces the Auto Industry License Laws and Regulations adopted by the Dealer Board. The Department enforces the limited gaming laws, conducts background checks on perspective employees and owners of casinos and conducts audits of gaming

revenues to ensure that limited gaming is conducted honestly and is free from criminal and corruptive elements. Proceeds from Limited gaming are distributed to a number of agencies including, but not limited to, Colorado Historical Society, Colorado Department of Transportation, Colorado Tourism Promotion Fund, Local Government Limited Gaming Impact Fund, the cities of Black Hawk, Central City and Cripple Creek, and the counties of Gilpin and Teller. In the 2010 legislative session, the Legislature passed and the Governor signed House Bill 10-1284 that designated to the Department of Revenue the regulation of the medical marijuana industry.

The Colorado State Lottery is responsible for an amount in excess of \$300 million in prizes that result from sales of about \$500 million on six game types. The state participates in Powerball and Mega millions; however, in terms of sales, the Lottery's scratch games are the most popular. Proceeds from the Colorado State Lottery are distributed to the Conservation Trust Fund, Great Outdoors Colorado, parks and recreation grants, and a public school capital construction assistance fund.

### Statutory Authority

~ The statutory authority for the Department's taxation administration is found at Article 35 of Title 24, Colorado Revised Statutes (2008).

~ The statutory authority for the Department's oversight of motor vehicle and driver licensing and registration (Uniform Motor Vehicle Law) is found at Article 1 of Title 42, Colorado Revised Statutes (2008).

~ The statutory authority for the Emissions program is found at Article 3 of Title 42, Colorado Revised Statutes (2008).

~ The statutory authority for the Vehicle Titles and Registration program (Certificate of Title Act) is found at Article 6 of Title 42, Colorado Revised Statutes (2008).

~ The statutory authority for the Motorist Insurance Identification Database program is found at Article 7 of Title 42, Colorado Revised Statutes (2008).

~ The statutory authority for the Motor Carrier Services Division is found at Article 8 of Title 42, Colorado Revised Statutes (2008).

~ The statutory authority for the Division of Gaming is found at Article 47.1 of Title 12, Colorado Revised Statutes (2008) and Section 9 of Article XVIII of the Colorado Constitution.

~ The statutory authority for the Liquor Enforcement Division is found at Article 47 of Title 12, Colorado Revised Statutes (2008).

~ The statutory authority for the Tobacco Enforcement Division is found at Article 35 of Title 24, Colorado Revised Statutes (2008).

~ The statutory authority for the Division of Racing Events is found at Article 60 of Title 12, Colorado Revised Statutes (2008).

~ The statutory authority for the Hearings Division is found at Articles 2, 4, and 7 of Title 42, Colorado Revised Statutes (2008).

~ The statutory authority for the Motor Vehicle Dealer Licensing Board is found at Article 6 of Title 12, Colorado Revised Statutes (2008).

~ The statutory authority for the State Lottery Division is found at Article 35 of Title 24, Colorado Revised Statutes (2008) and Section 2 of Article XVIII of the Colorado Constitution.

~ The statutory authority for the State Medical Marijuana Division is found at Article 43.3 of Title 12, Colorado Revised Statutes (2010) and Section 14 of Article XVIII of the Colorado Constitution.

### Mission Statement

The Department of Revenue will fairly administer the State of Colorado's tax laws and the Colorado State Lottery; responsibly and securely license individuals and entities; enforce size and weight limits on Colorado's highway system; regulate persons and entities in the liquor, tobacco, gaming, medical marijuana and auto industries, and assure the vigorous and fair enforcement of the laws of Colorado under its charge.

### Vision Statement

The Department of Revenue is in a unique position to leverage investments in its human resources and information technologies to achieve better outcomes and service standards that the citizens of Colorado deserve. The Department interacts with nearly every Coloradan because it administers the tax structure and driver's license issuance for the entire state. The Department of Revenue will seek creative solutions to enhance revenues, while fairly enforcing the tax structure of the state. It will look to technology to enhance productivity in its driver's license offices to limit the amount of time an individual needs to wait for services and to utilize the state's internet portal to offer alternative means of transacting business with the department.

The changes and outcomes envisioned by the strategic plan will to some extent be affected by the budget. The first priority of the Department is to optimize its employees' productivity within existing resources. Although it has received limited additional resources in recent years, the Department has made a point of requesting additional funds, where necessary, to achieve the goals in its broad core objectives, and also of the objectives of its many programs.

## **DOR CORE OBJECTIVES AND PERFORMANCE MEASURES**

### **1. REVENUE GENERATION**

*Objective:* Enhance its revenue collections through the fair administration of Colorado's tax laws through the utilization of productivity gains and initiatives with ideal returns on investment.

Performance Measure	Total dollars assessed by income and business tax audits.			
	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Benchmark	\$281,769,447	\$281,769,447	\$310,870,142	\$310,870,142
Actual	\$339,455,849	\$349,962,657	TBD	TBD

*Strategy:* Beginning in FY 2007-08, the Department began focusing on increasing the productivity of its current auditors. That year, the Department purchased audit selection software to assist its employees in data manipulation, which was made possible through a change request. Then in FY 2008-09, the Department received funding for an effort to increase the number of weeks its senior auditing staff can travel out-of-state. These audits, conducted on taxpayers whose headquarters are



located outside of Colorado, are the most productive audit the Department performs. It also happens to be an area where the Department believes its oversight should be strengthened because of the volume of gross sales of companies with headquarters out-of-state. For two years beginning in FY 2009-10, the Department received funding to expand its offices located out-of-state from three to six locations. In FY 2010-11, the Department will allow these initiatives to mature and will focus on implementing the third and fourth phases of the Colorado Integrated Tax Architecture (CITA) project. It will also look at adopting industry best practices to auditing that may include utilizing audit selection software. Ultimately, the Department is concerned with administering the state's tax laws as fairly as possible.

*Evaluation of Prior Year Performance:* The Department was able to achieve its goal in audit production this past year despite a hiring freeze and uncertainty over its budget both in FY 2009-10 and FY 2010-11. During FY 2009-10, the Department was able to open two of its three additional out-of-state offices and was able to expand one of its current offices. Thus at the close of FY 2009-10, the Department had a presence in Los Angeles, San Francisco, Dallas, Houston, and the New York metropolitan area. These offices are staffed with experienced Department of Revenue auditors and will be returning additional revenue to the state. As of September 2010, the Department has opened and staffed its office in Chicago and will begin efforts to recruit and hire staff in its expanded New York metropolitan area office in the coming months.

*Key Workload Indicators:*

<b>WORKLOAD INDICATORS</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Estimate</b>
Total Assessments	\$352,644,775	\$351,158,811	\$366,290,912	\$395,296,501
by Taxpayer Services*	\$13,188,926	n/a	n/a	\$14,507,819
by Field Audit	\$176,630,423	\$202,948,154	\$206,561,303	\$221,059,073
by Discovery	\$162,825,426	\$148,210,657	\$159,729,609	\$159,729,609
Delinquent Collections	\$188,530,290	\$189,929,737	\$198,292,617	\$199,131,817
Website Hits	13,395,661	11,106,011	11,283,697	11,464,236
Agent Calls at Call Center	307,029	224,611	250,000	250,000
Walk-in Customers	28,989	37,632	38,272	38,922
Field Audits Conducted**	6,730	5,643	640	750
Conferee Cases Closed	150	162	168	168

## **2. REGULATION, ENFORCEMENT, AND EDUCATION**

*Objective:* Protect Colorado's citizens through the fair enforcement of laws and regulations related to industries that include limited stakes gaming, auto dealers, liquor and tobacco retailers, and motor carriers.

Performance Measure	Percent compliance of tobacco sales to minors at or above federal requirements.			
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Estimate</b>
Benchmark	90%	90%	90%	90%
Actual	92%	93%	TBD	TBD

*Strategy:* Achieving this goal is best accomplished through a combination of training and enforcement. Pursuant to federal requirements, the Department must conduct 1,000 compliance checks of tobacco retailers. This is accomplished through a statistical sample of retailers from October 1 to June 30 of every year. In addition, the Department works closely with local health agencies to target areas of concern in a particular jurisdiction. When those requests are received, compliance checks are performed in those specific areas. During these compliance checks and other routine inspections, investigators offer training to discuss issues related to prevention of selling cigarettes to persons under the age of 18. These steps ensure the Department is meeting the federal requirements to receive the substance abuse block grant provided by the Substance Abuse and Mental Health Services Administration. While this grant is provided to the Department of Human Services as the sole recipient of these moneys in Colorado, the Department of Revenue recognizes the important regulatory and enforcement functions it provides to the state so that it may receive Synar money.

*Evaluation of Prior Year Performance:* The Department deliberately sets its goal above the 80.0 percent compliance rate required by federal law. There are factors that may affect compliance rates that the Department cannot control: societal, economic, and other substance abuse programs in communities and schools. The Department employed its strategies last fiscal year and will continue to do so.

*Workload Indicators:*

<b>WORKLOAD INDICATORS</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Estimate</b>
Liquor Investigations Conducted	1,640	1,408	1,500	1,500
Auto Dealer Licenses Issued	2,453	2,241	2,245	2,245
Hearings Conducted	34,000	27,390	30,700	31,000
Gaming Licenses Issued	4,310	3,624	3,100	3,100
Racing Investigations Completed	104	64	70	70
Medical Marijuana Licenses Issued	n/a	n/a	2,300	2,300

### 3. ALTERNATIVE SERVICE DELIVERY

Objective: Identify methods to deliver services in an alternative manner that speeds its delivery of services in all aspects of the Department's line of business.

Performance Measure	Number of Department applications on the State internet portal.			
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Benchmark	11	22	27	30
Actual	17	TBD	TBD	TBD

Strategy: The Department is actively looking for applications to place on the state's internet portal and provide alternative forms of payment for in-office transactions. By creating alternative methods of interacting with citizens and increased flexibility through multiple payment options, the Department hopes to improve its customer service and productivity. For instance, wait-times can be reduced in driver's license offices through on-line driver's license renewal. The time it takes to receive, balance, deposit, and refund money to taxpayers can be reduced through on-line tax payment. Citizens will be able to use credit cards and eChecks in various Department service locations. Providing alternative means of payment, citizens will have payment flexibility, increasing service to the citizen. The Department has an aggressive schedule to place more applications on the state's internet portal through FY 2010-11.

*Evaluation of Prior Year Performance:* The Department has the following services currently in service, in production, or planned through FY 2011-12.

- As of June 30, 2010, the Department has many web sites solutions applications under development or available to the citizens of Colorado:
  1. Vehicle registration (for 24 counties)
  2. Driver's license renewal
  3. Tax payments (8 types of taxes can be paid)
  4. AID – auto dealers online licensing of salespeople
  5. Motorist insurance identification database
  6. SR-22 (accident reports from Insurance Companies)
  7. Gambling intercept of child support
  8. Emergency contact information added to driver's license record
  9. Youthful driver monitoring for insurance companies
  10. Validation of driver's license identification for lenders, law enforcement and others as approved
  11. 4 DOR Websites
  12. Credit card acceptance at all 7 Ports of Entry
  13. Credit card acceptance in 61 county DMV sites
  14. Single location Sales Tax filing
  15. Control of Interlock devices DUI drivers and distribution of financial assistance

16. Smart Start – Fast Finish – a tutorial that helps driver’s license applicants with documentation
17. Appointment Scheduling for Driver’s License appointments
18. Acceptance of Credit Cards for driver’s license fees
19. Gambling Intercept for Judicial fines and fees
20. International Registration Permits – payment of fees
21. Completion of Business Registration and payment of fees
22. Use Tax payment filing
23. Multi location Sales Tax filing
24. Driver License office Locator utility

*Key Workload Indicators:*

<b>WORKLOAD INDICATORS</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Estimate</b>
Colorado counties offering online vehicle registration renewal	22	24	40	43
Number of citizens renewing registration online	265,279	312,524	375,000	420,000
Number of driver’s license renewals online	4,720	21,597	100,000	175,000
Number of Auto Industry Division salesperson licenses applied for online	359	113	210	300
Tax payments, including NetFile, delinquencies, estimated income, and personal income made online	47,504	73,544	150,000	200,000
Number of alternative payments through Pay Port (credit card acceptance)	797	239,710	300,000	380,000

#### **4. CUSTOMER SERVICE**

*Objective:* Improve the accuracy and efficiency of services provided to all Department of Revenue customers.

Performance Measure	Percent of customers processed in 35 minutes at driver's license offices.			
	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Benchmark	75 %	75 %	75 %	75%
Actual	80%	74%	TBD	TBD

Strategy: The Department continues to improve technical infrastructure systems and provide excellent customer service. Regardless of financial challenges, the Department focuses on decreasing wait times and providing a pleasant, professional customer service experience. By the end of June 2010, all drivers’ license office computers, fingerprint capture machines, cameras and signature capture machines will be upgraded with current hardware and software, making document issuance processes faster and more reliable.

The State Auditor audited the Department in 2008. One recommendation was to conduct refresher training for all drivers' license employees. Refresher training commenced at the beginning of FY 2009-10 and was completed in February 2010.

Evaluation of FY 2009-10 Performance: Driver's license and ID renewals have not been at "typical" levels due to the change from 10 year to 5 year licenses in 2005. Due to the temporary decrease in workload, DMV offices have operated at a consistent pace and staffs have become well-qualified to carry out their tasks effectively. As the fiscal year 2009-10 approached its fourth quarter, large numbers of licenses and IDs became renewable, and document issuance increased significantly.

*Key Workload Indicators:*

<b>WORKLOAD INDICATORS</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Estimate</b>
Driver's Licenses, Permits, and Documents Issued	792,307	905,836	1,085,582	1,308,076
Driver Control Restraint Actions	265,545	241,470	245,470	252,470
Title Applications	1,452,418	1,405,147	1,362,993	1,376,623
Vehicle Registrations	5,121,258	5,074,622	5,023,876	5,023,876
Clean Screen Emissions Tests	236,962	243,456	250,128	256,983
Enviro-Test Facilities Emissions Tests	680,272	724,971	772,607	823,373

## ACCOUNTS, CONTROL, AND INFRASTRUCTURE

*Objective:* Maintain all accounts, controls, and infrastructure to effectively manage the Department's charges.

Performance Measure	Percent of certified mail, motor vehicle titles, AARAP notices, and business tax documents mailed within 24 hours of receipt in the out-going mailroom or on the scheduled date.			
	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Benchmark	100%	100.0 %	100.0 %	100%
Actual	98.8%	99.7%	TBD	TBD

*Strategy:* The Department recognizes that this benchmark is ambitious; however it utilizes communication and planning in its attempt to meet the goal. It prioritizes its workload every morning to process time sensitive material first. The Department will also identify large mailings, generally over 500 pieces that may affect performance and will begin to process these as quickly as possible. The Department expects its divisions to communicate its needs with the mail room to ensure processing runs as smoothly as possible. With these tools, the Department can process its out-going mailing needs to meet the public's expectations of quick tax refunds and timely communication regarding driver's license documents.

*Evaluation of Prior Year Performance:* The Department showed improvement in FY 2009-10 compared to FY 2008-09. Managers continually meet and confer with mail room staff and hear first hand of challenges, suggestions and improvements. This communication allows the Department to change its processes that result in greater productivity.

*Key workload Indicators:*

<b>WORKLOAD INDICATORS</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Estimate</b>
Total Deposit Transactions by Check	2,593,593	2,659,409	2,660,000	2,810,000
Total Deposit Transactions by Third Party Payment Processing	171,798	136,129	150,000	150,000
Total Deposit Transactions by Electronic Funds Transfer	923,914	999,113	1,080,041	1,167,524
Total Individual Income Tax Returns	2,402,727	2,305,947	2,281,504	2,292,911
Individual Income Tax Refunds	1,615,705	1,568,953	1,552,322	1,560,084
Individual Income Tax Payments	552,870	438,838	434,186	436,357
Documents Microfilmed	7,772,437	8,177,829	7,398,960	7,435,955
Keystrokes Data Entered	417,997,735	478,293,632	412,477,097	414,539,482
Total Pieces Mailed	5,624,281	6,237,480	6,383,736	6,755,784

### **OTHER REVENUE GENERATION MEASURES**

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Percent of tax dollars deposited within 48 hours.	Benchmark	85%	85%	85%	85%
	Actual	92.9%	91.8%	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Percent of delinquent accounts closed per year.*	Benchmark	70.0%	70.0%	70.0%	70.0%
	Actual	80.0%	N/A	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Net Lottery proceeds for distribution (in millions)	Benchmark	\$121.7	\$129.3	135.5	135.5
	Actual	\$119.6	\$112.9	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Total Lottery sales excluding Powerball (in millions)	Benchmark	\$407.3	\$466.0	\$431.7	\$431.7
	Actual	\$392.7	\$397.3	TBD	TBD

### **OTHER REGULATION, ENFORCEMENT, AND EDUCATION MEASURES**

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Number of "Notice of Incomplete Applications" issued for Motor Vehicle document applicants					
	Benchmark	N/A	32,266	30,653	30,653
	Actual	40,171	32,511	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Perform compliance inspections of casinos in Central City, Black Hawk, and Cripple Creek	Benchmark	95%	97%	95%	95%
	Actual	100%	100%	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Perform animal welfare inspecting of all racing kennels	Benchmark	100%	100%	100%	100%
	Actual	100%	100%	TBD	TBD

**OTHER ALTERNATIVE SERVICE DELIVERY MEASURES**

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Percentage of on-line vehicle registration renewals for participating counties	Benchmark	13%	14%	18%	18%
	Actual	13%	16%	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Percentage of International Registration Plan (IRP) registrations completed through electronic credentialing	Benchmark	50%	50%	55%	55%
	Actual	49.4%	52.1%	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Percentage of trucks cleared through the PrePass system	Benchmark	50%	50%	50%	50%
	Actual	49.4%	38.5%	TBD	TBD

**OTHER CUSTOMER SERVICE MEASURES**

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Percent of individual income tax refunds processed within 21 days	Benchmark	95%	95%	95%	95%
	Actual	97.5%	86.8%	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Percent of business tax returns processed within 20 days	Benchmark	90%	90%	90%	90%
	Actual	96.3%	94.6%	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Average wait time in minutes for the Taxpayer Services call center.	Benchmark	5:00	5:00	5:00	5:00
	Actual	4:06	7:58	TBD	TBD

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Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Percent of income and business tax account issues with an age of 60 days or less handled by the Taxpayer Services Account Services program.	Benchmark	75.0%	75.0%	75%	75%
	Actual	76.3%	80.8%	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Average wait time in minutes for the Motor Vehicle call center	Benchmark	6:00	6:00	20:00	20:00
	Actual	14.17	12.59	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Percent of citizen complaint cases resolved within 15 days.	Benchmark	95%	95%	Not Available	Not Available
	Actual	89%	Not Available	Not Available	Not Available

#### **OTHER ACCOUNTS, CONTROLS, AND INFRASTRUCTURE MEASURES**

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Number of electronic filed or electronified (imaged) returns and payments.*	Benchmark	2,190,422	2,397,846	2,397,846	2,397,846
	Actual	2,269,903	2,470,295	TBD	TBD
Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Percent of time core department information technology systems are operational.	Benchmark	98.0%	99.9%	99.9%	99.9%
	Actual	99.9%	99.5%	TBD	TBD
Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Percent of audit recommendations implemented by management	Benchmark	100%	100%	100%	100%
	Actual	100%	100%	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Percentage of personnel actions processed within 7 business days	Benchmark	100%	100%	100%	100%
	Actual	100%	100%	TBD	TBD

Performance Measure	Outcome	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Estimate
Number of procurement card transactions processed in lieu of traditional/manual method of payment	Benchmark	9,495	9,732	9,500	9,500
	Actual	10,032	9,480	TBD	TBD

\* Unable to report on the percent of delinquent accounts closed due to the implementation of GenTax. The performance measure was the product of a report in the Department's legacy system that is no longer available.