

Colorado Department of Revenue

FY14-15 Performance Plan

Vision

To become a premier Department of Revenue known for its outstanding customer service, innovation, and dedicated employees.

Mission

The Department of Revenue will provide quality service to our customers in fulfillment of our fiduciary and statutory responsibilities while instilling public confidence through professional and responsive employees.

Department Description

The **Executive Director's Office** provides central budgeting, fiscal note coordination, revenue and expenditure accounting, purchasing and contract administration, human resources, internal auditing, project management, facilities safety, and security, and a hearings division for the Department. The office is funded through direct and indirect costs charged to divisions. In addition, the Executive Director's Office includes a Citizen's Advocate who assists citizens and taxpayers with problems, grievances or inquiries. It also includes a Communications Director who is the primary contact for all media queries and requests for information and a Legislative Liaison who directs all legislative matters for the Department. Additionally, the Executive Director's Office supports the Office of Research and Analysis that develops reports, such as the Department's annual report and monthly and quarterly sales tax reports. They also develop analytical data and estimate the refunding of State of Colorado excess revenues under Article X, Section 20 of the State Constitution.

Physical locations:

- Denver and Lakewood

The **Taxation Business Group** is charged with the collection, administration, audit, and enforcement responsibilities pertaining to all taxes, fees, bonds and licenses covered under Colorado's tax laws. The business group is directed by an administrative section. Senior management, policy-making, and budgetary support for the division are contained in this section. This division is primarily funded from General Fund appropriations, but does receive some moneys from the Highway Users Tax Fund (HUTF) and federal programs.

The *Taxation and Compliance Division* utilizes various methods to assist in the collection of monies due the State such as: filing bankruptcy claims; recording and releasing tax liens and judgments; garnishment of wages and bank accounts; income tax distraint warrants; resolution of taxpayer disputes; and the utilization of private collection agencies. The Division also audits or examines Colorado tax returns both at the Department through its Discovery program and at business locations through its Field Audit program. Audits are also conducted for the purpose of ascertaining whether royalties have been properly submitted to the State from operating and royalty mineral interests in Colorado.

The *Taxpayer Service Division (TPS)* administers the State's tax programs and provides assistance and information to Colorado taxpayers. The division maintains five service centers in Colorado Springs, Denver, Fort Collins, Grand Junction, and Pueblo, as well as a tax information call center. The division produces public information campaigns, administers tax classes to promote voluntary compliance, and distributes information to the public to explain the State's tax laws and policies. TPS also issues licenses and permits, processes tax forms and requests for refunds, resolves taxpayer problems, and intercepts income tax refunds for payment of debts owed to other State agencies and the Internal Revenue Service.

The *Tax Conferee* serves as an intermediary in the hearing process and acts as the Executive Director's official designee for tax hearings. These can include tax assessment disputes and refund denials. Employees in this unit conduct reviews, legal research, investigations, interviews, and negotiations. They also assist taxpayers in clarifying decisions. If a hearing with the Tax Conferee fails to achieve a successful resolution, then a formal hearing with the Executive Director is granted. Finally, if a feasible resolution is not attained, the aggrieved party may elevate the dispute to the judicial system.

Physical locations:

- Field Audit District Offices: Colorado Springs, Denver (headquarters), Fort Collins, Grand Junction, and Pueblo, Colorado; San Francisco and Los Angeles, California; Chicago, Illinois; Secaucus, New Jersey; Dallas and Houston, Texas
- Tax Auditing and Compliance District Offices: Colorado Springs, Denver, Grand Junction, and Pueblo
- Taxpayer Service Centers: Colorado Springs, Denver, Fort Collins, Grand Junction, and Pueblo

The **Division of Motor Vehicles** consists of Administration, Driver Services and Vehicle Services sections. These sections are responsible for the enforcement and administration of the laws governing driver licensing and vehicle registration. For FY2014-15, this division is primarily funded with cash fund appropriations.

The *Administration* section provides budgetary and administrative support for the Driver Services and Vehicle Services sections.

The responsibilities of *Driver Services* include: issuing driver licenses, identification cards, and permits; managing driver licensing records; verifying documents presented for identification, including proof of the applicant's legal presence in the U.S.; identifying and assessing administrative sanctions against drivers, including all restraints for alcohol related driving offenses; and investigating fraud related to driver licenses and identification documents. Also, this section is charged with regulating commercial driving schools and commercial driver license testing units. The Ignition Interlock Program is responsible for providing interlock ignition devices for applicants who qualify pursuant to the requirements of section 42-2-132.5, C.R.S.

The *Vehicle Services* responsibilities include: providing operations support and coordination for the motor vehicle registration process; supervising license plate ordering and distribution, as well as all other registration products for county motor vehicle offices and the statewide vehicle titling and registration system (CSTARS). This section is also responsible for verifying compliance with registration requirements for the federal International Registration Plan and International Fuel Tax Act programs. The Titles section is responsible for the issuance of legal, negotiable certificates of title to protect the public when purchasing motor vehicles. Program staff reviews all high-risk title applications to verify that the assignment of ownership has been properly made. The Emissions program licenses emissions testing site operators, inspectors, and mechanics; conducts inspections of emissions testing facilities to ensure compliance with statutory requirements; and validates inspector and mechanic performance standards. Additionally, the Motorist Insurance Identification Database (MIIDB) Program helps law enforcement officers verify driver compliance with the State's motor vehicle insurance requirements. This program is authorized to suspend driving privileges for uninsured motorists.

Physical locations:

- Driver and Vehicle Services, Vehicle Emissions (headquarters), Titles, Motorist Insurance Database, Ignition Interlock Program: Lakewood
- Air Care Colorado (Emissions) Testing Stations: Arvada, Aurora (2 locations), Boulder, Broomfield, Castle Rock, Dacono, Denver (2 locations), Ft. Collins, Golden, Greeley, Littleton (2 locations), Longmont, Loveland, Northglenn, Parker, and Sheridan
- Full-Service Driver License Offices: Akron, Alamosa, Aurora, Boulder, Burlington, Canon City, Cheyenne Wells, Colorado Springs, Cortez, Craig, Delta, Denver (2 locations), Durango, Fort Collins, Fort Morgan, Frisco, Glenwood Springs, Golden, Grand Junction, Greeley, Gunnison, Holyoke, Hot Sulphur Springs, Hugo, Julesburg, La Junta, Lamar, Littleton, Longmont, Meeker, Montrose, Northglenn, Parker, Pueblo, Rangely, Salida, Springfield, Steamboat Springs, Sterling, Trinidad, Wray, Yuma

- Limited Service Driver License Offices: Arapahoe County (Littleton), Arapahoe County (Aurora), Castle Rock, Centennial, Colorado Springs (4 locations), Eads, Lakewood, Leadville, Loveland, Saguache

The **Enforcement Business Group** regulates limited stakes gaming; enforces the State's liquor and tobacco laws through licensing and compliance checks; regulates the horse racing industry; regulates and licenses the motor vehicle dealer industry; regulates and licenses the cultivation, distribution, and sale of medical and retail marijuana; and adjudicates complaints related to driver licenses, liquor licenses, certain racing licenses, and some tax disputes. With the exception of tobacco grants and a very small amount of General Fund to support the tobacco area, programs within this division are wholly supported by specific cash funds.

The *Limited Gaming Division* licenses and regulates the Colorado limited gaming industry including gaming devices, facilities, personnel, and activities. This division also enforces the laws contained in the Limited Gaming Act, as well as rules and regulations promulgated by the Colorado Limited Gaming Control Commission. The Commission has the constitutional authority to allocate moneys to the Division from the Limited Gaming Fund and is not subject to appropriation by the General Assembly.

The *Liquor Enforcement Division* licenses persons who manufacture, import, distribute or sell alcoholic beverages, and regulates the sale and distribution of liquor within the State by promoting awareness of and enforcing the provision of Liquor, Beer and Special Events Codes.

The *Tobacco Enforcement Program* enforces laws that prohibit the sale of tobacco products to minors. This allows the State to meet federal standards and qualify for the Substance Abuse Prevention and Treatment block grant.

The *Division of Racing Events* licenses and regulates horse racing events as well as off-track betting establishments; enforces all laws, rules, and regulations related to racing activities; and is responsible for ensuring the health and welfare of horses racing in Colorado.

The *Motor Vehicle Dealer Licensing Board* is responsible for licensing and regulating the sale and distribution of motor vehicles, and promulgating consumer protection regulations. These responsibilities include licensing all salespersons and those with ownership interests in new and used auto dealerships.

The *Marijuana Enforcement Division* is responsible for the regulation and licensing of the cultivation, manufacture, distribution, and sale of medical and retail marijuana in the state.

Physical locations:

- Limited Stakes Gaming Offices: Golden (headquarters), Central City/Black Hawk, and Cripple Creek
- Liquor and Tobacco Enforcement Offices: Lakewood (headquarters), Colorado Springs, Grand Junction, and Greeley
- Racing Offices: Lakewood (headquarters) and Aurora
- Motor Vehicle Dealer Licensing Board: Lakewood (headquarters), Colorado Springs, Ft. Collins, and Grand Junction
- Marijuana Enforcement Offices: Denver (headquarters), Colorado Springs, Grand Junction, and Longmont

The **State Lottery Division** is designated a TABOR enterprise under Article X, Section 20 of the Colorado Constitution and supports its operations through lottery ticket sales, all of which are deposited into the Lottery Fund. The Colorado Lottery Commission governs the overall activities of the Lottery. The Colorado Lottery offers the following jackpot games (Powerball, Lotto, Cash 5, Pick 3, and Mega Millions) and several scratch ticket games at more than 3,000 retailers statewide. Proceeds are distributed according to Article XXVII, Section 3 of the Colorado Constitution on a quarterly basis in the following manner: 40 percent to the Conservation Trust Fund for distribution to eligible municipalities and counties for parks, recreation, and open space purposes; 10 percent to the Colorado Division of Parks and Outdoor Recreation for the acquisition, development, and improvement of parks land; and remaining proceeds to the Great Outdoors Colorado Trust Fund (GOCO Fund) up to \$35 million per fiscal year that is adjusted each year according to the 1992 Consumer Price Index-Denver. Any amount exceeding the GOCO cap is distributed according to Section 22-54-117 (1.6) (a) (I), C.R.S., (2008) to the Lottery Proceeds Contingency Reserve Fund to be used for supplemental assistance to school districts for capital expenditures to address immediate safety hazards or health concerns within existing school facilities. Due to increasing revenues, the Lottery has distributed proceeds to the Contingency Reserve Fund since FY 2001-02.

Physical locations:

- Pueblo (headquarters), Denver, Fort Collins, and Grand Junction