

IDAHO STATE TAX COMMISSION
COMMISSIONERS' BUSINESS MEETING
MINUTES OF MEETING JULY 30, 2024

This meeting was open to the public; however, everyone was encouraged to attend by telephone.

In attendance: Chairman Jeff McCray; Commissioners Janet Moyle, Paul Woods, and Jared Zwygart; John Bernasconi, Evan Sailor, Isaac Joyner, Lisa Kopke, Julie Eavenson, Rick Mascall, Lisa Palmer, Kathlynn Ireland, Alan Dornfest, Kim Wind, Kimberlee Stratton, Philip Johnson, Elisa Magnuson, Rhamona Grabenstein, and Laura Lantz, Executive Director Idaho Society of Certified Public Accountants (ISCPA).

Public Session

Chairman McCray called the meeting to order and welcomed all those in attendance.

Business requiring a vote of the Commission.

Minutes: Regular Business Meeting – April 30, 2024

Commissioner Moyle moved to approve the minutes of the Regular Business Meeting held on April 30, 2024. Commissioner Woods seconded the motion. There was no discussion; all commissioners voted aye, and the minutes of the Regular Business Meeting held April 30, 2024, were approved.

Resolution 24-01: Temporary Rule 35.01.03.810 Property Tax Rule 810

Alan Dornfest, Property Tax Policy Bureau Chief, presented Resolution 24-01: Temporary Rule 35.01.03.810: Property Tax Rule 810. This rule was approved last year with the passage of House Bill 292, which provided various types of tax relief. This year, because of the changes created by House Bill 521, the rule needed extensive updates. The Division of Financial Management (DFM) advised that rules should not re-state statute. The rule before the Commission today includes those refinements.

The substantive changes are the addition at 810.01.c School District plant facilities and safe school plant facilities funds. Section 02 was updated to also reflect the change in section 01. Language on page 2 was stricken at the request of DFM, because it was redundant of the statute. There is language in 03.b about how the current year's levy is to be used. There's also added language about what to do when the money is gone. He said the changes are consistent with the guidance note they issued in April 2024 with the passage of HB521.

Commissioner Moyle suggested that the changes to Section 02 should mimic the order shown in Section .01. She further commented about the wording concerning the reserve account and whether it conflicts with statute. Should there be more clarification there? Mr. Dornfest said he doesn't believe it's in conflict with statute because Idaho Code section 33-911 d. is clear, and legal has approved this language. This is in the current temporary rule, but only pertinent to the two provisions, supplementals and bonds, that were allowed last year. He believes it's completely consistent with statute. Commissioner Moyle wonders if we should include the statutory reference as to which section we're talking about, so it doesn't look like we're in conflict. If the statute reference is included, it would be clearer. Mr. Dornfest said the statutory reference is included above the text, but Commissioner Moyle said for this part, she wants the statute reference after the text because it isn't just Idaho Code section 33-911, this is specifically referring to Idaho Code section 33-911(2)(d). She feels it will be clearer guidance with that added. Mr. Dornfest asked if the Commission will entertain an amendment to the rule; he's comfortable with the suggested changes. This is a temporary rule now but will become a permanent rule.

Commissioner Moyle was recognized for a motion and moved to accept the temporary rule with the order change: putting "plant facilities fund" after "temporary supplemental funds," and with the addition "as per 33-911(2)(d)." Chairman McCray clarified that the additional clause would come after "school district levies." Commissioner Moyle affirmed. Commissioner Woods seconded the motion. All Commissioners voted in the affirmative and Resolution 24-01, as amended, is adopted.

Administrative Reports

John Bernasconi, Chief Operating Officer

Mr. Bernasconi reported on the agency strategy saying he is extremely proud of the work this group does on the strategic process; we remain focused. The annual strategic recalibration was completed the week of May 20, 2024. There were great presentations from local stakeholders including Stephen Cilley, the founder and Chief Executive Officer, of Ataraxis, a Professional Employer Organization (PEO), and former legislator Kelly Packer of the Idaho Association of Cities. But he really wants to recognize the employees that presented. Six employees were asked to tell us what we're not good at: a little about what we do great, and the rest about what we need to change. It's a lot of pressure, but they stepped up and did exactly what we asked even though there were some nerves involved. To Kurt Hammes, Software Engineer I, Technology and Innovation Bureau, Nick Ritchie, Program Supervisor, Central Processing, Revenue Operations, Janet Rostock, Taxpayer Services Specialist, Kathlynn Ireland, Tax Policy Specialist, Property Tax, Clint Howells, Tax Auditor 3, Audit Division, and Stephanie Elliott, Human Resource Specialist, Senior, Human Resources, Thank You.

These past few weeks, Mr. Bernasconi said he's been fortunate to present our updated strategy to our employees in person. There were 11 meetings in Boise. Divisions broke up into smaller groups of about 20 – 30 people, and he was able to go out to the Field Offices: north Idaho two weeks ago and eastern Idaho last week. It's interesting that northern Idaho represents our smallest and our largest Field Offices. There were eight employees in Lewiston and 21 employees in Coeur d'Alene. There will be one final session for those that couldn't attend one of the live sessions. It's been a great opportunity to sit with each person and explain how strategy relates to them, what the words mean, the critical success factors, and all the other language that exists in strategy. It also gave employees an opportunity to ask questions. It's been a great opportunity.

Mr. Bernasconi also recognized all the people to who participated in Family Day. There are some passionate people in the Boise office that drove the resurrection of Family Day and there were over 100 attendees this year. A couple of Field Offices also joined in. In June, we had the Annual Employee Picnic which included a dunk tank, and he thanked those who were dunked, but he really wants to thank those that donated money. This money goes toward the Veterans, and this year, we raised thousands of dollars. Thanks to all who participated.

Chairman McCray thanked Mr. Bernasconi for recognizing the employees that presented during the Strategic Recalibration process. He too is grateful for their honesty and forthright comments, and he acknowledged that it is difficult to stand in front of your bosses and talk about important opportunities, but they did a great job of articulating specific issues or actions that we could work on, and those things were woven into our strategy. It reflects in our new critical success factors. It was good work.

Lisa Palmer, Tax Appeals Manager

Ms. Palmer said there is an Appeals Resolution Meeting tomorrow, on July 31 at 10:00 a.m. and another on August 28, also at 10:00 a.m.

They currently have 203 open cases since the last Business Meeting. Between April 1 and June 30, they've closed 129 cases. In 2024, so far, they've closed 244 cases. The average age of a case is 292 days which seems high, but there were some very old multistate cases that are finally being resolved with the help of Eric Mahler, Deputy Attorney General, and Steve Wynn, Appeals Specialist, who came out of retirement part-time and who is very experienced with multistate cases. He's been a great contributor toward getting those older cases moved toward resolution. He's wrapping up one more and has made it known that once he finishes this last one, he will retire again.

They don't currently have any vacancies. With Alan Pack's retirement, they hired Greg Hiatt who previously worked with the Tax Commission in Taxpayer Services and in Audit. He was most recently at the Idaho Legislative Services Office (LSO) as a staff auditor.

One of the things Appeals staff work on is reaching out to the taxpayer. Many cases come to Appeals from Revenue Operations and so far, this year, they have 75 withdrawn protests. Each taxpayer has the right to an informal hearing. Many cases are protested because the taxpayer doesn't understand the adjustment. If there's a phone number or email address, staff spend a little extra time to reach out and explain the adjustment. Revenue Operations also reaches out, but the Appeals team may explain it in a different way, or provide more detail, or screen shots of the payments, or even a section of the code to try and explain it to them. They can still have their hearing, but in many cases, the protest is withdrawn, which saves everyone time.

Chairman McCray said only having 203 cases open sounds like a pretty good number and he asked how that compares to last year? Ms. Palmer clarified that Chairman McCray is asking about open cases and said she doesn't have that information with her today. She has information for the closed cases. Last year during this time, they closed 131 cases between April and June 2023. From January to June 2023, they closed 267. She expects that the case is similar with the open cases. A couple of years ago, there was a statute change for the property tax reduction benefit which spiked their circuit breaker cases 10-fold. They haven't had anything like that recently to affect their caseload. Chairman McCray said it sounds like they're in a good place.

Evan Sailor, Compliance Division Administrator

Mr. Sailor began by reporting about the development work orders, or SQRs. Compliance has 27 open SQRs. Most are due to FAST Collection Services (FCS). The good news is that they aren't taking any of the state IT development hours. The better news is that the hours are being split between the local FAST team and their Denver team. The X-9-E-levy project has been ongoing for a while now but was shifted down in priority so that the FCS project could be developed. Now the X-9 project is back in the forefront. Originally, this was just a project with Chase Bank, but Mountain America contacted the Tax Commission to get onboard with the project, so they're in testing with Mountain America, and now US Bank. US Bank will be good because it's one of the banks that still must be served manually. This project will allow all service to be made electronically.

For fiscal year (FY) 2024, they created a record 161,000 cases. They closed a record 161,000 cases. As of this morning, he said there are 57,938 open cases. That number typically fluctuates between 55,000 – 65,000 cases based on the filing cycles. The current accounts receivable is \$207.5 million. That fluctuates between \$200 – \$220 million, also depending upon the filing cycle. Last year they recovered \$228.2 million, compared to FY 2023 when they recovered \$218 million.

They had their mandatory Compliance Officer 2 and Compliance Officer 3 (CO2 and CO3) training when all CO2s and CO3s came to Boise in May for one week. It went very well and goes with their mantra that every day is a training day. The supervisors have been reinforcing the "CODE" philosophy, which stands for Contact, Options, Deadline, and Enforcement, and continuing to educate the compliance officers to let the FCS automated recommendations run. Some still do things manually, but the supervisors have been meeting with them daily and doing case reviews. It's worked wonders in pushing out the FCS and CODE. It's also revealed some training opportunities for seasoned staff, so this has allowed them to focus on their training. Compliance continues their monthly in-service training. He's provided the Commission with a monthly breakdown of their training schedules with an annual training calendar that lists everything.

The big accomplishments this quarter are that the Compliance Officer 1 (CO1) training tiers, and the sales tax training tiers, are entered into Luma and they can track them. Zak Viker, Training Specialist, can now generate reports that show training by officer, by hours, or by training topic.

In the Boise office, they've restructured, adding one team of subject matter experts (SMEs) that includes a withholding expert, a temporary seller's permit expert, and deceased accounts expert who are all under one supervisor, Joel Fadel, and that's going well. They've promoted a new Field Office Manager in Idaho Falls and one in Lewiston. The Coeur d'Alene Field Office Manager position is posted. They will conduct interviews next week. The new Field Office Manager in Idaho Falls is Ashley Brewster, previously the supervisory CO3 in that

office. In Lewiston, they've announced the promotion of Ashley Christopherson, the supervisory CO3 to Field Office Manager in that office.

One year ago, they completed their first proactive phone project with the individual and business income tax filers. Over about two weeks, Compliance Officers contacted almost 30,000 tax filers. This year, they contacted just over 22,000 taxpayers in one week. All compliance officers are on phones all day. The overall feedback, on both sides, is very positive. The public appreciates the reminders.

Chairman McCray asked about the statistics and how he should look at that. Mr. Sailor said it's difficult to read that data because they open and close cases daily. That's why it's better to look at the open cases because they have about 55,000 – 60,000 on average and of those, they're only working about 25,000. There are about 8,000 – 9,000 in payment plans, and about 8,700 with the outside collection agency (OCA). It fluctuates from about 12,000, to a high right after the individual income tax season of about 24,000 cases in FAST Collection Services. When people go into a self-cure, or "off-set likely," Compliance doesn't touch the case. Of the 55,000 – 65,000 open cases, there are 75 compliance officers working about 20,000 – 25,000 cases on average daily. That's about the healthiest way to look at it.

Chairman McCray asked what the age of those open cases is. Mr. Sailor said they previously had very old cases. They're trying to work anything one year old and newer. They were getting hung up working older cases. David Perdue, Research Analyst, says the first 60 – 90 days is the most successful, but they were working cases from 120 days out to three years old. They changed that whole philosophy and they're now using OCA for the older cases. This year, in preparation for the 2023 individual income tax filing, they moved the older non-contact individual income tax and business income tax cases that have had no contact made to the OCA so they can work on the newer cases. They've done a better job of staying more recent. It's probably about 90 – 180 days.

Chairman McCray said he's sure it's part of his conversations, but he wants to acknowledge it in this setting, that part of the positive point of FCS was the self-cure and allowing the system to operate. He knows it's human nature to have our fingers in the pie, but it's part of the value proposition that we told the legislature that FCS would bring. He appreciates the focus and that we're using the tool the way it was sold to us and how we articulated it to our stakeholders.

Additionally, regarding the phone project, he believes that's the first time he's ever heard the words "happy" and "tax compliance" in the same sentence. He said to make 22,000 contacts in one week is phenomenal and the success it generates at being able to close those open cases is great. It's an excellent customer service activity and he appreciates all the compliance folks who jumped in and got it done and had a positive response. Well done.

George Brown, Property Tax Division Administrator

Rick Mascal, Revenue Operations Division Administrator, presented on behalf of Mr. Brown.

Mr. Mascal reported that the property tax reduction (PTR) team has received their data exchange from the counties and they're working through those applications now. They also successfully tested a data exchange with Health and Welfare.

The Technical Support Bureau (TSB) converted Latah County to ProVAL and Aumentum, the valuation and tax administration software. ProVAL went live on July 29, and they're scheduled to go live with Aumentum on August 12. They are converting Nez Perce County to UAD Web with a beta test in August and they plan to go live in September. It's not in the report submitted to the Commission, but Mr. Brown told him that they will convert Clark County within the next couple of weeks. TSB is also working on House Bill 521. Part of that included Rule 810 that was reported earlier in this meeting.

The Geographic Information Systems (GIS) team is recruiting a GIS Manager that should post in August. Megan Merkley and Josh Cruz, both GIS Analysts, are updating the annexations and Ms. Merkley is also working with the GIS webpage to convert the ColdFusion to the new system. They configured six county boundary changes and new tax code areas. They're now waiting on the counties to review those changes.

The operating property team has a new appraiser, Shyanne Massie. She's at the Wichita Property Tax Conference July 28 through August 1. The preliminary Operating Property Tax reports are also now available on the Tax Commission website. The Board of Equalization (BOE) appeals deadline was July 22. They've reported there are 22 appeals, 19 of them were the non-utility generators and three regulated utilities. They're preparing for the BOE hearings, and staff is working on final values. Consulting Appraisers will begin recruiting in August. They're assisting counties to finalize their values and helping with their studies. Brad Broenneke and Robert Rios spent some time in Eastern Idaho visiting counties that hadn't already been visited by the new section manager. The Policy Bureau is finalizing the ratio studies for BOE and supporting legal with operating property appeal issues compiling abstracts for BOE.

The Summer School this year was very successful. There were 500 attendees. There was only one issue when an instructor couldn't be here because of flight issues but they adapted, and all the other courses went well. Allison Dodge, Property Tax Assistant, and Jeff Middleton, Property Tax Education Director, worked out the logistics. There were classes at the Chinden Campus and at a hotel downtown, so Ms. Dodge and Mr. Middleton rented a van to ferry people back and forth and it worked out very well.

Chairman McCray said we've begun conversations with the County Treasurers and the Assessors on the computer aided mass appraisal system (CAMAS) and what we want to do going forward. Is there any update on those conversations or where we are in the process? Mr. Bernasconi was recognized to respond and said the conversations are ongoing. There is a Treasurer's meeting coming up and Mr. Brown will make a presentation to them. There is a county group that has been formed and they had a good initial meeting. Commissioner Woods added that they are adding more members to the committee for more diverse representation, but it's gone smoothly, so far.

Rick Mascall, Revenue Operations Division Administrator

Mr. Mascall said in Revenue Operations, volumes continue to increase. The individual income tax returns are up about 1.4% overall. It's encouraging to him that the paper is down about 7,000 and electronic filings are up almost 21,000. Business income tax returns are also up with an increase of electronic filings at about 3,300. He estimates about 60,000 business income returns yet to receive for the rest of this year, and about 90,000 remaining for the individual income tax this year.

Refunds are also up. The number of refunds is higher than the same time last year at about 67,000 and the value is up about \$83 million with the average increase of about \$61 per return. The new Idaho Business Registration is decreasing. It came down about 1,300, not a significant amount. They receive about 400 – 500 per week but notice that active withholding permits are up by 3.7% and the sales and use tax permits are up by more than 5,000, or about 5.3%.

Revenue Operations continues to focus on customer service, recruiting and development, and innovation in their processes and systems. He talked about their training saying the "RO Academy" is doing well right now. They have three people in the Academy today, and there will be three starting on the 5th, with one more on the 19th. They've begun moving not just new people in those classes, but they're also getting people already in their jobs that have an identified area upon which they can improve to attend those classes, too. They've enrolled people into phone training to help them become more comfortable making phone calls and providing that one-on-one customer service. They continue with their employee recognition programs. They still have the "you rock" award," the compliments container that each team uses, and they use the agency's Kudos.

For recruiting and retention, the hiring lists have been very full. They have several vacancies, but they're getting many responses. It's been encouraging to see full hiring lists. They review their vacancy rates each month through the operational excellence process and compare the number of open vacancies they have and that went up. They were at about 3% of the division, it's gone up to 4%, but he's still encouraged by that because most of the vacancies were due to promotions either within the division, or within the agency. They're still doing well to keep the core group and remain productive.

They had 51 temporary employees this year, which is down from what they've had in the past. Last year it was closer to 70 people. The difference is due to Tarra Harris', Revenue Operations Central Processing Bureau Chief, efforts through strategy to increase the work hours required for each temporary employee during the week. In previous years, they were only required to work 15 or 20 hours per week which caused training problems; they didn't retain enough information week over week to be productive. This year, Ms. Harris' strategy has worked because employees are working more hours per week and the quality and productivity has increased. Between January and June 30, their hours were up about 368 over last year. Even though there were fewer people, they have more hours worked. Overall, they've dropped temporary employee hours by almost 2,200.

In systems technology, they have the normal work, but he talked about a couple of things about which he is excited. The first is the W-2 C electronic filing. The W-2 C is a form used to make corrections on previously issued wage and tax information (W-2s) from current or prior years. In the past, to make a correction to business withholding, the changes had to be made on paper. Now, the team is working on a system and if the business filed W-2's electronically, they will also be able to then electronically file the correction. That is a huge labor-saving change. This system will also cross-check the W-2 C with the initially filed W-2 to ensure everything's verified and correct.

The other is the Idaho Business Registration (IBR) Phase 2. Now that they've been able to free up some developer resources, they should be able to start on that soon and it'll be helpful. That team has begun working with the Department of Labor (DOL) and the Industrial Commission to improve the interview process for when people want to apply. They've just implemented the "line 7 adjustment." This is a line on the Sales and Use Tax return for those that perhaps go to Costco and make purchases for their business for resale. They pay tax on those items at checkout, and then on line 7, they can adjust that amount to get credit for tax they've already paid. In the past, someone could make this adjustment through the taxpayer access portal (TAP), but the statute requires a description or explanation. When those adjustments were made in TAP, staff would then have to send the taxpayer a letter asking for support for the request to adjust. By putting this new system in TAP, the customer will be able to file the return, attach documents, and provide explanations. Staff will no longer need to follow up on every return. This change should greatly reduce the personal follow up.

The big one is imaging. The bid process closed about two weeks ago. The evaluation team has reviewed the proposals and tomorrow they will collaborate to coordinate the scores and on August 12th, they'll begin meeting with the vendors to preview their products and make a recommendation for the best-aligned one for our needs.

The mailroom had minimal backlogs this year. The team pointed out that last year, the instructions changed: if a tax return includes a payment, it is supposed to come into PO Box 84, instead of everything, payment and non-payment tax returns, coming into PO Box 56. This helped them be more efficient in the mailroom and they were able to get checks processed as quickly as possible. It was very successful. The Business return backlogs are 75% lower this year than last year. They were able to use some temporary employees, and the additional training helped them keep those numbers down. He's very proud that the requests for information letters decreased by more than 22%. That's a big number because they send out many requests for information. He expects that to continue to decrease.

Commissioner Zwygart said it was interesting to him that the number of IBRs decreased, but the withholding and sales tax permits went up which means people applied without using the IBR. He asked if the

percentage of closings is now higher. We know that sales tax increased by about 5,000, but about how many were closed this last year? Mr. Mascall said he doesn't know, but he'll provide that information for the Commissioner. Mr. Bernasconi was recognized and said that the other thing that can skew that number is that Mr. Mascall's team worked hard to clear their backlogs. When backlogs were happening, people would submit second, third, and forth IBRs because they weren't getting responses quickly. They may have ended with a decrease in IBRs, and an increase in everything else. The better number is the change in permits. Commissioner Zwiygart thanked them for the clarification.

Chairman McCray said he appreciates the lower number of temporary employees, and the strategy to utilize them more fully, specifically from a training standpoint, but he's curious if that required more overtime work during the tax drive or was the work accomplished during regular hours. Mr. Mascall said it went the other way. Last year, they had many overtime hours in both the systems and processing units. This year, it was significantly lower. Chairman McCray said that's a great job and a great strategy.

Kim Wind, Audit Division Administrator

Ms. Wind said most of the numbers she reports today will be for the fiscal year end: June 30, 2024. In Audit, they're always asked what year they're working. For non-filers, they're working tax year 2017. For individual and business income tax, they're working tax year 2021. The CP2000 (an IRS program that compares information on a tax return to other sources and verifies the accuracy of the return) report shows they're working in 2020, 2021, and 2022, but they are current. Dakota Rognlie does a great job of staying current on those cases. The IRS gives them audits and they're still seeing 2020 come in, but fewer. In FY 2023, they closed 195 development work orders (SQRs), and in FY 2024, they've closed 170.

The fraud statistics show that many of the schemes haven't changed from year to year. The fake W-2s are always number one: 81% of the scheme rate is fake W-2s with refunds requested at \$1.1 million. The next scheme, about 7%, is the \$0 due from the federal government which involves filing an Idaho return to make it look good for the federal government because they're really trying to get money from the IRS, so they file an Idaho return to make it look more legitimate. Refunds requested are \$0, but they come in that way. The 1099-R is the same as last year. Deanna Messinger does a great job with this report. Ms. Messinger said the rate of fraudulent returns reduced overall: last fiscal year was 0.47% of the returns overall. This fiscal year 0.13% of the returns were fraudulent. It's a small amount and Ms. Wind credited the Fast Identity Verification System (FIVS) that identified 80% of the fraudulent returns. We've been with them for a few years now and it's paid off. The other 15% were manually identified by her team. Overall, they identified 1,310 fraudulent returns this fiscal year, saving about \$1.8 million. It just depends on the year. It's interesting that we're one of the states that looks at the tax due, but it has paid off because some states don't think it's just a refund fraud: we see tax due returns come in and then the filer tries to claim a refund afterward. They're seeing fraud even on those, so it's nice that they're catching those as well. We're one of the few states that watch this. Chairman McCray said it's a clever strategy. Ms. Wind agreed. Some years it's greater than others and they're able to do that with the staff they have. Identity letters are still low compared to FY 2022 and prior to the improvements set by FIVS, which has greatly reduced the manual work for the team and for the taxpayers that we can positively identify. That's good for customer service.

Criminal case reporting has changed a little. They have about 20 cases that are assigned to a county prosecutor and awaiting action or sentencing, four new cases sent to a prosecutor this quarter, two sentenced this quarter, and three were dismissed. The report now provides more detail for the Commissioners, including whether there's an arraignment, and if charges are filed. They must still work with the prosecutors to get these filed and they've done a great job, since that was the first roadblock years ago. This team really works hard, and they do a "prosecutor tour" every year to open lines of communication. Included in this report is a funeral home arraignment that involved falsified sales tax returns. Some are not reporting all their income, some are overinflating their W-2s, Elder Abuse is on there, so they have all kinds of referrals. Ms. Wind likes seeing that one on there because she has personal experience where someone received three attempts to defraud them in one week. Anything we can do to help focus on that is good. Embezzlement is in the report a few times, too.

Two cases were in the news recently and involved the Kootenai County Sheriff and a joint investigation into tax evasion and grand theft. The resolution shows the perpetrator received five years for tax evasion. The other was Chad Stevens who received convictions for tax evasion and grand theft, and he was sentenced to three years for each.

Last year, they closed 16,192 audits and in FY 2024, they closed 17,879 audits. Audit recoveries for FY 2023 was \$67 million, and in FY 2024 they were \$69 million.

The Audit Bureau Chiefs compiled a list of accomplishments for the division. Sales and Fuels Tax Audit finished FY 2024 with a 19.3% increase in audits closed over FY 2023 while using 5.9% fewer labor hours. They are trying to be more efficient because they haven't been able to hire staff. The Audit Division concluded FY 2024, overall, with a 10.4% increase in completed audits compared to FY 2023, also with fewer labor hours. She has historically reported the number of hours required to complete an audit because customers have complained that it takes too long to complete. They're trying to move those along as quickly as possible. Considering that, they completed FY 2024 with 14.69 hours per closed audit. Audits range from multistate to CP2000, so that 14.69 hours is an average of cases, but compared to last year, at 16.23 hours, it shows improvement.

For their accomplishments, Ms. Wind noted that in Sales Tax Audit, they're working on improvements into technology. They've historically been manual, and they're doing more process improvements with their Excel templates, making them easier to use, and to be more efficient. The Income Tax Auditors (ITA) have facilitated the International Student Seminars at Brigham Young University-Idaho (BYU-Idaho), Idaho State University (ISU), and Boise State University (BSU). Kevin Solomon retired this quarter. He was a teacher for the International Students, but Charmaine Caprai has taken on those duties. She has big shoes to fill. The Management Automation Support (MAS) unit completed ten system issue work orders. There were 81 planned production maintenance SQRs, 49 project SQRs, and 32 unplanned maintenance (UPM) SQRs this fiscal year to date.

Ms. Wind and Greg Busmann, Income Tax Audit (ITA) Bureau Chief, presented at the Idaho Society of Certified Public Accountants (ISCPA). Rebecca Danley, Tax Discovery Bureau (TDB) Bureau Chief, presented a segment on voluntary disclosure agreements (VDAs) at the Federation of Tax Administrators (FTA) Annual conference and has been invited to speak with Bloomberg. These opportunities have led to several connections with other states.

The Audit team has been committed to implementing HB 445. That has taken more effort than anyone expected, and they've been very busy with the developers and the Project Management Office (PMO) to get it completed. Congratulations to everyone that's been involved.

Several Audit staff members participated in the Employee Picnic Dunking event. It was fun. Audit has also participated in the internship program by hiring two interns. Parker Sailor returned this year for TDB. His internship ended last week, and he did a great job. He's welcome to come back. Now they have Anne Jorgensen as the new intern in Sales Tax Audit (STA) for the remainder of the summer. STA and the TDB are continuing their collaboration on the new Sales and Use Tax working paper. The working papers are an automation into Gen Tax versus Excel. Those are all huge accomplishments.

Ms. Wind would like to say the same as Mr. Mascall, but their hiring is a bit different, and their lists are neither as large nor with qualified individuals. They're still recruiting non-stop and they're getting people in the door and training, but as soon as they do, someone retires or they're losing the candidate to somewhere else. This last round, many applied, but weren't qualified. They didn't even have an accounting background. She highlighted a couple of hires. Charmaine Caprai, to Tax Auditor 4 in ITA, and Johnny Ketner, was promoted to STA Audit 4, Tax Audit Manager in the Pocatello Field Office. They have a few Audit Managers there, but they're trying to offer opportunities in the Field Offices.

Mr. Bernasconi was recognized and said that Audit Managers in the Field Offices is a result of Ms. Wind's efforts. It was previously "against the rules" at the Tax Commission and Ms. Wind pushed to have Tax Audit Managers in the Field Offices and it's been a great success. Chairman McCray asked Mr. Bernasconi to talk about the hiring list request they've made to the Division of Human Resources (DHR) because he believes that's important for everyone. Mr. Bernasconi said they met with the DHR Recruitment and Outreach Manager and pointed out that although opening the hiring lists to anyone to answer two attestation questions solved the problem of smaller hiring lists, it created the problem of taking too much resource time. There may be 100 people applying but 90% of them aren't qualified, so it takes an incredible amount of time to go through them all. DHR is now committed to reviewing that process to see if there's a middle ground. Chairman McCray said he's curious about Ms. Wind's comment that candidates are backing out after being extended an offer and asked her to elaborate for perspective. Ms. Wind said they've always seen that to a degree, but they're seeing it more. When people apply for a job, they typically apply to several at once. The Tax Commission offers, and they accept, but then they get another job with better pay. They always take the job with better pay.

Chairman McCray asked if she'd care to expand on the HB 445 implementation. Ms. Wind said they've discovered that interest touches everything. When this was implemented, they got a plan together and started development and realized that interest is everywhere. She doesn't think anyone could anticipate the extent of how many hours it would take. She has about 20 people in testing, and five main subject matter experts (SMEs), so it's taken up many resources they weren't expecting. The flow of interest in transactions is everywhere. She thinks we were excited at first and thought we could get finished quickly. Everything they touched found something new. It's just far more involved than anyone could have imagined. Chairman McCray noted that the comment in the report is that it's "nearing completion." That's not complete. Ms. Wind said that is correct. Chairman McCray asked if that means within the next few weeks or is it another few months. Ms. Wind said it should be weeks. They're in the final stages. Much is in testing this week. It's hopeful, but they are in the final stages.

Julie Eavenson, Public Information Director

Ms. Eavenson highlighted a couple of areas they are working on in Taxpayer Resources (TRU) and Taxpayer Services (TPS). First is that in TRU this last quarter, they've focused on putting a personal appearance on the Tax Commission. Those that produce webinars, Steve Taylor, Tax Commission Training Specialist, Janet Rostock, Taxpayer Services Specialist, and others from different divisions within the Tax Commission have begun a new "Q & A" webinar. It's a Lunch and Learn, takes about 45 minutes, and is open for any questions someone may have. They're still working on how to promote it. There's been positive feedback from those participating in it. In the first one, they had five professionals online, and they ended up talking to themselves. But they're hoping this will be a course for the future, to make it less formal.

They also participated with the Boise Metro Chamber of Commerce "Operation Thank You." Five people from TRU picked up and delivered over 50 packets. They go into a business, introduce themselves and who they represent, and thank them for supporting the business community in the Treasure Valley. Everyone had great interactions with businesses. It's not a promotion for the person delivering the "thank you," but it does turn out to be a great way to interact. For instance, she had one connection who had questions about whether the Tax Commission could come talk to low-income parents about taxes. They're also posting more fun articles on social media. She hopes staff will follow the Tax Commission on social media and share the stories. It's informational and fun and designed to show the public that we're fun people.

The second thing is that she believes we've finally gotten "over the hump" in TPS. She wanted to report that there were no vacancies, and as of June 30, that was true, but there was one new employee that accepted another position that paid more. He has given three weeks' notice, though, and they're keeping him busy.

On Tax Day, they had eight representatives (one part-time temporary employee and seven full time employees) who averaged 92.38 calls. With the Taxpayer Services Representative in Coeur d'Alene, they hope they'll be handling around 55% of the calls. They're continuing to look at the website, letters, and forms because

if they can make it easier for customers to understand what they're being asked to do, it generates fewer calls. She's excited that her hiring lists have been better than in the past. She's seeing qualified candidates in the applicant pool.

Ms. Eavenson said they're looking at a new phone system and it's in very early stages. The Department of Motor Vehicles (DMV) is using Amazon Web Services (AWS), and Health and Welfare is using a company called NICE. Essentially, they're an internet-based phone service that has chat capability and some artificial intelligence. They're looking at what the next generation looks like because we know we'll never be able to hire enough people at the Tax Commission to get 100% of the random calls that come into the call center.

She also said it's official that Taxpayer Resources has taken over as custodian of the Public Records requests. The point person will be Bryan Swain, although both she and Renee Eymann have experience with public records requests and will be able to back him up. Commissioner Moyle said asked if they including legal staff when public records requests are received? Ms. Eavenson said yes.

Commissioner Zwygart talked about the statistics Ms. Eavenson presented saying it is interesting that in 2020, they were at 4.4 minutes per call, and now she's at double that and the volume's gone up. Are they able to keep up with that? Ms. Eavenson said they're having to re-think what "keep up" means. Steve Taylor previously launched call centers for Hewlett-Packard and has conducted an analysis on our call center. According to his findings, for the Tax Commission to handle the increasing call volumes, we would need 30 people on the phones, but that would mean there would be downtime. Consequently, we need to look at things like a chat feature, be better at how we communicate things on our website, and when Audit and Compliance help with calls, they must have tools available to help them answer the calls. They have a couple of things they'll be launching on the customer service resource page on the new Tax Insider (internal Share Point site). There will be a "tax rep library" and some points of contact. Commissioner Zwygart congratulated her because since he's been with the Tax Commission, there's been a great focus on this, and he appreciates her efforts. Mr. Bernasconi was recognized and agreed with everything Ms. Eavenson has said. He added that 2020 is a rough year to look at for two reasons: One, they delayed the filing deadline a couple of months, which created a lull period, plus a great deal of federal money flowed into the system so there were significantly fewer collection cases because they were offset by the federal dollars; therefore, 2020 can't be used as a comparison for much of anything.

Ms. Lantz was recognized and asked if there is one item that is the biggest percentage of calls? Ms. Eavenson said the number one concern, or issue, is taxpayer access portal (TAP) Registration by far. That is the hardest thing for taxpayers to understand because it's not intuitive. The second one is payments. Her team is working actively on those two things as their top priorities. Ms. Lantz followed up asking if the Tax Commission explored the Practitioner Line further (a line solely for Tax Practitioners)? Ms. Eavenson responded that they've talked about it, and it may change now, but the practitioners called two specific people that have since retired. Because of those retirements, it might be a good time to revisit this topic. Calls typically drop after 70 seconds. Then people start calling numbers looking for an answer. When they do get a representative who needs to research the question, they often are impatient and call someone else.

Commissioner Woods thanked Ms. Eavenson for her report. He talks about this every quarter, but he hopes we never give up on getting more resources. If we need resources to solve the problem, he wants to keep saying it, the legislature changes every year. This is a core function of our agency, to answer questions of the constituents, so he hopes we continue the efforts to outline solutions. We may not be getting those resources, but he hopes we never give up saying that this could solve our problem.

Chairman McCray commented on the one-touch concept saying he's been touring some of the Field Offices. He is committed to going to all and still has Lewiston and Idaho Falls offices to visit. The point is that he's receiving positive feedback on the concept to be able to address a taxpayer's issue and not letting it go until the "right" person is found or identified. Some of the comments, or concerns, were about the "transfer list." He

thinks the one-touch concept will help resolve these issues. It won't fix everything, but it's a step in the right direction. Well done. The Field offices are excited about implementing that.

Lisa Kopke, Financial Executive Officer, Management Services

Ms. Kopke began by offering kudos. With Luma implementation, the thing accountants dreaded most this year was fiscal year end and what that looked like. She's happy to report that they survived with very little crying, very little overtime, and everyone still likes each other. She's calling it a success. She expects to submit the FY 2025 spending plan tomorrow. In Luma, that allows division administrators and fiscal teams within the agency to make better financial decisions about how money is spent and what projects can begin for the year. The FY 2026 budget request is due on August 30, and she'll be working on that for the next month. She hopes to post the financial statements today. They've been working closely with the State Controller's Office (SCO) who is still processing statutory transfers that effect our bottom line. She's provided numbers for the Commissioners. One positive thing that's come out of Luma is the ability to change financial statements to make them easier to read. She's working with business partners and stakeholders to add additional lines to make it easier to read and they've added a footnotes page, keeping in mind that there were some significant statutory changes this year that effected the distribution fund and accruals. There were three major statutory changes: in-demand career funds, public schools, and income and property tax relief. They have footnotes on the financials for all of those.

In wrapping up last year's budget, we will revert \$1.1 million in salary savings. They're working with the Division of Human Resources (DHR) and the Division of Financial Management (DFM) on how to prevent that in the future. There were some big executive carryforwards, as mentioned earlier by Mr. Mascall, the imaging system was appropriated last year at \$1.3 million. That has rolled over to FY 2025 to finish that project and they're close to moving into the next phase. There was some reversion in operating money, most of which came from savings we were able to recognize in working with FAST on the FCS implementation. Her team has five SQRs that are currently on hold due to some scheduled time off.

As Mr. Bernasconi mentioned earlier, the annual picnic dunk tank fundraiser total was \$2,406 for veterans. Family Day was a huge success, and coming up is Halloween. They currently have three positions open in different hiring phases.

Commissioner Woods asked what Ms. Kopke means when she says "...revert \$1.1 million in salary savings"? What does "revert," or "reversion" mean? Ms. Kopke said reversion means we didn't have the opportunity to spend that money. We either had several vacancies, turnover, or some salary savings from retirements of people that have been here for 30 years, which creates "salary savings." To "revert" just means we didn't spend that money and must give it back to the legislature to reappropriate. Commissioner Woods said he hopes that in our FY 2026 budget request, we include some budgetary enhancements for Taxpayer Services to help address the challenge there.

Ms. Lantz was recognized and said that because this is government, Ms. Kopke has \$1.1 million she couldn't spend, but can't use that money to keep people from leaving, right? Chairman McCray responded that it's a complicated question and there's no simple answer. As Ms. Kopke alluded, much of that is due to long term employees who've retired, that had large salaries, and those positions are now vacant, which creates a large pool of money that's related to turnover and the number of open positions. It's been our messaging and our intention that we don't hold positions open; we're continuously trying to recruit and fill those positions, but there's a natural churn within any organization and that is what generates some of that savings. Ms. Kopke added that we work closely with DHR because there are rules around how that money can be used. We try to maximize every dollar.

Isaac Joyner, Technology and Innovation Bureau Chief

Mr. Joyner talked about this quarter's action items. There are several projects already mentioned, including FCS and HB445, which is his Bureau's highest priority, and Ms. Wind noted in her report that transactions are a big part of the development and trying to find solutions. The wrap-up comments begin when a

solution has been identified and testing begins. Almost everything is out for testing right now. The longer it's out for testing, the better. He thinks the assessment of a "few weeks" is fair. His next action item is that as they close HB445, to transition the developers and development toward the annual plan.

Over this last quarter, they received approval for the agency annual plan. There are projects including managed payments, FRED (the updates to systems for the coming tax year), and TAP Registration. On the list, the larger ones, like FRED and managed payments, will stay on the list until around the third quarter. They are already underway in this new fiscal year.

Statistics include the internal developer count for internal development hours by category, of which the majority is unplanned maintenance because of HB445. In the next cycle, the Commission will see the graph change to include legislative projects and he'll slice it out so the Commissioners can view the critical items versus the legislative change. FCS was one of the major projects included in those counts. Everything else was either critical or core maintenance.

Mr. Joyner said they had another successful quarterly Bureau meeting. They were able to give out some service certificates and that was great. The Annual Plan was approved and is underway. The process of collaboration with Information Technology Services (ITS) for laptop deployment has come a long way and the devices are being deployed with only about five remaining. He's preparing to order the next set. The process has improved. Security is finalizing the Department of Labor (IDOL) memorandum of understanding (MOU) for data sharing. Between FAST and the internal developers, they were able to close 178 SQRs this quarter.

He currently has one vacancy, a Software Engineer II position. They also offered a position, and it was declined due to pay, so they're recruiting for that position again. He's hired a new Information Technology Manager II, Justin Knott, a new Software Engineer I, Sam Baisch, and another Software Engineer I, Gary Brusse.

Commissioner Woods asked how many transactions per year they're talking about with the HB 445 implementation? He's trying to understand the magnitude of all the programming. Mr. Joyner said it's not necessarily how many transactions, but the different types of transactions. There are so many different types of credits and payments, and they must make sure they account for every scenario. Right now, the biggest group was just a lump, like refunds, or payments, but not the specific types they would hold interest for or against. Mr. Bernasconi said it's in the thousands. What they're talking about is the complexity of the other side of the issues. They're now having to break out what they never did before. Ms. Wind posts 10,000 audits per year, so this affects 10,000. Mr. Mascall posts 3.5 million transactions per year, so it also affects 3.5 million. Now they must tease out the difference. There was never a reason to distinguish a transaction by who posted it. Chairman McCray asked if there is a way to quantify that activity. Mr. Bernasconi responded that there will be going forward. Elisa Magnuson, Lead Deputy Attorney General, supplied that implementation of this statute goes back in time to January, and is why they've been doing all this planning. They're having to look backward to see where it starts, where normally, the statute would be put in place and the effective date would be the following January, so there'd be lead-up time to plan for implementation. That would be painful, but this was much more difficult because of the effective date. Ms. Wind said in development they had to also include the to and from dates for those transactions. Even going forward, every audit that's closed is touching that interest. That's the numbers of transactions. Commissioner Woods said the core of his question was whether at some point the system is spitting out an answer and we need verify the answer is right, which means you must understand the math behind it. The math must be checked either way. He understands the magnitude but was trying to understand the mechanics. It's more than 17,000 per year.

Chairman McCray asked if there is a way to quantify the touches, and by that he means whatever programming changes had to be made, whatever modifications had to be made (and modifications is used broadly in this sense, because he doesn't know if it's specific to programming in Gen Tax or if there are other things, work papers, etc.) but if there's a way to quantify that so we can have that statistic in our discussions with the sponsor [of the bill] and others that are interested in this type of legislation. From his perspective, it feels like we

missed a little bit in our conversations that this would be more challenging that we recognized. It feels, to Commissioner Woods' point, that we could manually deal with it in the short term and then figure out a long-term fix, which probably isn't the case. We need to be able to articulate to people that, when they come up with these ideas, the magnitude of the change and what it truly costs. Mr. Bernasconi was recognized and said he believes we can get there. Manual may seem plausible, but if the transaction isn't split out, it's going to have to happen automatically. To make it manual, you'd have to split all the transactions to figure out which ones get done manually, and which ones will be done automatically. That's the same level of effort as making everything automatic. It wouldn't have saved anything because they don't exist manually. Commissioner Woods acknowledged that his lack of understanding is more universal to those that don't understand how this works, saying that at some point, we're doing the math.

The Commission recessed for 15 minutes.

Rhamona Grabenstein, Human Resource Officer

Ms. Grabenstein said recruitment continues to be a focus in Human Resources (HR). She is happy to say that the number of open positions is staying low. The managers and supervisors are working through the large lists and filling positions. As of July 22, there were 20 vacant or soon-to-be vacant positions for which they've begun recruitment.

House bill 433 requires HR to remove reference to degrees in position postings if a degree is not required to perform the duties of the position. They can still reference education as a minimum qualification, but there must also be an "or" statement that allows for skills-based hiring. They've reviewed their postings to ensure the announcements all have an "or" statement. The Central Office of the Division of Human Resources (DHR – Central Office), has provided training to HR personnel to implement the same on the classification specifications for consistency across the state. In the July Hire to Retire training, supervisors attended a skills-based hiring session where they were asked to think about what they see on resumes and to look at the skills of the individual and not just the education. It was a good class delivered by Stephanie Elliott, Human Resource Specialist, Senior at the Tax Commission.

In September, they will attend two job fairs at Northwest Nazarene University (NNU). One is on the 18th targeted for Accounting students, so Auditors will be there to hopefully get qualified applications for vacant Audit positions. Then there is one open to all fields of study on the 22nd.

As others have mentioned, the agency hired interns this summer. Some are still here. She appreciates the Taxpayer Resources Unit who took on three interns, Audit had two interns, Compliance had two interns, there was one in the Quality Assurance and Research unit, and one in Human Resources. They are all transitioning out, but they've been invited to a luncheon on Wednesday to get more information from them about how to improve the program in the future. We hope to have an annual internship program.

Ms. Grabenstein congratulated Cecilia Morales who's been reclassified to an HR Business Partner 2 and will oversee Property Tax and Compliance as their HR Representative. At the 2 level, she will work together with Ms. Grabenstein directly to develop her skills at this level. Ms. Morales has arranged, at the request of employees, a Public Employee Retirement System of Idaho (PERSI) presentation and a Statewide Health Insurance Benefits Advisors (SHIBA) presentation for Medicare for retirees. Both were well attended, and she thanked the employees who brought forward the request and Ms. Morales for making it happen.

The Hire to Retire sessions are continuing. She's not yet vetted the three topics with the Operational Leadership Team, but they've been proposed by her team. Based on feedback from the critical success factors for the FY 2025 strategy for the advanced and continuing training for employees, they want more opportunities for the leaders to talk amongst themselves and get more "how to's" for operational leaders and that will begin in September. They will discuss new standard operating procedures, including Work Hours and Leave Types and Accommodations. Those are two areas managers can easily blur, so providing a resource pool is beneficial.

They'll do one class in August on Communication Breakdowns and How to Fix them, and the one in October they will explore how to investigate an employee relations situation and make decisions. That will be more division-specific so that leaders can talk freely and learn from each other. The Tax Leadership Series is also part of our strategy and that will be going out to the Field Offices so the Field Office Managers can take those classes in person. HR doesn't deliver this training, so they're coordinating the facilitators and the managers.

The DHR – Central Office created a new supervisor orientation. The Tax Commission had created one for this agency, but DHR has now chosen to promote consistency across the state, so we will use their materials. The Tax Commission's new supervisors piloted their materials, and we've provided feedback. Ms. Elliott delivered it and DHR will be modifying some things based on our feedback.

The Annual Employee Engagement Survey launched by DHR – Central Office closed on July 19. The Tax Commission completed with an 84% participation rate which is fantastic and one of the highest for agencies of our size. She's very proud of Tax Commission employees. They are working on giving access and training to the Directors and Human Resource Officers (HRO's) on how to navigate the Qualtrics dashboard so we can review our results. Their hope is to provide a support plan for how we can make changes in the organization based on those responses to address the comments and feedback from employees.

DHR – Central Office has heard that we need more, and better, reports and she just received an email prior to this meeting that they need people who understand how to build reports to come to a workshop to help build out canned reports they can make available to others. Jen Igo, Human Resource Specialist, Senior at the Tax Commission will attend and help with those efforts.

Finally, Ms. Grabenstein thanked Mr. Sailor, the Safety and Security Steering Committee Chairperson and Operations Leadership Team Representative, for coordinating and providing training for all emergency evacuation employees and their positions, about their roles and responsibilities in the event of an emergency. He stressed that often there is conflicting information, for instance, when the onsite security team calls an "all clear" that everyone can return to the building, but our teams haven't even completed their roll calls. We do this to ensure our internal processes work, so he emphasized that an "all clear" only comes from the Zak Viker, the Agency's Emergency Coordinator. They worked with TRU to ensure that the Fire Safety video that is seen by all new employees clearly communicates that, also.

Chairman McCray asked if all the positions of emergency coordinators are staffed. Ms. Grabenstein said she believes they are now. With turnover rates at this agency, there is a back-up person for each position who would become the primary. They also reviewed whether they had the right people for the tasks. Chairman McCray also commented on the Annual Employee Engagement Survey saying that 84% is a good number: 85% is considered best in class. He thanked everyone who took the time and effort to engage in the survey. He is cautiously optimistic that we will begin to see some momentum with the state's engagement survey and be able to get the tools we can use to act. The feedback is important.

Aaron Yost, Governmental Affairs Officer

Philip Johnson, Tax Research Specialist, presented on behalf of Mr. Yost who is attending a Multistate Tax Commission (MTC) conference.

Mr. Johnson reported on the legislative committee saying the Statute Administration Legislative Report is complete and he thanked all the divisions because this report cannot be done without help from everyone that works on it. The Executive Agency Legislative System (EALS) process is started. There are seven active ideas now and the stakeholder's engagement roundtable is scheduled for August. The Legislative Showcase is set for November 12 – 22, and the Tax Commission will be joined by the Department of Environmental Quality (DEQ), Department of Parks and Recreation (P & R), Department of Fish and Game (IDFG), and PERSI.

The ISCPA Spring Roundtable was completed in May and the MTC Spring Conference was the end of April into the first part of May. Currently the MTC Summer Conference is going on in Kansas City, KS. The ISCPA Fall Tour will be at the end of October, the Legislative Showcase will be at the end of November, the MTC Fall Conference will also be at the end of November, and the MTC Advisory Committee will be on December 5. Mr. Johnson noted that Mr. Yost will be a guest panelist for the MTC in a seminar on 51-state apportionment tomorrow.

Report on Rules Committees

Kimberlee Stratton, Tax Commission Rules Coordinator, presented the updates for rules. She discussed the rules that will be presented to the 2025 legislature. There are two zero-based rulemaking (ZBR) chapters that are on the normal schedule. They are Motor Fuels, and the proposed rule draft has already been approved by DFM so the Notice of Proposed Rulemaking will be published in September. There will be a public hearing on October 1. The other chapter is Cigarette and Tobacco. They are still waiting on DFM approval, but she's confident they'll receive that approval this week and so expects to still publish the Notice of Proposed Rulemaking in September, as well. That public hearing will also be on October 1.

They have two exception rulemakings: One is Property Tax Rule 617. The negotiated rulemaking will occur today, after this meeting, and based on the comments from that meeting, they will finalize a proposed rule draft that hopefully will also publish in September. The other is Rule 810 which was before the Commission earlier today as a temporary rule, which will expire when the legislature adjourns in 2025, so to provide a permanent rule to take its place, they're submitting a temporary proposed rulemaking. The changes approved by the Commission today will be made to the draft and in the accompanying proposed rule that will take its place when the legislature adjourns and the Notice of Rulemaking – Temporary and Proposed Rule will publish.

Mr. Johnson reported that lastly, there've been two Government Affairs employees to retire. Cynthia Adrian, and Tom Shaner, retired on July 19, and they're excited for them. Chairman McCray commented that we are actively recruiting for those two positions.

Ms. Lantz was recognized and asked Ms. Stratton about a meeting scheduled for tomorrow for proposed rulemaking for HB445. She's now seeing that the meeting isn't appearing so assumes it's not happening. She's trying to ensure she doesn't miss these rulemaking meetings and asked how she can make sure that doesn't happen. Ms. Stratton responded that the rulemaking has been canceled and will not go forward this year. The meeting was canceled, removed from our website and on the state website. There will be no rulemaking on that bill this year.

Chairman McCray commented on the legislative report reiterating that it was a group effort of everyone to look at all the legislation that passed this session and figure out how to implement, but more importantly how to communicate, the impacts of those legislative changes. He thinks it's a great tool and he's impressed with the output that was comprehensive and well done. Hopefully that will help us act on any changes that need to be made.

Other Business

There was no other business.

Public Comment

There were no public comments.

Executive Session

Commissioner Zwygart moved to go into Executive Session with legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the status of litigation to which the Commission is a party. Commissioner Woods seconded the motion; Maria Young, Management Assistant took a roll call vote: Commissioner Zwygart, Commissioner Woods, Commissioner Moyle, and Chairman McCray all voted in favor and the motion passed.

Public Session

Chairman McCray reconvened the public session. The Commission met in Executive Session with its legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party. No matters requiring a vote of the Commission resulted from the Executive Session.

There was no further business and Chairman McCray noted the next Tax Commission business meeting will be October 22, 2024, at 9:00 a.m.

There being no further business, Chairman McCray adjourned the meeting.

Maria Young, Secretary

Jeff McCray, Chairman