

## Department of Revenue

**Agency's Mission Statement: Serving South Dakota to provide fair, efficient, and reliable revenue administration with our partners to help fund public service statewide.**

Below are the goals, activities, and measures for the agency. Goals, activities, and measures need to be developed by the agency, in consultation with the Governor's Office, and agreed to by the Legislature (Government Operations and Audit Committee).

<b>Goal 1. Provide consistent service to every customer, every time. Be adaptable with our customer service methods.</b>										
	Performance Measures				Historical Data Section					
	Trend	Status	Actual FY23	FY23 Target	FY17	FY18	FY19	FY20	FY21	FY22
<b>Activity A. Provide Timely Service and Response to Customer</b>										
i. Motor Vehicle Title Turnaround in calendar days		<span style="color: red;">■</span>	33.97	<= 15	14.1	13.2	16.5	16.7	18.3	15.4
<b>ii. Business Tax Abandoned Rates</b>										
iia. Business Tax Abandoned Call Rate		<span style="color: green;">■</span>	2.8%	< 3%	5.6%	4.0%	2.8%	4.2%	2.8%	2.7%
iib. Business Tax Abandoned Chat Rate		<span style="color: green;">■</span>	0.2%	< 3%				2.4%	0.9%	0.7%
<b>iii. Motor Vehicles Abandoned Rates</b>										
iia. Motor Vehicles Abandoned Call Rate		<span style="color: red;">■</span>	9.6%	< 3%	4.3%	7.2%	3.8%	4.5%	3.5%	4.1%
iiib. Motor Vehicles Abandoned Chat Rate		<span style="color: green;">■</span>	1.6%	< 3%					1.6%	0.7%
<b>Activity B. Employ, train, and retain qualified staff</b>										
i. BHR Bi-Annual Employee Survey Response Rate		<span style="color: green;">■</span>		80%	87%		79%		79%*	94%
ii. % of Engaged DOR Employees from BHR Bi-Annual Survey		<span style="color: green;">■</span>		80%	84%		72%		79%*	76%
iii. Courses Completed by Employees in the Learning Management System		<span style="color: green;">■</span>	1727	1507			514	2044	1384	1463
iv. Employee Turnover Percentage		<span style="color: red;">■</span>	13%	< 10%	10.9%	15.9%	14.6%	12.7%	8.1%	11%
<b>Activity C. Provide Service Channel Options to Meet Customer Needs</b>										
i. Business Tax Returns filed electronically		<span style="color: green;">■</span>	84%	>= 82%	66%	69%	73%	77%	80%	82%
ii. Business Tax Revenue collected electronically		<span style="color: green;">■</span>	96%	>= 96%	91%	92%	93%	95%	95%	96%
iii. Motor Vehicle Registrations Renewed via SST or SD Cars		<span style="color: red;">■</span>	15%	>= 20%	8%	10%	11%	16%	16%	17%
iv. Property Tax Forms Submitted Electronically to DOR and Counties		<span style="color: green;">■</span>	5,133	5,060				2,678	4,770	5,866

**Agency comments regarding the accomplishment of Goal 1:**

A-i. The FY23 target was not met due to continued staffing issues in FY23. Additional non-motor vehicle staff have been trained in title processing, summer temporary staff were hired to help process titles, and overtime is being utilized to try and get the days back under control. For FY24, the measure may be switched from calendar days to business days and the target may be adjusted to a more maintainable target of 15-18 days.

A-iii-a. The FY21 goal was 5%. The FY22 target was set to 3% after attaining the previous benchmark for both business tax and motor vehicles. After missing the 3% goal in motor vehicles and analyzing the staff-to-call ratios for motor vehicles, it has been determined that 3% is not a maintainable goal. After the Department further evaluated the data, it was determined the motor vehicle abandoned call rate goal will be set at 5% for FY24.

B-i and B-ii. The last three engagement surveys were administered by three different entities and may not be comparable. \*Since BHR did not do the FY21 employee engagement survey, the FY22 survey response rate and engagement percentage results were from a DOR-only engagement survey administered by Guidehouse for strategic planning.

B-iii. A DOR Strategic Planning group implemented professional development requirements for all employees.













C-ii. 84% of the returns filed electronically account for 96% of the Business Tax revenue collected.

C.iii. The State of South Dakota is currently in a plate reissue year and people are less likely to pay the plate mailing fee, resulting in a decreased rate of registration renewals via SST or SD Cars. The Department will continue to evaluate the motor vehicle registrations renewed via SST and SD Cars for FY24 without any revisions to the target.

C-iv. DOR uses electronic submission for forms submitted centrally and offers the technology to the counties and taxpayers to utilize at their own discretion and preference.

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**Goal 2. Ensure that all DOR stakeholders understand the laws and regulations through education efforts.**

	Performance Measures				Historical Data Section					
	Trend	Status	FY23 Actual	FY23 Target	FY17	FY18	FY19	FY20	FY21	FY22
<b>Activity A. Business Partner Outreach and Education</b>										
i. Number of DOR Provided Seminars and Classes			69	>= 60	101	104	73	33	41	57
ii. Attendees of DOR Provided Seminars and Classes			2212	>= 1,532	1960	2104	1005	954	1045	1688
iii. Routine License Reviews										
iiia. Business Tax License Reviews			266	>= 250	217	336	251	217	155	262
iiib. Motor Fuel License Reviews			71	100						75
iiic. Tobacco Inspections/License Reviews			660	600	980	776	710	472	190	712
v. Property Tax Division Hours Focused on Education			101	140					136	133

**Agency comments regarding the accomplishment of Goal 2:**

A-i & A-ii. DOR offers a variety of in-person and online options for education events.

A-iii-b. This was a new performance metric in FY22. A motor fuel agent was deployed for a significant portion of FY22 and FY23. Cross-training is being implemented to assist with meeting the target.

A-iii-c. Tobacco Inspections are completed in accordance with the Master Settlement Agreement. *FY22 was the first fiscal year that agents completed these reviews during their business processes.*

A-v. The Property Tax Division did not hold a Topics class or Ag Land Assessment classes for assessors in FY23 which decreased education hours. The need for those classes is determined by the South Dakota Association of Assessing Officers (SDAAO) Education Committee and the number of new assessors.

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**Goal 3. Provide critical funding for state and local governments through compliance and efficiency.**

	Performance Measures				Historical Data Section					
	Trend	Status	FY23 Actual	FY23 Target	FY17	FY18	FY19	FY20	FY21	FY22
<b>Activity A. Compliance Efforts.</b>										
i. Percentage of Audit Hours Spent on Zero Audits			11%	<= 10%	9.8%	13.0%	11.8%	12.7%	14.0%	12%
ii. Percentage of Quality Distinct Audits			83%	>= 75%	57%	63%	69%	71%	72%	78%
iii. Business Tax Return Delinquency Rate			10.8%	<= 10%	9.4%	9.8%	10.1%	10.2%	9.2%	9.7%
iv. Motor Fuel Tax Return Delinquency Rate			0.8%	<= 10%						
v. Tax Discovery Leads Closed			14,966	22,000	26,103	35,133	25,818	22,688	29,843	18,445
vi. Property Tax Division - Average Form Turnaround Time (County Levy) in Calendar Days			44	45					35	46

**Activity B. Funding Improvement or Measurement**

<b>i. Increased General Fund Revenues through Lottery Sales</b>										
ia. Instant Ticket Net Proceeds			\$5,971,394	\$5,367,995	\$5,240,567	\$6,399,685	\$6,896,813	\$5,053,476	\$5,059,850	\$10,348,489
ib. On-line Net Proceeds			\$11,838,568	\$7,818,775	\$7,044,532	\$8,395,339	\$8,256,004	\$6,894,061	\$7,969,368	\$7,591,044

**Agency comments regarding the accomplishment of Goal 3:**

A-v. The Tax Discovery unit has received fewer leads to work than in years past, partially due to more remote sellers being licensed. Remote sellers continue to come forward voluntarily and the DOR continues to license them without the need to create or work leads.

A-vi. FY23 Levy Verification was performed manually and electronically to validate the new electronic software solution (E-File). The target will be reassessed with only electronic filing going forward.

B-i. The decrease from FY19 to FY20 in Instant Tickets net proceeds was due to system upgrades. FY21 Instant Ticket net proceeds were low due to COVID issues. FY22 Instant Ticket net proceeds were high due to a low transfer in FY21 and a large unclaimed prize.

B-ia. Instant Ticket Net Proceeds vary based on the timing of games closing and unclaimed prizes.

B-ib. On-line Net Proceeds are driven by jackpots. This revenue can be unpredictable.