



10 Things I Hate About You

Or

How To Destroy Relationships With Local Governments

And

Then Rebuild Them



Why

- Why do we care
 - Unique situation
 - Unique Relationship

What We Did Wrong

- Arrogance
- Condescending Attitude
- Poor Service
- Poor Communication

News Article

BUSINESS MOBILE REGISTER
June 2, 1996
SUNDAY

Private companies find profits in taxes

▶ Local governments shun state collectors for a better deal — and only Alabama has it

By **PETE ZURALES**
Staff Reporter

Businesses have a unique opportunity in Alabama — making a profit by collecting taxes for financially strapped local governments, even if it does cost the Revenue Department.

More and more cities and counties are paying private firms to collect the taxes the state formerly collected for them, a one-of-a-kind opportunity in the nation.

As a result, the Alabama Revenue Department is collecting several million dollars less in taxes on behalf of these governments each year and earning several hundred thousand dollars less in fees for the collections.

The cities and counties insist they are paying less to collect more, but pinpointing how much more is difficult. Several officials said they weren't sure how much they paid the state for its tax collection services.

Nonetheless, at least 128 Alabama cit-

ies and counties now have contracts with one of four private companies to collect their taxes for them. Most signed up in the past year. Scores of others are looking to do the same.

That, however, has had no effect on the Revenue Department, said Horace Hitt,

head of the sales tax division.

"No sir. My salary is still the same and the budget for the Revenue Department is still the same," Hitt said.

Actually, the budget has increased. The department received \$6.9 million to collect local taxes last fiscal year. This fiscal year, the appropriation was \$8.4 million, but was whittled down to \$7.7 million because of the lost business, said spokeswoman Carla Snelgrove.

So the workload has decreased while the budget has increased. "That would be a fair statement," Hitt said. "The budget

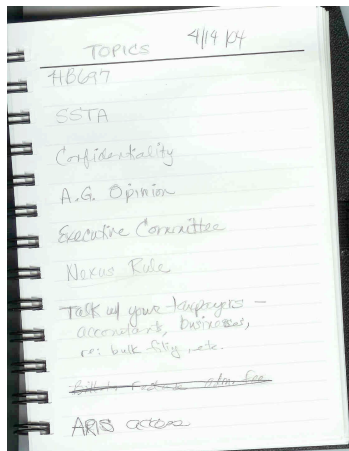
"My salary is still the same and the budget for the Revenue Department is still the same."
— Horace Hitt

Please See Taxes on 2F1

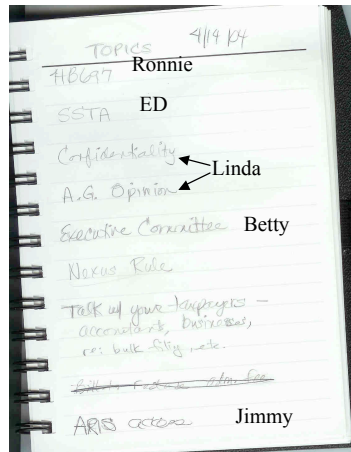
Welcome To the Revenue Department Tom

- April 7 - Legislator wants meeting with constituent
- April 8 - 100 People! Yikes
- April 12 - Well Lewis it's your meeting
- April 12 - We can't find out anything
- April 13 - Lewis what about HB-697?
- April - Lewis what exactly is this meeting about?

Predictability



Ah SO!



What do you want us to do?

All The Dots Are the Same Size



What We Are Doing

- This is a new presentation developed for local governments



The Alabama Department of Revenue

25 March 2004



Who We Are

- 1300 Employees
 - 950 in Montgomery
 - 350 in 8 Service Centers Across Alabama
- Budget of \$100,000,000
- FY 2003 Collections of
 - \$6,119,910,000 State Taxes
 - \$186,000,000 Local Taxes

FUNDS

-
-
-
-
- Education Trust Fund
- General Fund
 - Department of Public Safety
 - Department of Human Resources
 - Medicaid
 - Courts
- Others
 - Road & Bridge Fund

Current Collections

-
-
-
-
- Education Trust Fund
 - \$4 billion + Appropriation
- Collections @ yesterday
 - \$3,489,849,809 Gross Collections
 - +7.34% increase

Current Collections

- General Fund
 - \$1 billion + Appropriation
- Collections @ yesterday
 - \$374,414,901 Gross Collections
 - +% increase

Current Collections

- Other Taxes
 - Gasoline and Diesel
 - \$305,783,405
 - Severance
 - \$60,039,143
 - Tobacco
 - \$39,972,656

Local Funds Distributions

- Sales & Use Tax
 - \$117,943,671
- Business Privilege Tax
 - \$35,257,266
- Tobacco Tax
 - \$4,404,352
- Financial Institution Excise Tax
 - \$11,869,686

Taxpayer Advocate

- To provide an advocate for taxpayers within the Department
- What
- How
- Bill Morrison, Taxpayer Advocate
- (334)242-1055 or
<http://www.ador.state.al.us/>

Economic Development

- Provides Accurate Information On Tax Incentives
- How
- George C. Howell, Director of Economic Development
- (334)242-1175 or <http://www.ador.state.al.us/>

Income Tax Production Stats

- Income Tax
 - Total Returns Processed
 - 932,884
 - E-filing of Individual Income Tax
 - 595,106 Returns Filed
 - Refunds
 - 668,325 Returns Processed
 - \$211,646,540 Paid

Motor Vehicle Production Stats


- ■ Titles ● ●
 - 6-7000 a day
 - 1,600,000 a year
- Number of Different Tag Types – 219
- 4,200,000 Registrations (Tags)
- Mandatory Liability Insurance
 - 38,500 Questionnaires Mailed
 - 9583 Notice of Suspensions Mailed
 - 18,933 Conviction Notices (DPS/AOC)

Projects

- ● ● ●
 - GIS
 - Economic Development
 - 911 Services
 - Online Filing of Sales and Business Taxes
 - 523,000
 - 94% compliance



Efficiency and Accountability

- 
- Yellow Pages Rule
 - "Government should do no job if there is a business in the Yellow Pages that can do that job better and at a lower cost."
 - Outsourcing
 - It's Cheaper
 - Cost Accounting System
 - If you don't know where you are you can't go anywhere else