



eFile & Pay Report

Annual Report

For

Fiscal Year 2010

eFILE & PAY
FISCAL YEAR 2010

Overview

The Department implemented Iowa eFile & Pay on January 1, 2005, for withholding taxpayers. eFile & Pay became available for sales and retailers use taxpayers on July 5, 2005. A table of tax types and implementation dates is provided below:

Implementation Date	Tax Type
January 2005	Withholding
July 2005	Retail Sales Tax
July 2005	Retailer's Use Tax
October 2005	Consumer's Use Tax
January 2006	Individual Estimate/Final Pay
January 2006	Corporate Estimate/Final Pay
February 2006	Motor Fuel (LPG)
July 2006	Motor Fuel (Suppliers)

This system allows taxpayers to file their returns and make payments electronically. Benefits include:

- Secure and confidential filing for taxpayers.
- Filing convenience: The system is available to taxpayers seven days a week, 24 hours a day.
- Access to filing and payment history.
- Reduced errors in tax filings, which means less mail to process; faster processing times; and increased timeliness in availability of data for use by external customers and Department staff.

Objective of Report:

Performance measures are used to track the success of the program and to identify and address any major issues that may occur in the program. The performance measures are in four major categories:

- I. Utilization of eFile & Pay.
- II. Customer Service.
- III. Review Level Impact.
- IV. Performance of the System.

This report analyzes how well the Department met established performance measures for FY 10.

I. Performance Measure: Utilization of eFile & Pay

Measures:

Percent of returns eFiled versus paper for withholding, sales, and use.

Target: 96% eFile.

Actual: 97% eFile.

Percent of electronic payment transactions processed versus paper. (Electronic includes ACH Debit, ACH Credit, and credit card).

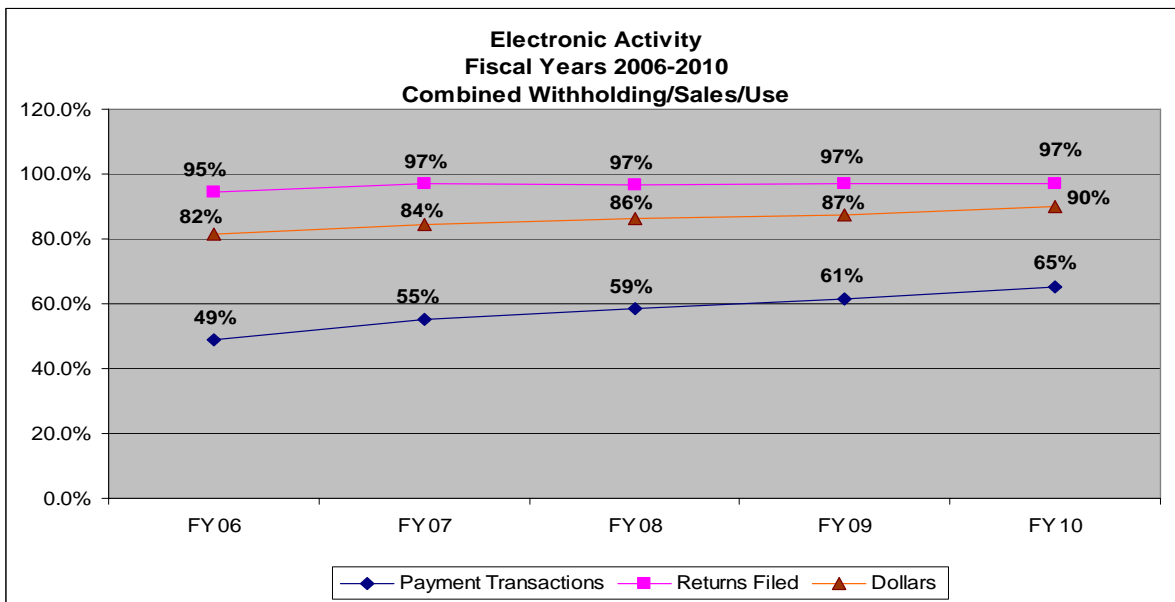
Target: 59% eFile.

Actual: 65% eFile.

Number of transactions completed for minor taxes. (LPG and motor fuel returns filed, and individual and corporate income tax payments).

Target: No target. (Appendix A)

Table 1



As illustrated in Table 1:

The percent of returns filed through the eFile & Pay system remained high at 97% for FY 07 through FY 10.

The percent of payment transactions paid electronically continued to grow from 49% in FY 06 to 65% in FY 10.

Dollars remitted electronically grew from 82% in 2006 to 90% in FY 10 for withholding, sales, and use taxpayers.

The following tables address withholding, sales, and use taxes on an individual basis for FY 06 through FY 10.

Table 2

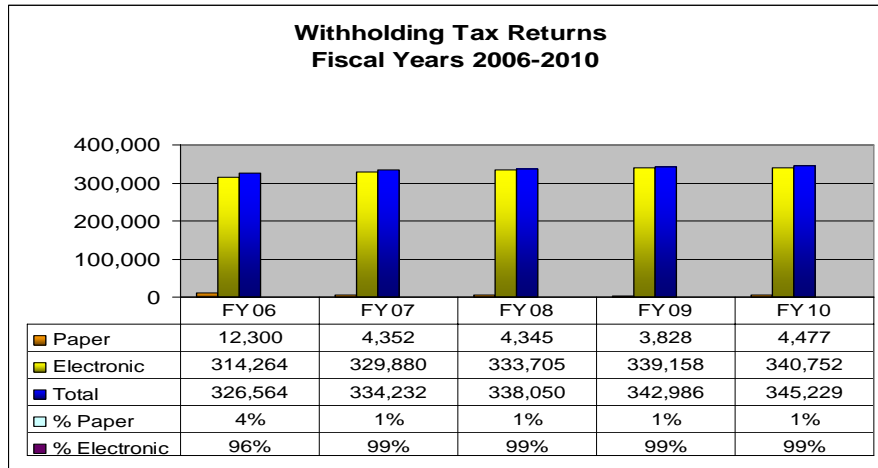
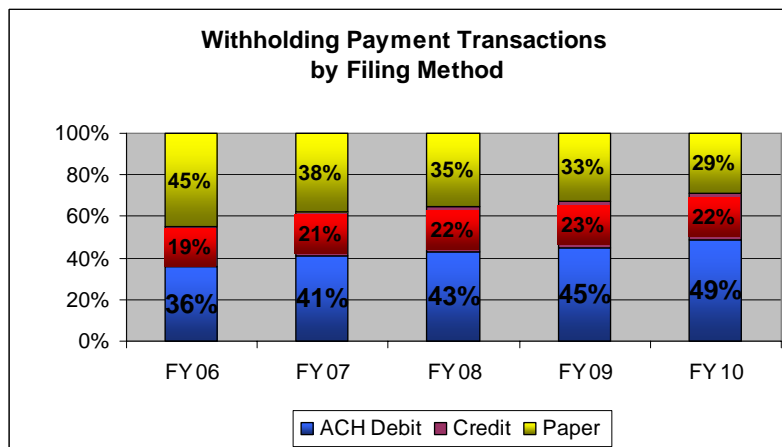


Table 2:

The percent of withholding tax quarterly returns filed through eFile & Pay remains strong at approximately 99% in FY 10.

Table 3



*Sums may not equal 100% due to rounding.

Table 3:

The percent of payment transactions processed electronically for withholding tax has grown from 55% in FY 06 to 71% in FY 10. Electronic payments are received three different ways:

- **FDGS - ACH Debit:** Taxpayers initiate this free direct payment option (ePay) through eFile & Pay. The Department “pulls” the payment from their account based on the information provided by the taxpayer.
- **Credit - ACH Credit and Credit Card:**
 - ACH Credit: Taxpayers contact their bank and initiate the payment. In other words, the taxpayer “pushes” the payment to the Department.
 - Credit Card: Taxpayers may access Official Payments and pay a 2.5% convenience fee to pay by credit card.
- **Paper:** The percent of paper payment transactions decreased from 45% in FY 06 to 29% in FY 10.

Table 4

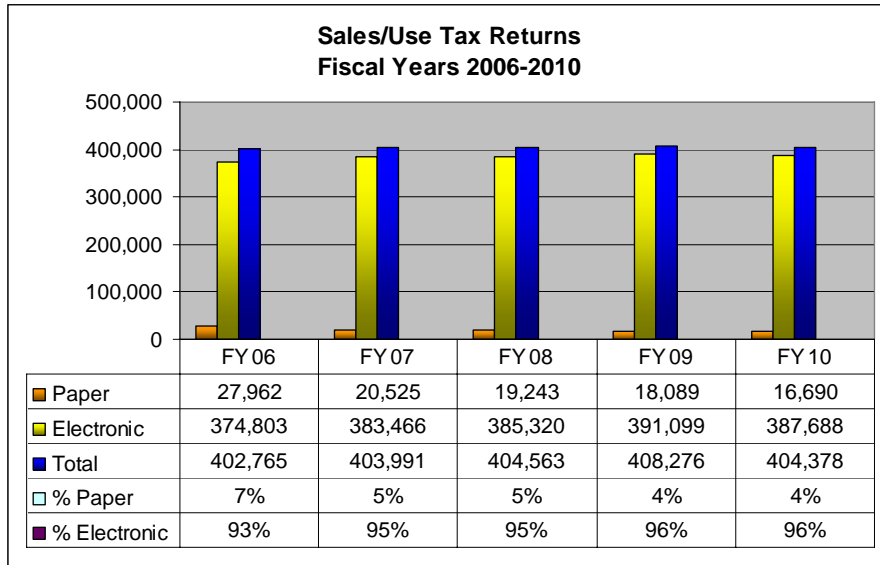


Table 4:

The percent of sales tax returns filed through eFile & Pay remains strong at 96% in FY 10.

Table 5

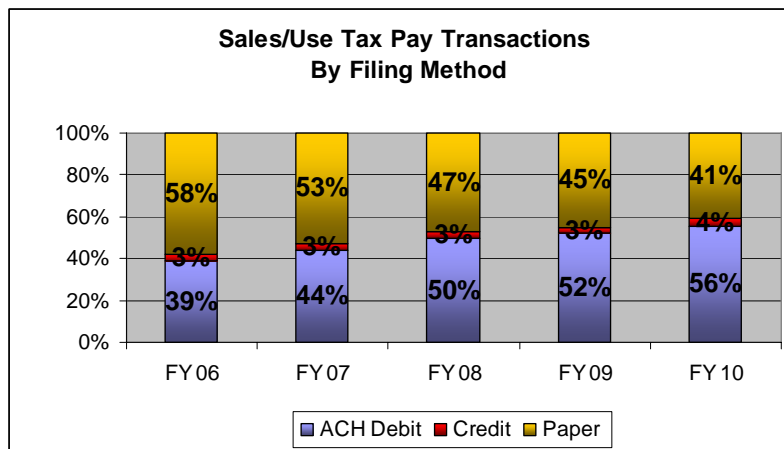


Table 5:

The percent of sales tax payment transactions processed electronically grew from 42% in 2006 to 60% in FY 10.

The majority of electronic payments for sales tax is made through ACH Debit, with only 4% of sales and use taxpayers opting to use ACH Credit or credit card charge.

II. Performance Measures: Customer Service

Measures:

Percent of Calls Answered in one minute.

Target: 85%

Actual: 89.0%

Percent of Calls Dropped (The caller disconnected before the call was answered.)

Target: 4% or under

Actual: 2.6%

Table 6

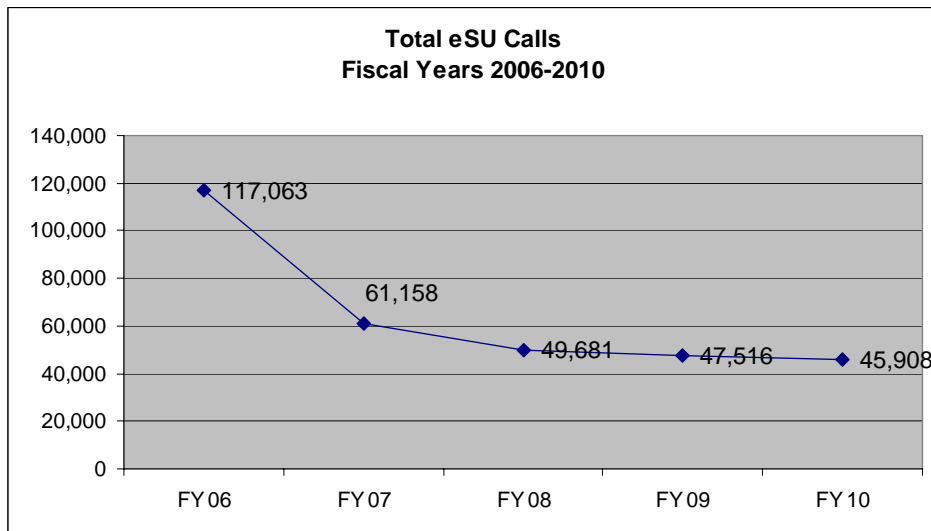


Table 6:

Taxpayers became more comfortable with the system and the number of calls started to decline. There were 45,908 total calls answered by the eFile Service Unit in FY 10 compared to 117,063 in FY 06.

Table 7

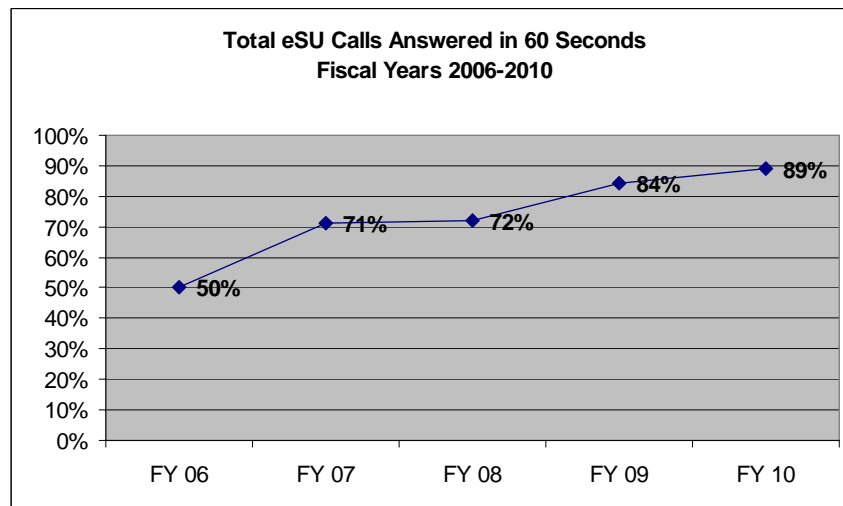


Table 7:

The number of calls answered in 60 seconds rose from 50% in FY 06 to 89% in FY 10.

Table 8

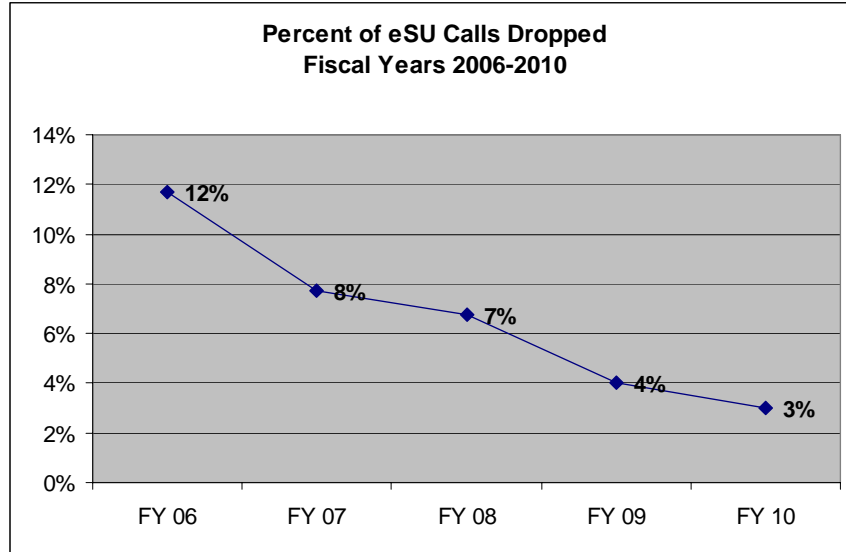


Table 8:

In FY 06 when the call volumes were greater, a higher percent of callers disconnected because of longer wait times. (IDR uses the term “dropped”).

After FY 06, as call volumes decreased, there was a corresponding decrease in the percent of calls dropped.

III. Performance Measure: Review Level Impact

A percentage of returns and payment transactions filed electronically and by paper require further review by the Department. This process, known as Error Resolution, is accomplished by comparing data on the tax return with payment data previously filed, and applying certain tax calculation logic to the reported data.

The following charts compare the percent of returns and payment transactions going to Error Resolution in FY 06 through FY 10.

Table 9

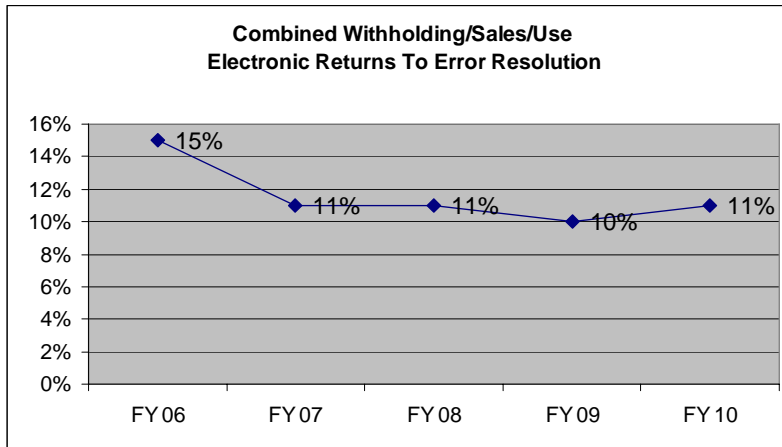


Table 9:

The percent of electronic returns going to Error Resolution remains at between 10% and 11%.

Table 10

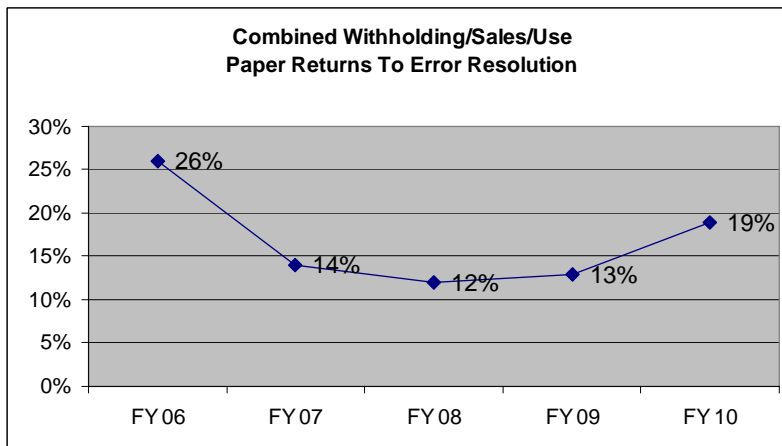


Table 10:

There is a smaller percentage of paper returns filed but a higher percentage of those returns are sent to error resolution.

Table 11

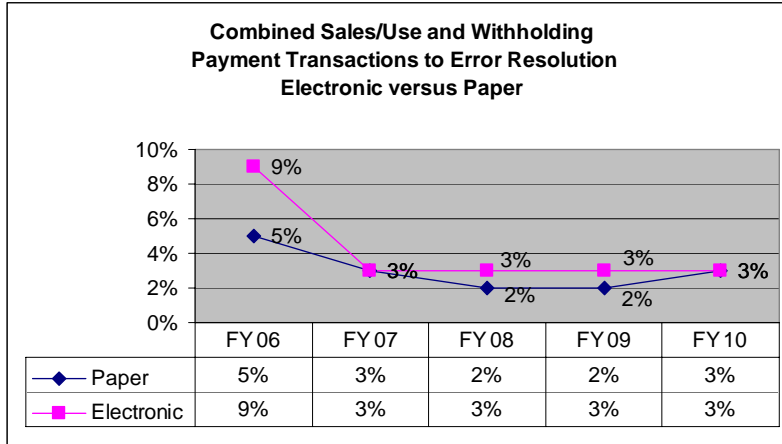


Table 11:

The percent of payment transactions going to Error Resolution for both electronic payments and paper payments were 3% in FY 10.

IV. Performance Measure: Performance of the System

One of the best features of the eFile & Pay system is that it is available to taxpayers 24 hours a day, seven days a week.

Measure:

Percent of time the eFile & Pay system is available to taxpayers.

Target: 99%.

Actual: 99.9%

Appendix A

Other Taxes:

Table A1

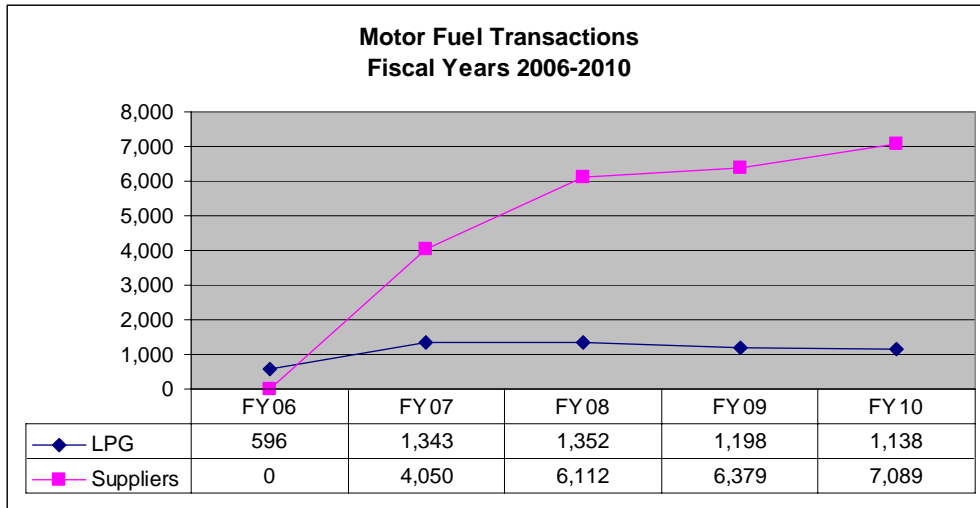


Table A1:

Table A1 illustrates the number of transactions for motor fuel tax (LPG and Suppliers). All motor fuel taxpayers must pay electronically. The transaction numbers illustrated in Table A1 represents electronic transactions processed through the eFile & Pay system.

Table A2

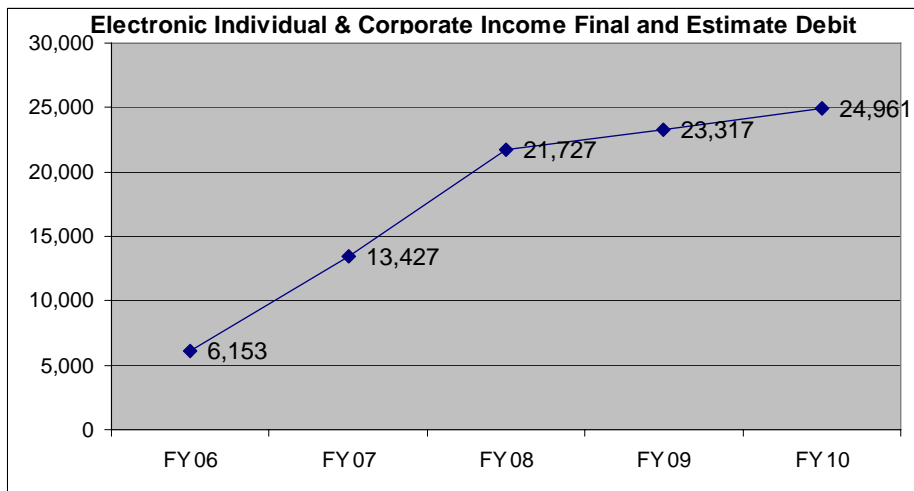


Table A2:

There has been steady growth in the number of transactions for individual and corporation estimates and final payments.

Table A3

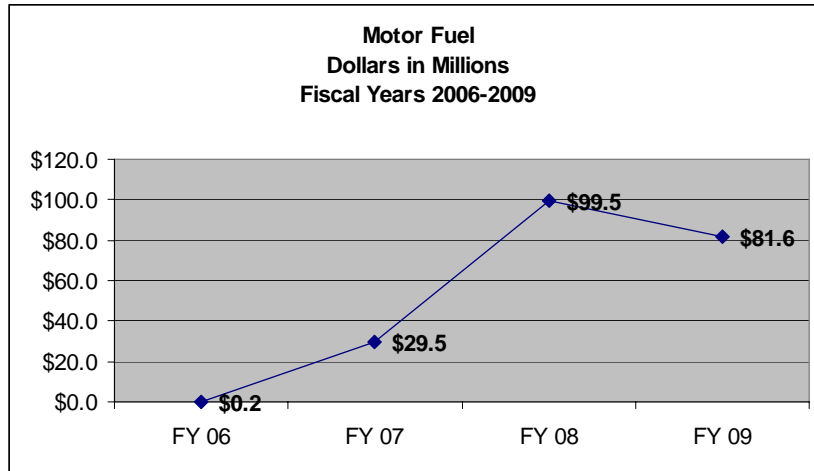


Table A3:

Table A3 illustrates the dollars received through eFile & Pay for the different motor fuel tax sources.

Table A4

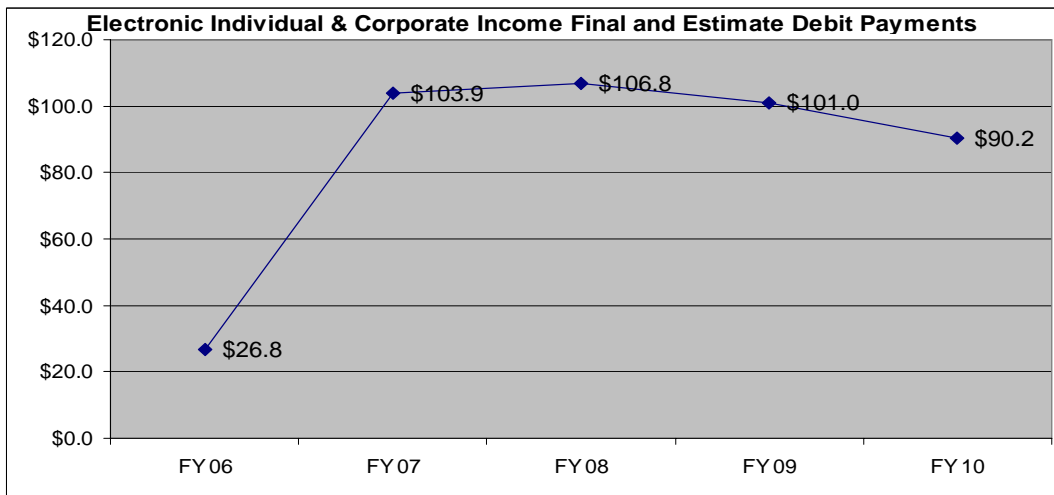


Table A4:

Table A4 has been revised to reflect individual and corporation estimated and final payments. Individual and corporation income tax payments were significantly impacted by the downturn in the economy in FY 2010.