



General Government Subcommittee Presentation

February 2, 2010

Agenda

- Budget Proposals FY11 & FY12
- TAX Amnesty
- Accounts Receivable
- Compliance Initiative

GF Budget Proposals – FY11 & FY12

Cuts Currently in Budget	FY 2011	FY 2012
Reduce funding for Telecommunications and Temporary Workers	695,900	695,900
Reduce funding for Technology Consultants	663,000	663,000
Reduce funding for Pay Practices	300,000	300,000
Increase Vacancy Savings	2,014,803	2,014,803
Telework Savings	130,000	130,000
Reduce Wage, Travel, and Overtime cost	298,894	298,894
Savings from Electronic filing	0	95,000
Cancellation of Norfolk Lease	64,163	64,163
Total Cuts in Budget Bill	4,166,760	4,261,760

NGF Budget Proposals – FY11 & FY12

Description	FY11	FY12
Transfer Court Debt Funds	(500,000)	(500,000)
Transfer LPC Funds	(100,000)	(100,000)
Recovery of the General Fund Cost - SLEAC program	(105,000)	(105,000)
Increase Contract Collector Appropriation	7,772,314	7,772,314

TAX Amnesty

- October 7, 2009 – December 5, 2009
- 550,000 Notices sent to Individuals and Businesses
- Average Amnesty Tax Bill = \$2,315
- TAX received the following during the program
 - Over 90,000 phone calls
 - Over 21,000 pieces of correspondence
 - Over 120,000 web hits

TAX Amnesty – cont.

- Program cost \$5.4 Million compared to the \$6.9 Million budgeted
- Created the “Get Square VA” campaign
- Implemented Live Chat
 - Over 4,000 contacts during Amnesty
 - Over 8,000 contacts during January

TAX Amnesty

General Fund Collections

Description	Collections
Withholding	5,000,000
Nonwithholding	19,000,000
Sales	28,100,000
Corporate	37,000,000
Interest	13,000,000
Total	102,100,000

TAX Receivables

as of December 31, 2009

- Approximately \$1.8 Billion in receivables
- Majority of bills are attributable to audit assessments which are difficult to collect
- Over \$1 Billion of receivables are more than one year old
- New audit and collection tools, additional staff, and the 2009 TAX Amnesty have increased both collections and receivables

Outstanding Receivables By Age as of December 31, 2009

Age	Tax	Penalty	Interest	Balance
Not Past Due	\$77,931,505	\$19,445,491	\$12,875,894	\$110,252,891
1 - 30 Days	\$37,142,041	\$11,442,289	\$5,310,329	\$53,894,659
31 - 60 Days	\$22,904,081	\$4,819,274	\$4,970,114	\$32,693,469
61 - 90 Days	\$18,531,363	\$5,312,388	\$3,480,461	\$27,324,212
91 - 120 Days	\$13,623,961	\$4,063,315	\$2,281,284	\$19,968,560
121 - 180 Days	\$88,108,665	\$29,517,198	\$16,502,518	\$134,128,381
181 - 365 Days	\$122,544,902	\$35,095,201	\$32,937,018	\$190,577,121
1 - 2 Years	\$176,798,692	\$32,890,513	\$79,711,493	\$289,400,698
2 - 3 Years	\$89,014,293	\$26,092,074	\$42,286,089	\$157,392,455
3 - 4 Years	\$34,425,275	\$12,184,393	\$20,927,517	\$67,537,185
4 - 5 Years	\$50,577,003	\$15,799,525	\$32,989,510	\$99,366,038
Over 5 Years	\$255,069,385	\$120,116,923	\$333,741,312	\$708,927,621
Grand Total	\$986,671,166	\$316,778,584	\$588,013,539	\$1,891,463,289

1) A taxpayer has thirty days to make payment before the account is past due

Outstanding Receivables By Tax, Penalty, and Interest (as of December 31, 2009)

Tax Type	Tax	Penalty	Interest	Balance
Individual Income	\$557,074,281	\$195,992,047	\$386,351,529	\$1,139,417,856
Sales and Use	\$214,719,655	\$58,076,530	\$119,066,063	\$391,862,248
Withholding	\$103,259,688	\$42,327,462	\$49,681,651	\$195,268,802
Corporate	\$89,110,178	\$12,391,471	\$30,789,662	\$132,291,311
Other	\$22,507,364	\$7,991,073	\$2,124,634	\$32,623,071
GRAND TOTALS	\$986,671,166	\$316,778,584	\$588,013,539	\$1,891,463,289

Outside Collection Agencies

- In FY07, TAX outsourced the management of the outside collection agency function to CGI/Performant
- Since November 2007, have assigned approximately \$902 Million in receivables to CGI/Performant
- Nearly 70% of accounts assigned to CGI/Performant are over 3 years old
- TAX and CGI/Performant are reviewing old accounts for potential write-off since amnesty has concluded
- Collected \$37.4 Million in FY09

Enhanced Compliance Initiative

- Compliance Initiative approved October 2008
- \$80 million in new revenue by 2012
- Hired 55 employees
- FY09 goal was \$1.3 million
- Exceeded FY09 goal by \$5.6 million
- FY10 goal is \$22.4 Million
- Collected \$14.3 million through December 2009
- FY11 goal is \$27.5 Million and FY12 goal is \$29 Million

Questions