

financing. The division provided a number of special analyses for the Task Force, as well as background information on the interplay of property taxes and the foundation formula. The division has also been working on analyzing tax reform proposals as the administration continues to make structural tax reform a priority.

In 2004, TAD continued to add to its database of large corporate taxpayers, which continues to produce improvements in simulating proposed changes in corporation franchise tax law. The division has also refined its income tax simulation models in response to the need to simulate income tax reform proposals from both the administration and the legislature. The division also recently constructed a new database by matching income tax data with property tax parcel information for certain counties in order to provide more refined estimates of proposed changes to property tax relief programs.

TAD is increasingly using its capacity for working with large state and federal data-sets to assist other divisions within the department in doing compliance research, identifying areas that may be productive for additional auditing. As part of this, TAD is exploring ways to use data from non-tax sources (Census data, vehicle registration data) to better estimate the total tax compliance gap for major Ohio taxes. Finally, the division continues to work with the Office of Budget and Management to develop more rigorous and accurate forecasting methods for General Revenue Fund tax revenues.

In summary, Tax Analysis continues to work on improving and expanding its research capability to better support the department's efforts to provide quality service not only throughout state government, but also to Ohio local governments and school districts.

Taxpayer Services/ Compliance Division

The Taxpayer Services/Compliance Division is actually comprised of three separate divisions: Taxpayer Services, Compliance and the Taxpayer Service Centers. The Taxpayer Services Division and the Compliance Division were merged in a 1998 department reorganization. The Taxpayer Service Centers joined in 2002. This consolidation combined the cross functionality of these

divisions, moving the department closer to the implementation of a global strategy to service taxpayers and conduct unified compliance initiatives. The Taxpayer Services/Compliance Division is headquartered at 830 Freeway Drive North in Columbus.

Taxpayer Services Division

The Taxpayer Services Division (TPS) was reorganized in April 1998 into an integrated division handling multiple tax issues and tasks, as opposed to a tax-specific division concept that was previously utilized. TPS is the anchor to the many communication mediums utilized by the department to inform, educate, and learn from Ohio's taxpayers and tax practitioners. This division, with help from the Taxpayer Service Centers, fields thousands of telephone calls, e-mails, letters, and taxpayer walk-ins each month. TPS is the first point of contact for all communications related to individual income, school district income, sales and use, corporation franchise, employer withholding, employer school district withholding, and pass-through entity and trust taxes.

TPS agents are responsible for responding to questions as simple as "Where's my refund?" and as complex as "I have an I.R.C. 179 depreciation expense showing on my K-1, must I add 5/6 of that back to my Ohio return?" All TPS agents are proficient in at least one of the taxes the division supports and most are adept at four or more.

By functioning as a one-stop shop for taxpayer inquiries, TPS supports the department by striving to ensure accurate, comprehensive, and consistent information is delivered to the taxpayer community.

The TPS outreach and education unit facilitates a number of taxpayer and practitioner programs each year. The unit's intent has been to assist the department in increasing voluntary compliance and cost-saving, self-service solutions through the promotion of effective, innovative customer service strategies. The unit has focused on fostering professional relationships to increase communication opportunities and awareness of tax laws and regulations throughout the state.

The TPS support unit updates computer data pertaining to the department's external business taxpayer customers. This unit is also responsible for handling problems generated by the registra-

tion process and associated communications with the county auditors.

The TPS support and report unit administers, queries, and analyzes data used from the department's various contact systems to help the three divisions within Taxpayer Service/Compliance evaluate their performance, identify trends, and pinpoint opportunities for improvement.

Taxpayer Service Centers

The Department maintains nine Taxpayer Service Centers located in major regions throughout Ohio (Akron, Cincinnati, Cleveland, two in Columbus, Dayton, Toledo, Youngstown and Zanesville). The staffs of these offices make up the "face" of the department. The number and locations of the service centers evolved from a commitment to provide equitable service to all Ohio taxpayers through a network of strategically situated local branches, offering convenient access to services in regional population centers.

The service centers constitute both a local resource for assistance and a local presence to implement and enforce the various compliance and service programs in an efficient and cost-effective manner. In addition, the service centers provide a convenient work location for agents of the Audit Division.

The staff of the Taxpayer Service Centers is cross-trained to provide a variety of services to taxpayers and to support the compliance efforts of the department. Taxpayers visit service centers to receive professional tax assistance and advice when filing their required tax returns for both business taxes (e.g., sales and use, corporation franchise, excise, and employer withholding taxes) and income taxes (e.g., individual income and school district income taxes).

Service centers provide assistance to walk-in taxpayers, support the telephone inquiries across the business and income tax lines, and process correspondence arising from numerous billing programs generated by the Compliance Division. Service center employees also participate in a number of compliance initiatives. For instance, they coordinate tax delinquency programs to secure tax returns and revenue from non-filers and they monitor vendor compliance with regard to the sales and use tax as part of the Habitual Offender Program.