

House Legislative Oversight Committee

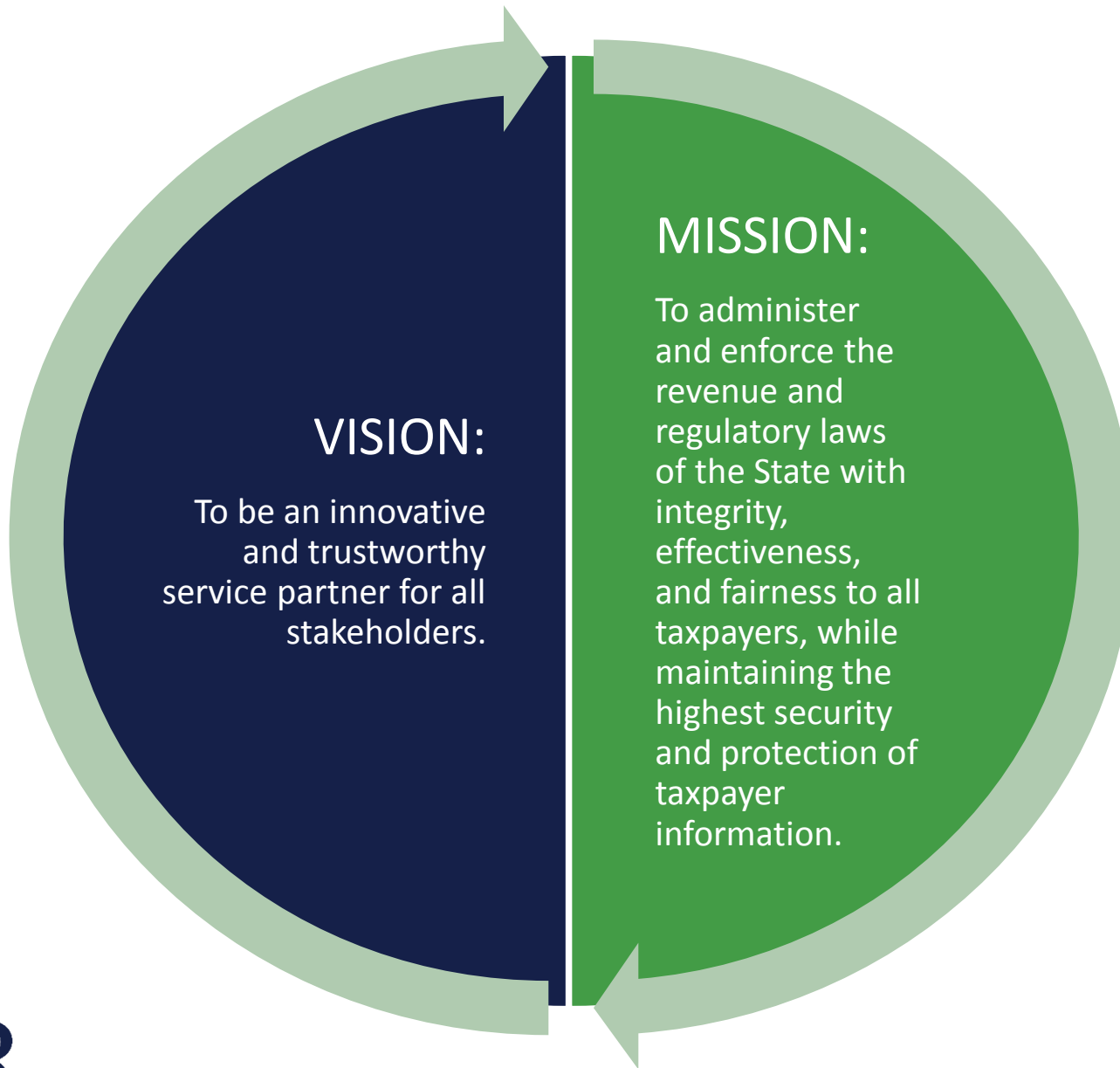
South Carolina Department Of Revenue

August 13, 2018

Director Hartley Powell

Agenda

- Director Comments
- Introductions and Division Overviews
 - Field Operations
 - Administrative Services
 - Policy, Privacy and Procurement
 - Communications
- Wrap-up



SCDOR Strategic Goals

1

Fairly administer and enforce the revenue and regulatory laws of the State of South Carolina

2

Ensure taxpayer security by utilizing state-of-the-art technology

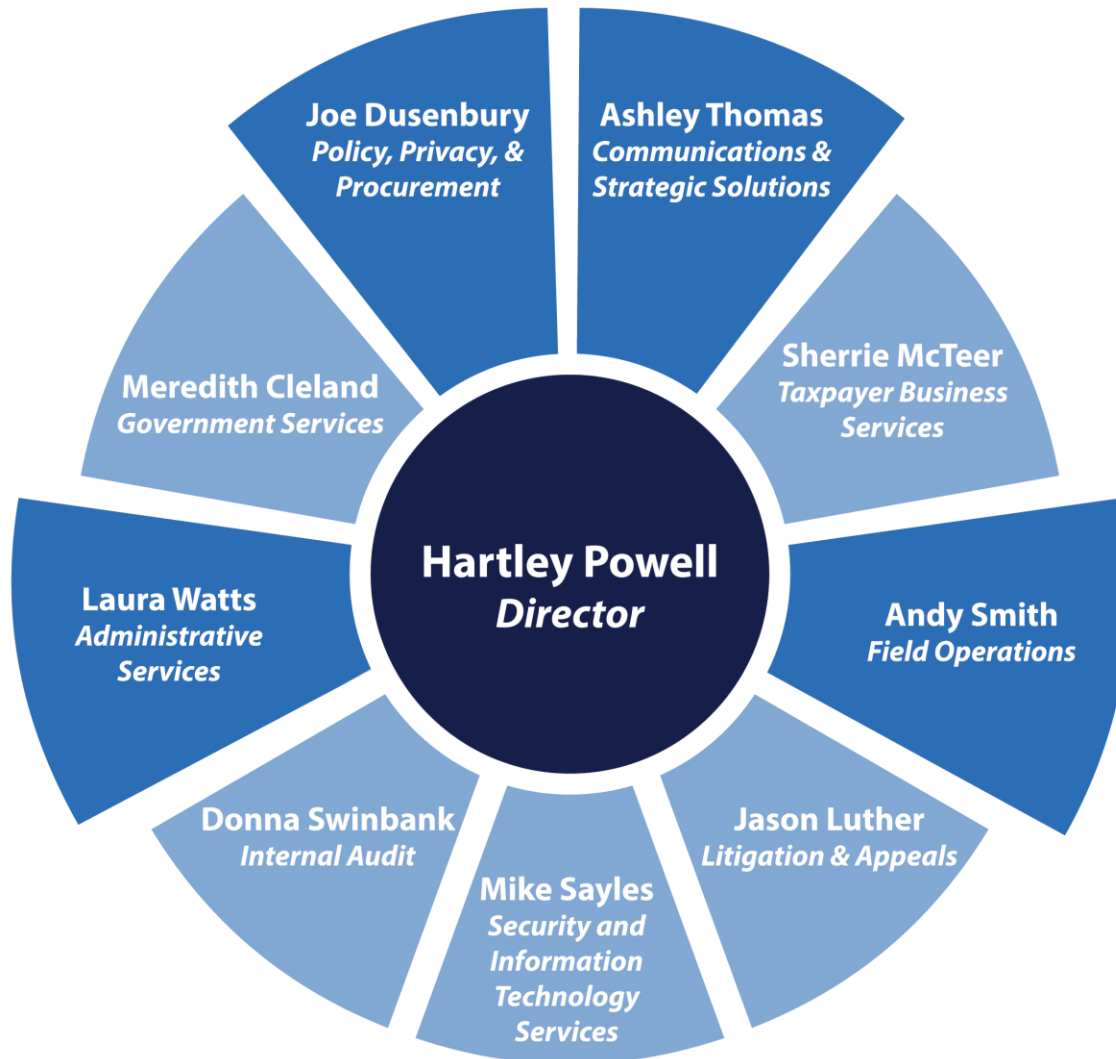
3

Maintain a positive customer service experience for all stakeholders

4

Promote and maintain a competent, productive, and diverse workforce

Organization



With You Today



Andy Smith
Deputy Director
Field Operations

25 years in
accounting and law
enforcement
Western Michigan
University



Laura Watts
Deputy Director, CFO
**Administrative
Services**

29 years in
accounting/auditing
Winthrop University
Certified Public
Accountant



Joe Dusenbury
Deputy Director
**Policy, Privacy and
Procurement**

22 years with SCDOR
University of South
Carolina



Ashley Thomas
Deputy Director
**Communications &
Strategic Solutions**

20 years in marketing
& communications
Wofford College

Field Operations

Field Operations

Andy Smith

Responsible for field audits, regulatory licensing, criminal investigations and protective services

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Field Operations



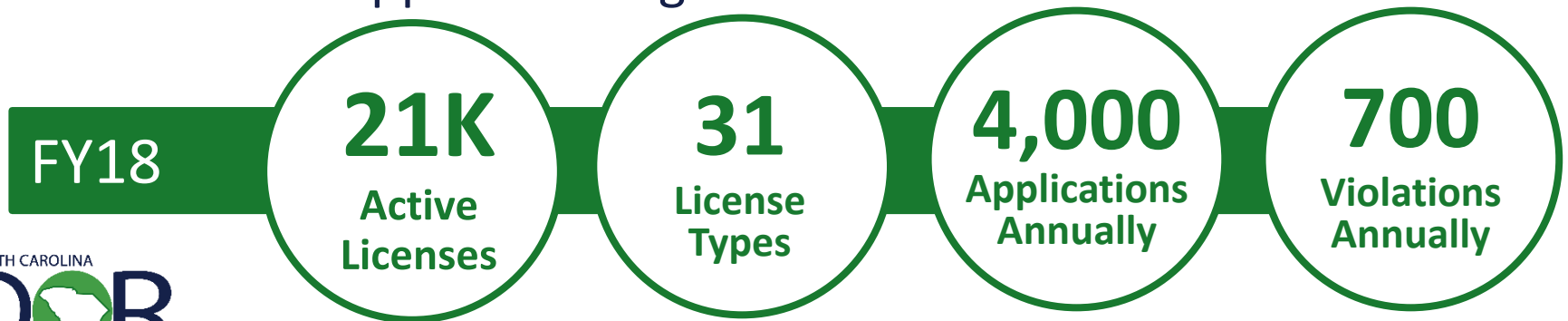
Alcohol Beverage Licensing

Process Licenses

- Review alcohol and special event applications
- Coordinate with SLED to determine eligibility
- Issue or deny license

Monitor Compliance

- Partner with SLED to ensure compliance
- Assess penalties based on SLED issued violations
- Transfer appeals to litigation



Audit Services

Primary Role

Encourage compliance through fair, objective tax examinations

Audit Teams

- Domestic
- Foreign
- Miscellaneous
- Audit Support

78

Auditors

Domestic, Foreign, Misc. & Support

2,153

Audits

Fiscal Year 2018

\$73 K

Avg. Assessment

Fiscal Year 2018

Criminal Investigations

Primary Role

Investigate criminal violations of taxpayers who **willfully** avoid tax compliance

Primary Investigations

- Tax evasion
- Failure to pay
- Failure to file
- Operating w/o license
- Preparation of false returns

10
Special Agents

50-100
Investigations annually

10-12 months
Avg. investigation length

Referral Sources
Internal, citizens, partners

Protective Services

Primary Role

Ensure maximum protection of all employees and taxpayers

Services

- Screen for weapons/contraband
- Monitor video surveillance
- Employee active threat training
- Investigate internal criminal complaints

11 FTEs/5 PTs

Law Enforcement Officers

Security Presence

Officers in all SCDOR locations

Secure Public Access

Use of metal detectors

Administrative Services

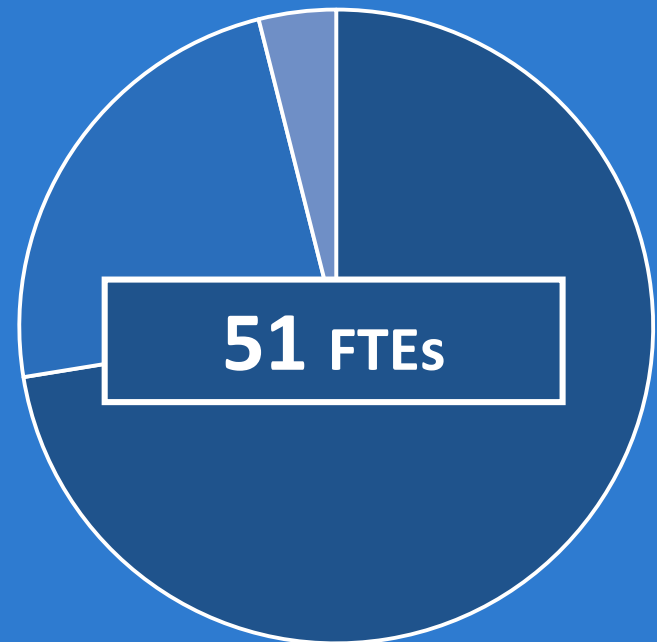
Administrative Services

Laura Watts

Responsible for agency financial management, tax revenue distribution and reporting, and administrative support functions

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Administrative Services



Budget and Operations

Annual Budget

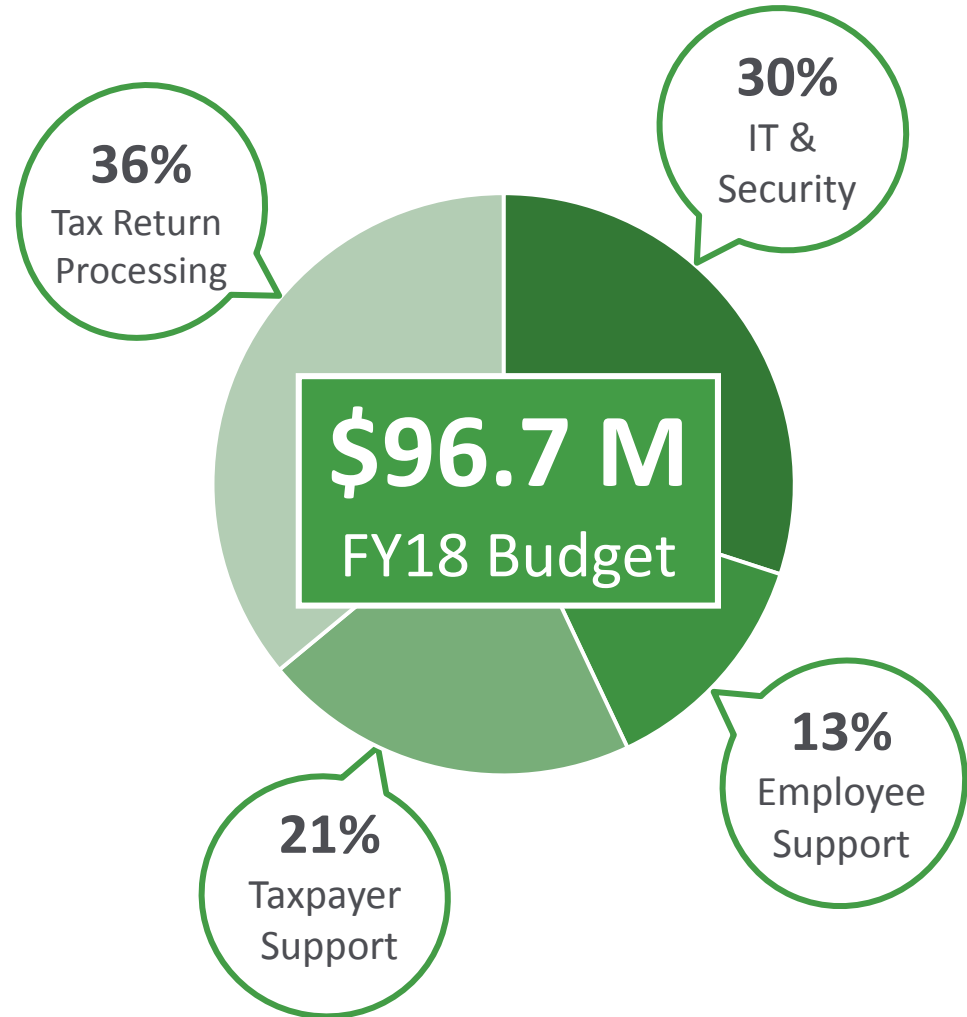
Assess Agency Needs

Allocate Resources

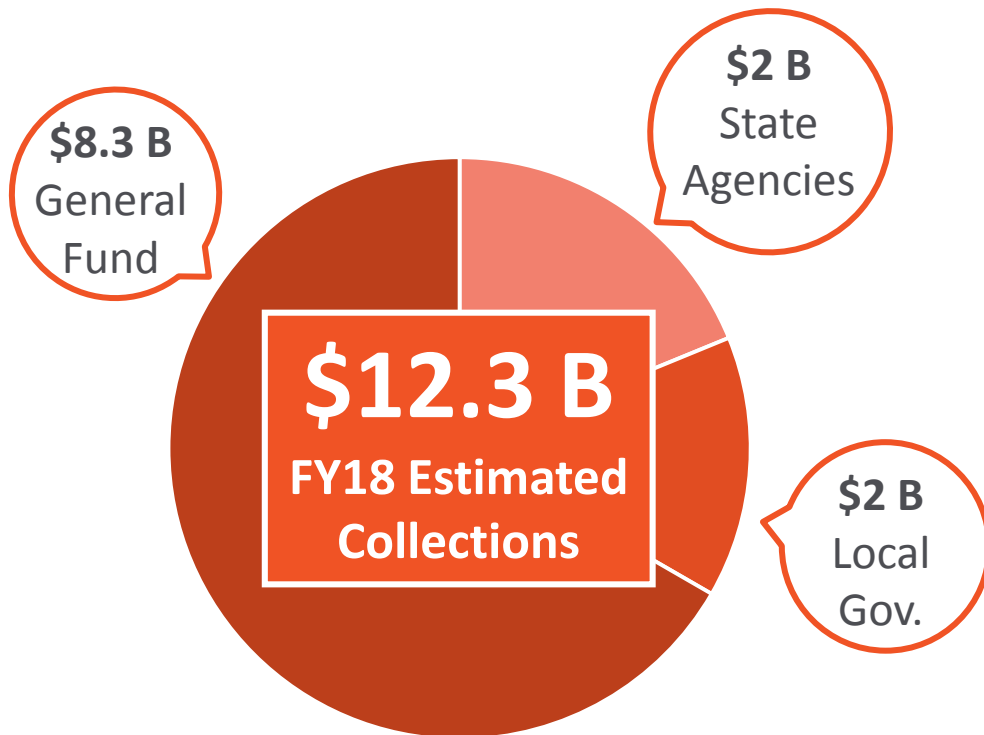
Based on Strategic Needs

Operation Spending

Analyze and Monitor



Tax Revenue Accounting



Transactions

Revenue deposit reconciliation and tax refunds

Distributions

Allocation to State and Local Governments

Reporting

Revenue analysis and liaison with BEA and CG

Facilities

Providing a safe, secure and functional workspace



6 offices

Columbia
Charleston
Florence
Greenville
Myrtle Beach
Rock Hill

Security Infrastructure

Secure employee building access
Emergency evacuation plans
Integrated badge and camera system
Mass notification system

Workplace Functionality

Landlord and vendor relations
Workspace design & asset inventory
In-house shredding and records storage
Courier services between SCDOR locations

Taxpayer Education

Primary Role

Promote tax compliance by providing education to taxpayers and preparers

Education Topics

- Sales and Use
- Withholding
- Corporate
- Small business taxes
- Legislative updates

81 Sessions

Workshops/Speaker Events

658 Participants

61% Online

96% Satisfaction

Excellent & Good

Employee Training

Primary Role

Promote a competent and productive workforce

Training Topics

- Systems
- Tax Law
- Security and disclosure
- Customer service
- Professional development

233
Classroom Sessions

FY18

67
eLearning Opportunities

FY18

2,393
eLearning Hours

FY18

99%
Satisfaction Rate

FY18

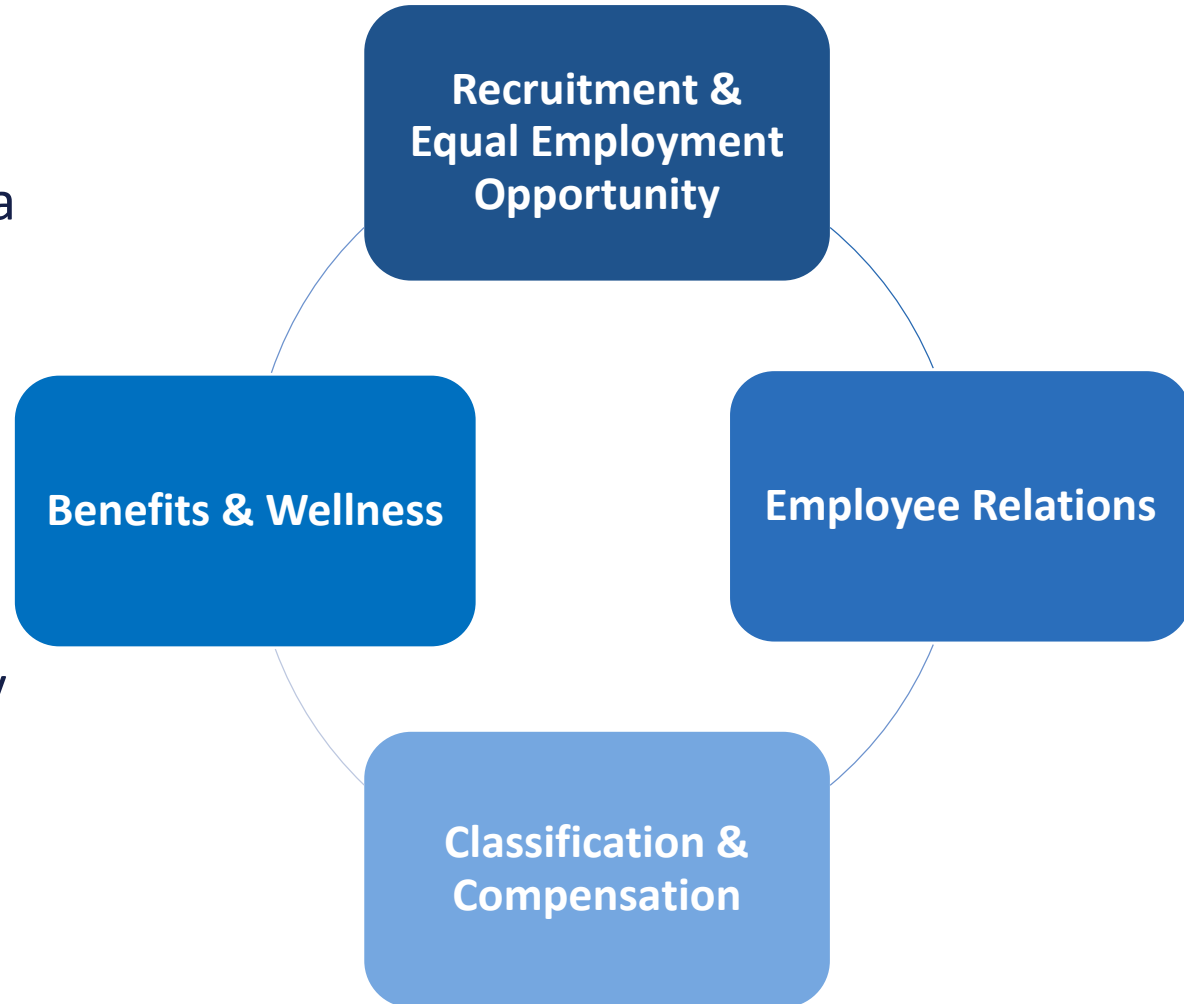
Human Resources

Primary Role

Promote and maintain a productive and diverse workforce

Achievements

- Succession Planning
- Compensation Study
- Recruitment Efforts
- Retention Efforts



Policy, Privacy and Procurement

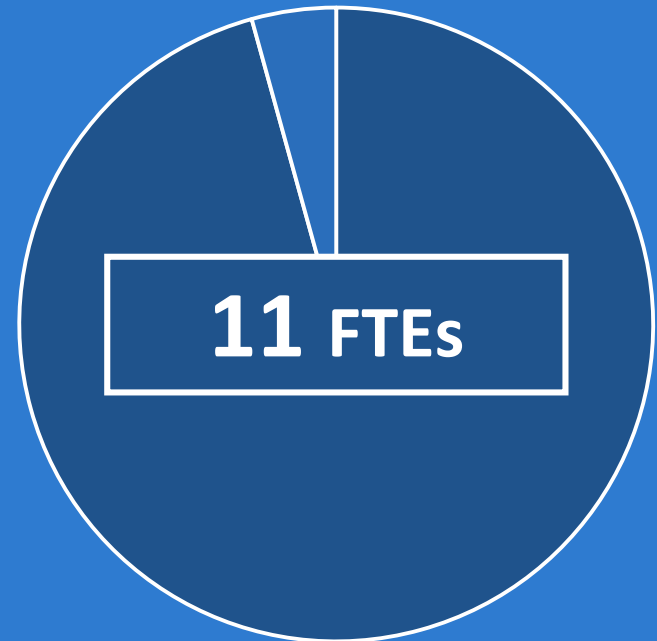
Policy, Privacy & Procurement

Joe Dusenbury

Advises the agency on general matters of law, security and policy

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Policy, Privacy and Procurement



General Counsel

Primary Role

Partner with senior management to ensure the agency is operating in compliance with State and Federal laws

Advise

Provide legal advice to SCDOR leaders and outside stakeholders

Interpret

Interpret existing laws, new statutes and judicial precedents

Maintain

Maintain a working knowledge and familiarity of business operations to ensure legal compliance

Identify

Identify risks that may cause harm to the agency or taxpayers

Policy

Primary Role

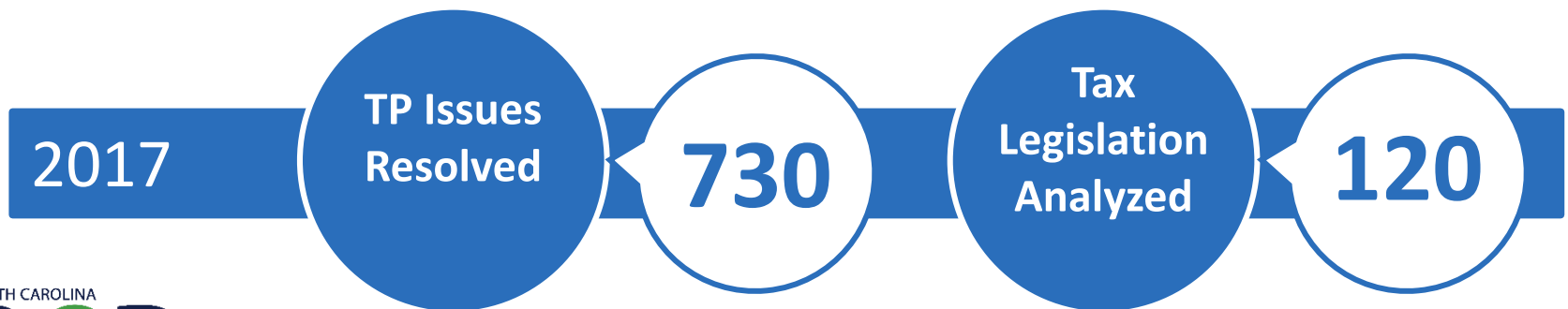
Assist taxpayers in complying with complex tax matters through issuance of clear and concise advisory opinions and policy manuals

Tax Manuals

Tax Incentives
Legislative Updates
Sales and Use Taxes
Property Tax
Deed Recording Fee

Advisory Opinions

Revenue Rulings
Revenue Procedures
Private Letter Rulings
Information Letters



Privacy and Security Support

Primary Role

Protection of taxpayer data

Privacy/ Disclosure

Privacy officer
Disclosure incident group
Retention policies

Data Security

Provide legal support regarding data classification (FTI, STI, PII and PCI)
Legal interpretation of security/privacy laws, regulations, and policies

Procurement

Primary Role

The legal procurement of goods and services necessary for efficient and effective agency operation

- Transparency
- Fair, competitive contracting process
- Ensure compliance with SC procurement code
- Obtain highest quality of goods and services



Communications & Strategic Solutions

Communications & Strategic Solutions

Ashley Thomas

Responsible for providing strategic communications and internal/external messaging to help inform and serve taxpayers

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5 FTEs

Communications & Strategic Solutions



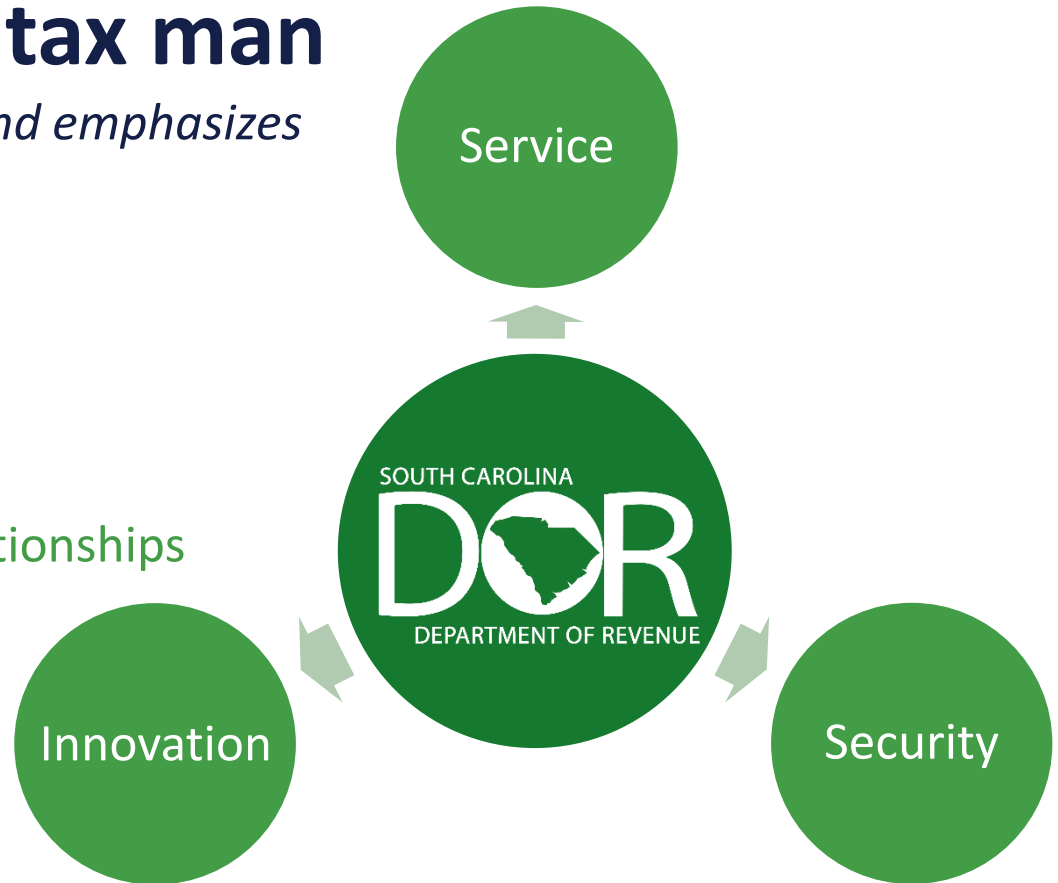
Branding

Rebranding the tax man

A strong brand builds trust and emphasizes our role as a service agency

Brand Goals

- Increase compliance
- Help fight fraud
- Enhance stakeholder relationships
- Develop our workforce



External Communications

Primary Role

Create and share content to enhance Agency image and increase public awareness

Channels

- Website
- Social media
- Publications
- Email marketing

1,791,835
Website Users

▲ 63%

377,230
Facebook Impressions

▲ 70%

1,190
Twitter Followers

▲ 14%

12,156
Email subscribers

▲ 73%

Media Relations

Primary Role

Develop proactive media relationships to help inform and assist taxpayers

Media Coverage FY18

- Online Retailers
- Wayfair Decision
- Conformity
- Alcohol Beverage Licensing
- Roads Bill
- Richland Penny Tax
- Accommodations Tax

356

Media inquiries

156 min

Average response time

344

Media appearances

43

News releases

Internal Communications

Primary Role

Develop our workforce and promote Agency culture by creating and sharing content to engage, inform, and value employees

83%

employee
satisfaction



Strategic Solutions



Recruitment



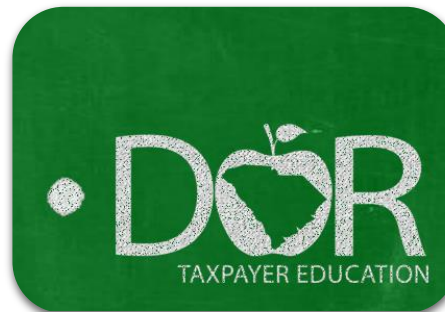
Exceptional SC



IIT Refunds



Cybersecurity



Taxpayer Education



Customer Service Survey

Need Help?

More Questions?

W. Hartley Powell

Director

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