TXA 0.0 **Agency Summary**

STATE BOARD OF TAX APPEALS

David V. Medina, Executive Director

State Board of Tax Appeals (602) 364-1102

A.R.S. § 42-1252

Mission:

To provide an independent appeals process for taxpayers with adverse decisions from the Department of Revenue and/or the Office of Administrative Hearings, and to resolve jurisdictional disputes between municipalities regarding the imposition of transaction privilege and use taxes.

Description:

The State Board of Tax Appeals hears and decides appeals filed by taxpayers and Arizona municipalities concerning income, transaction privilege, use, luxury, and estate taxes.

◆ **Goal 1** To receive and process tax appeals expeditiously to avoid any delays in the appeals process.

Objective: 1 FY2020: To provide an independent effective, accessible appeals process for taxpayers with disputes relating to income, sales, use, estate, and luxury tax decisions from the Department of Revenue and/or the Office of Administrative Hearings in a timely and efficient manner.

FY2021: To provide an independent effective, accessible appeals process for taxpayers with disputes relating to income, sales, use, estate, and luxury tax decisions from the Department of Revenue and/or the Office of Administrative Hearings in a timely and efficient manner.

FY2022: To provide an independent effective, accessible appeals process for taxpayers with disputes relating to income, sales, use, estate, and luxury tax decisions from the Department of Revenue and/or the Office of Administrative Hearings in a timely and efficient manner.

Performance Measures	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Caseload processing (and number of issues)	42(82)	45(90)	60(110)
Number of tax appeals resolved	12	30	40
Number backlogged requiring written decision	2	5	5
Number of months to process appeal	12	12	10

AGENCY SUMMARY

Program: TXA 0 . 0 STATE BOARD OF TAX APPEALS
Director: David V. Medina, Executive Director
Phone: State Board of Tax Appeals (602) 364-1102
Statute: A.R.S. § 42-1252

Mission:

To provide an independent appeals process for taxpayers with adverse decisions from the Department of Revenue and/or the Office of Administrative Hearings, and to resolve jurisdictional disputes between municipalities regarding the imposition of transaction privilege and use taxes.

Description:

The State Board of Tax Appeals hears and decides appeals filed by taxpayers and Arizona municipalities concerning income, transaction privilege, use, luxury, and estate taxes.

◆ **Goal:** 1 To receive and process tax appeals expeditiously to avoid any delays in the appeals process.

Objectives: 1 2020 Obj: To provide an independent effective, accessible appeals process for taxpayers with disputes relating to income, sales, use, estate, and luxury tax decisions from the Department of Revenue and/or the Office of Administrative Hearings in a timely and efficient manner.

2021 Obj: To provide an independent effective, accessible appeals process for taxpayers with disputes relating to income, sales, use, estate, and luxury tax decisions from the Department of Revenue and/or the Office of Administrative Hearings in a timely and efficient manner.

2022 Obj: To provide an independent effective, accessible appeals process for taxpayers with disputes relating to income, sales, use, estate, and luxury tax decisions from the Department of Revenue and/or the Office of Administrative Hearings in a timely and efficient manner.

Performance Measures:

	ML	Budget	Type		FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
1	☑	☑	IP	Caseload processing (and number of issues)	45(87)	70(130)	42(82)	45(90)	60(110)
2	☑	☑	OP	Number of tax appeals resolved	17	35	12	30	40
3	☑	☑	EF	Number backlogged requiring written decision	5	5	2	5	5
4	☑	☑	EF	Number of months to process appeal	10	10	12	12	10

Budget Related Performance Measures

State Board of Tax Appeals

Agency: 0.0 STATE BOARD OF TAX APPEALS
Contact: David V. Medina, Executive Director (602) 364-1102
2nd Contact: David V. Medina, Executive Director (602) 364-1102
Statute: A.R.S. § 42-1252

ML	Budget	Type	Performance Measure	FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
☑	☑	IP	Caseload processing (and number of issues)	45(87)	70(130)	42(82)	45(90)	60(110)
☑	☑	OP	Number of tax appeals resolved	17	35	12	30	40
☑	☑	EF	Number backlogged requiring written decision	5	5	2	5	5
☑	☑	EF	Number of months to process appeal	10	10	12	12	10

Agency 5-Year Plan

Issue 1 To strive to expedite tax appeals in a manner that minimizes delays in the appeals process.

Description: The State Board of Tax Appeals hears and decides appeals filed by taxpayers and Arizona municipalities concerning income, transaction privilege, use, luxury, and estate taxes.

Solutions:

Maintaining a current appeals process continues to be the Board's chief priority. The timely issuance and publication of decisions not only benefits the parties involved in the appeals, but also provides much-needed guidance to tax attorneys, CPAs and tax partitioners, as well as others involved in the field of State taxation. Budget constraints over the past several years have forced the Board to compress the number of appeals heard into fewer scheduled hearing dates. This translates into a significant increase in the number of months to complete the appeals process because of the additional time between proposed decisions rendered by the Board and the final approval of the formal decisions. Over the past years the Department of Revenue has added a significant number of new auditors to its staff. Because the Board's caseload is directly related to the number of appeals generated at the Department of Revenue, more audits will certainly increase the number of appeals filed with the Board, and with no corresponding increase to the Board's budget, this will directly impact the Board's caseload. In the future, the Board may be compelled to request additional funding.

Resource Assumptions

	FY2023 Estimate	FY2024 Estimate	FY2025 Estimate
Full-Time Equivalent Positions	4.0	4.0	3.0
General Fund	292.2	292.2	292.2
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0