Dr. Linda Struyk Millsaps  
Chief Operating Officer and Deputy Secretary  
North Carolina Department of Revenue  
Comments before the IRS Oversight Board Public Meeting  
February 28, 2012  

North Carolina Department of Revenue Background  
- $26.1 billion gross collections.  
- $103.2 million average daily deposit.  
- No budget increases in 5 years.  
- Multiple, substantial budget and personnel cuts during the last 3 years.  
- Near 25% of the staff is supported by fees.  
- Forced Collections increased by more than 200% (despite economic downturn).  
- Collections RIO - $40, Examination RIO - $50.  
- Currently replacing underlying IT infrastructure.  

1. Three Tenets  
   a. Firm But Fair  
   b. Compassionate When Called For  
   c. Easy to Do Business With  

2. “In God We Trust.  All Others Must Bring Data.”  
   a. Assumptions aren’t always accurate – challenge them!  
   b. Return on investment is key  
   c. Buy, lease, or outsource - Decisions should be driven by data (not ideology)  
   d. Transparency and Scorecards are helpful and motivational  

3. Focus on What Taxpayers Really Want  
   a. What taxpayers want above all else is fairness and certainty  
      i. While polite is good, the right answer is better  
      ii. Finding the right answer is always the best plan (% deals are hard on morale and other taxpayers)  
   b. Ask taxpayers for help (Business Advisory Committee)  

4. Quality Control is Key  
   a. View appeals as closing the loop of learning  
   b. Avoid the “gotcha” mentality  
   c. Avoid the blame game  

5. Inspire Employees to Do Great Work - And They Will Improve Customer Service on Their Own  
   a. Focus on performance  
   b. Deal with low-performing employees  
   c. Refocus them on the goals of public service and adding public value  

Examples:  
- Agency Scorecards for ALL units  
- Increased focus on outreach, less one-on-one assistance (speed boat not a barge)  
- Increased training of assistance personnel  
  o Pre-test, Post-test Format  
  o “Passing grade” required  
- Small Business Taxpayer Recovery Program – Partnership with SBC, SBTDC – includes business counseling, focus on getting businesses back on their feet, and tax dollars in the door.  
- Individual Income Tax Debt Payment Program – Partnership with the nation’s 2nd largest credit union (NCSECU) to help folks clean up their credit.  
- Transparent Offer In Compromise Program (on web)  
- Business Advisory Committee (large taxpayers, non policy making)