

Tax Matters

connecting and informing
employees



OFFICE OF INCOME TAXATION
COMMUNICATIONS & TRAINING BRANCH

Summer 2012

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Overview of Division of Collections

Collection Branches and Functions

The Division of Collections is a large and important area of the Department of Revenue. Known simply as “Collections”, this division is charged with ensuring that taxpayers are fulfilling their financial obligations to the state of Kentucky. Because the division has an area for every type tax, Collections partners with all of the functional areas within the Department of Revenue. The size and scope of Collections can sometimes create confusion as to the functions of each specific branch. Below is a reference guide to every branch within Collections, a brief description of that branch’s purpose, and the Branch Manager in charge of those functions.

Contact Branch

Keith Raisor – Branch Manager

- Outbound calls using predictive dialer – Louisville section only
- Inbound calls come into Frankfort section
- Taxpayer case resolution

Individual Collections Branch

Susan Neasham – Branch Manager

- Distraint/levy on individuals
- Real property tax bills
- Payment agreement and dispute negotiations

Small Business Branch

Cindy Baker – Branch Manager

- Distraint/levy on non corporate businesses
- Payment agreement and dispute negotiations

Corporation/LLC Branch

Lisa Coutts – Branch Manager

- Officer/LLC member assessments
- Distraint/levy for corporate businesses and officer/LLC members

**Distraint/levy—
a legal seizure
of a taxpayer’s
property to
satisfy a tax debt**

Enterprise Collections Branch

Pam Chesser – Branch Manager

- Child Support collections
- State claims
- Outside collection contracts with University of Kentucky Hospital and KCTCS

Legal Support Branch

Leanne Warren – Branch Manager

- Injunctions/bankruptcies
- Voluntary disclosure/criminal referrals
- Answer and cross claims
- Administrative lien enforcement
- Offers in settlement

Special Processing Branch

Brenda Bunyea – Branch Manager

- Return mail/skip research
- Lien records
- Billing adjustments

System Administration Branch

Glyndon Woosley – Branch Manager

- Phone support
- Data warehouse
- OSCAR /CARS
- Clerical support

For a complete list of employees within the Division of Collections and their contact information, please refer to the most recent phone listing distributed by the Communications and Training Branch.





communicating significant information

On the Horizon...

In the spirit of “informing and connecting” our employees, the following is a list of various DOR initiatives, projects, classes, etc. that are currently in the works.

- ✓ **OSCAR Upgrade**
 - o A contract with CGI Technologies and Solutions, Inc. was signed in March 2012 for the upgrade of OSCAR (Online System for Collection of Accounts Receivable). OSCAR was implemented by the Kentucky Revenue Cabinet in 1986, based on the CGI Computer Assisted Collection System (CACS). CACS has now become Computer Assisted Collection System for Government (CACS-G). This system has been enhanced to include functionality specific to government agencies. The new version will provide more flexible case management, full responsible party management, enhanced workflow and automation of some collection actions. The upgrade should be complete in the first quarter of Fiscal Year 2014.

- ✓ **Corporate E-file**
 - o DOR has initiated the Corporate E-file project. Corporate E-file will be an integrated, web-based electronic filing system allowing corporations to electronically file tax returns through DOR approved software vendors. This option will be beneficial to taxpayers and enable DOR to efficiently process and collect corporate tax data and revenues for the Commonwealth of Kentucky.

- ✓ **Training Classes**
 - o In the near future the OIT Communications & Training Branch will offer a Schedule M Federal/State Differences class and a Partnership and Pass-Through class. Watch for announcements.

- ✓ **UK Tax Schools**
 - o DOR will once again partner with the University of Kentucky and participate in the 2012 Income Tax Seminars. A record 17 tax seminars will be held throughout the state of Kentucky beginning in November 2012. Refer to the July Tax Alert for information on dates and locations.

- ✓ **2012 Draft Tax Forms**
 - o Drafts of many 2012 Individual and Corporate Income Tax Forms have been posted on DOR’s public website. To view, open the DOR public website, choose Software Developers Information, and then choose Substitute Forms Design.

The Bottom Line....



Streamlined Sales Tax

- o Since its inception in October 2005, the Streamlined Sales Tax (SST) agreement registrants have remitted over \$81.9 million in Kentucky sales tax. With 22 full member states and two associate members, the SST has a central registration system that allows businesses selling all across the country to register in one place and agree to collect sales tax in all states in the agreement. During FY12 Kentucky received \$17.9 million in sales tax from registrants, of which \$10.4 million came from taxpayers on a voluntary basis. For future developments, monitor the national SST website, www.streamlinedsalestax.org and also watch for news regarding the Main Street Fairness Act.



Revenue Receipts

- o Kentucky ended fiscal year 2012 on June 30 with a 3.8 percent increase in revenue for the General Fund, which pays for most state programs. General Fund receipts for the recently ended fiscal year exceeded official estimates by \$83.3 million, giving the state a surplus of \$45.7 million.

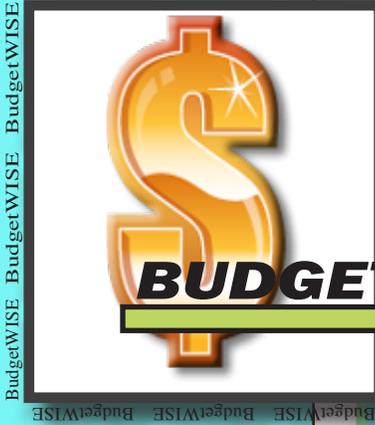
Revenue growth for the past fiscal year was fueled by a 24.5 percent increase in receipts from corporation income taxes, a 5.4 percent increase in sales tax receipts and a 2.8 percent increase in receipts from individual income tax.

Winning an Olympic Medal—Priceless!



Not exactly. Remember, nothing is certain except death and taxes. America is one of only a handful of countries which taxes “worldwide” prize income earned overseas. American Olympic champions must pay tax on the medal itself and the money that comes with it.

Going for the gold gets you \$25,000. Silver medalists earn \$15,000 and bronze medalists receive \$10,000. Depending on their overall tax bracket, American Olympians may owe as much as \$8,000+ in taxes for winning a gold medal!



BUDGET WISE

15 Ways to Save on Gas

Gas prices are fluctuating from \$3.25 to \$4.25 per gallon, depending on the grade your car requires. The amount of money we pour into our tanks makes many a driver flinch and is no small consideration when it comes to planning a road trip or driving back and forth to work every day.

These 15 tips will help you cut fuel consumption.

Car maintenance

1. Keep the tires properly inflated. This one is simple and a potential lifesaver. Underinflated tires waste fuel and wear out the tire tread. Also, check tires regularly for alignment and balance.
2. A well-tuned engine burns less gas. Get regular tune ups and follow through with routine maintenance. The right parts and fresh oil keep your engine happy and less thirsty for gas.
3. Get the junk out of the trunk. A weighted-down car uses more fuel. For every extra 250 pounds your engine hauls, the car loses about one mile per gallon in fuel economy. Carry only the basic emergency equipment and items you really need.

Gas shopping

4. Buy the lowest grade (Octane) of gasoline that is appropriate for your car. Check your owner's manual for this information. As long as your engine doesn't knock or ping, the fuel you're using is fine. You can save hundreds of dollars a year.
5. Pay cash at stations that charge extra for credit cards.
6. Don't top off your tank. Too much gas will just slosh around or seep out. Why waste those extra pennies?

Driving

7. Drive intelligently; don't make fast starts or sudden stops. You're just overexerting your engine and burning extra fuel. Gradual acceleration also helps automatic transmissions run better. Engine-revving wastes fuel, too.
8. Lighten up on the accelerator. The faster you drive the more gas you use. Speed limits have gone up around most of the nation, but you don't have to see your fuel consumption drastically go up as well. For example, driving 55 mph rather than 65 mph can improve your fuel economy by two miles per gallon.

9. Avoid long warm-ups. “Even on cold winter mornings, your car doesn’t need more than a minute to get ready to go. Anything more and you’re burning up expensive fuel.
10. When you are running errands, drive to the farthest destination first so your car can warm up for maximum fuel efficiency. Starting with closer stops hurts your gas mileage.
11. Do not rest your left foot on the brake. The slightest pressure could cause a drag that will demand additional gas use and wear out the brakes sooner.
12. Tighten up that gas cap. Make sure it’s on securely. Buy a new one if your current cap doesn’t fit snugly. Gas easily evaporates from the tank if it has a way to escape.
13. Buy a fuel efficient car. When pricing cars, factor in long-term fuel costs. Keep in mind that sun roofs add to wind resistance, lowering the mileage per gallon.
14. Be smart with the air conditioning. On the highway, closed windows decrease air resistance, so run the air conditioner. But in stop-and-go traffic, shutting off the air conditioning and opening the windows can lighten your fuel use. Air conditioning can lower your fuel economy by 10 to 20 percent.
15. Remove snow tires in good weather. Deep tread and big tires use more fuel.

Start saving now by using some or many of these tips!



Fairs, Festivals, and Fun!



Bearfoot performs at Bluegrass in the Park 2011

Bluegrass in the Park Folklife Festival

August 10 - August 11, 2012

*Audubon Mill Park
Henderson, Kentucky*

<http://www.bluegrassinthepark.org>

Bluegrass in the Park Folklife Festival, a celebration of the bluegrass heritage in Kentucky, features live music, crafts, food, sporting events, and much more. Spend a day with kids at the Folklife Festival or settle into a lawn chair in our shaded riverfront park and listen to the sounds of bluegrass music. This festival also features a bicycle ride, interactive water fountains for children, a street pole vault competition, and other events.

Duncan Hines Festival

August 10 - August 11, 2012

*Circus Square Park
Bowling Green, Kentucky*

<http://www.duncanhinesfestival.com>

The Duncan Hines Festival returns August 10-11, 2012 in downtown Bowling Green. Kicking things off Friday night will be the Concert in the Park at Circus Square Park. Come out to enjoy great food, kids' activities, arts and crafts, and country, blues, funk, soul, rock, gospel and R&B music by Andy & The Rockers. Participate in Uncle Duncan's Duck Derby for a chance to win up to \$2,000! Proceeds go to benefit Regional Child Development Clinics, Inc. and other local nonprofits.

Also on Friday will be the BG Gallery Hop including the Duncan Hines Art Exhibit at the Kentucky Museum from 5-8 pm. Up for auction will be pieces from Kentucky artists, both professional and amateur, covering four categories: Painting & Watercolors, Photography, Sculpture & Ceramics, and Mixed Media. All art will remain on exhibit through August 24.

On Saturday, head back to the Kentucky Museum for the Adventures in Good Baking Contest. The bake-off consists of baked goods made using Duncan Hines products. Contestants will begin entering their items at 11:30 am. After judging, there will be a tasting of all of the wonderful treats!

Heritage Arts & Crafts Festival

September 29, 2012

*Knifley Community
Columbia, Kentucky*

<http://www.gilessociety.org/>

The Heritage Arts & Crafts Festival is held at the log home of the authors, Janice Holt and Henry Giles in the Knifley Community of Adair County. The day-long event features live music and entertainment. You can watch artisans create new works at their themed booths while enjoying the good food and peaceful surroundings.

Fairs, Festivals, and Fun!



Daniel Boone Pioneer Festival

August 31 - September 2, 2012

*College Park
Winchester, Kentucky*

<http://danielboonepioneerfestival.com/index.html>

The Daniel Boone Pioneer Festival begins with a street dance on Friday evening and continues throughout the weekend with arts and crafts, antique appraisals, talent contest, 5K run, and a walk with friends.

The finale is the Sunday evening concert featuring nationally known country music entertainers and a wonderful fireworks display.

The Daniel Boone Pioneer Festival brings some 30,000 visitors to Winchester-Clark County. The main goal of the festival is to help civic, nonprofit and academic groups raise funds.

Marion County Country Ham Days

September 28 - September 30, 2012

*Downtown Lebanon
Lebanon, Kentucky*
<http://www.hamdays.com>

The last full weekend in September celebrates the Marion County Country Ham Days, a “Kentucky Top-Ten Event”, hosted by the Marion County Chamber of Commerce along with its business partners and volunteers. The festival welcomes over 50,000 visitors and acts as an agent for community empowerment.

Ham Days serves over 6,000 pounds of country ham while 1,000 Marion County volunteers and musical groups ham it up on every corner. This year, the famous Bourbon Chase (www.bourbonchase.com) will be making its way through Lebanon on Friday night! The Sunday morning stage is blessed with the Joymakers followed by an amateur karaoke contest for the duration of the festival. Also on Sunday come take a look at cars, trucks, and motorcycles at the Stuart Powell Car, Truck and Motorcycle Show!

Paducah’s BBQ on the River

September 28 - September 30, 2012

*Downtown Paducah
Paducah, Kentucky*
<http://bbqontheriver.org/about.htm>

Beginning Thursday, September 27, the smell of chicken and pork will hover over 2 ½ blocks of camps in historic downtown Paducah. More than 60 tons of chicken and pork will be grilled, smoked, cooked, and eaten. This year, nearly \$500,000 will be raised for local charities. Teams from all over the region will compete for the prestige of being named grand champion.

Along with the smell of smoked chicken and pork hovering over the camps, the music befits the scene as hot blues, bluegrass, jazz, and classic rock fill the air. It’s like coming home to a big family reunion, no matter where you are from.

Although Paducah’s Barbecue on the River is a fun event, the contestants are very serious about their barbecue. A number of contestants have developed spin-off careers with barbecue related products...cookbooks, sauces, grill, smokers, and more.

Fairs, Festivals, and Fun!



Wooly Worm Festival

October 19 - October 21, 2012

*Downtown Beattyville
Beattyville, Kentucky*

The Wooly Worm Festival is a three-day event held each year to have fun while celebrating a particular species of caterpillar, the Woolly Bear, whose black and tan stripes locals use to predict the harshness of the upcoming winter.

Festivities include a vast open-air market, live music, an annual car show that coincides with the dates of the festival, and, of course, the famous Wooly Worm Races. If you're wondering what that is, the signature event pits the fastest woolly caterpillars in the world against each other in a head-to-head race up a piece of string. The winner takes \$1,000!

Newport Oktoberfest

September 28 - September 30, 2012

*Newport Riverfront
Newport, Kentucky*

http://newportky.gov/inner_main.php?secid=149

The Newport Oktoberfest promises to be the most authentic Oktoberfest in the area. The event will be in the Munich Oktoberfest style of a large Fest Tent sponsored by German Beer Breweries. Each tent will have food, beer, and music. Participating restaurants include Wertheim's and others. There will also be continuous live German entertainment.

Kentucky Book Fair

November 9 - November 10, 2012

*Frankfort Convention Center
Frankfort, Kentucky*

<http://kybookfair.blogspot.com/>

The Kentucky Book Fair, Inc., was founded in 1981 as a charitable and nonprofit corporation for the sole purpose of staging an annual book fair. It is Kentucky's premier literary event and one of the largest of its kind in the nation. It is sponsored by The State Journal, Frankfort's daily newspaper, and co-sponsored by the Kentucky Department for Libraries and Archives, and the University Press of Kentucky.

Each year approximately 150 authors attend the Book Fair to autograph copies of their latest book, generally published within the 12 months preceding the November Book Fair date. Between 4,000 and 5,000 patrons attend and every year gross sales top \$120,000.



FULCRUM

Balancing

Work & Life

“Life is like riding a bicycle—in order to keep your balance, you must keep moving.”

—Albert Einstein

Employees Matter

In October 2012, a Department of Revenue employee will be running for someone else’s life. For the past few months Sara Jackson, an Auditor in the Division of Miscellaneous Tax and an avid runner, has been training to run her first full marathon. Partnering with an organization called “Team in Training”, Sara will be running to raise money and awareness for the Leukemia & Lymphoma Society.

For Sara, this isn’t just a good deed to help others, it’s personal. “Around age three, my sister, Jen, was diagnosed with Cervical Neuroblastoma after a tumor was discovered in her neck that had spread to her lymph node,” Sara explains. In fact, the diagnosis for Jen was not a good one. “...hope was minimal when the doctors said she had a 98 percent chance of dying. Not knowing how much longer she would live, my grandparents asked her where she would like to visit more than any place in the world.” Jen chose Walt Disney World for her “last wish” vacation.



Young Jen smiling on Cinderella’s Carrousel in the Magic Kingdom

With great pride, Sara shows her coworkers a recent picture of Jen becoming a mom for the first time:



Sara says that Jen is alive today because her parents and doctors made the decision to try a very experimental chemotherapy treatment. “Now twenty-three years later, the survival rate for Cervical Neuroblastoma has drastically increased. This has only been possible through funding to help sustain research.” Sara firmly believes that increased funding and awareness will save the lives of people that are just like her sister.

Sara has the motivation, but that doesn’t mean training for the marathon has been easy. The furthest distance Sara previously ran was 13.1 miles. The length of a marathon? 26.2 miles. It has been so tough that Sara often sits at her desk on the 7th Floor in the State Office Building with ice packs on her knees. But she says that’s a small price to pay if she is going to reach her ambitious goal of raising \$11,600.

If you would like to support Sara, you may visit her Leukemia & Lymphoma Society fundraising page at: <http://pages.teamintraining.org/vtnt/dublin12/SaraEJackson>

All donations must be sent by **October 1, 2012.**



Individual Income Tax

Sylvester Bennett
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Melissa Tullis

Withholding Tax

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Robert Lee

Collections

Krista Atwood
Brad Boyd
Laura Burford-Oliver
Samantha Clark
Christy Clinch
Chris Collins
Scott Collins
John Colston
Dewey Creech
Jacob Dorf
John Flynn
Petra Gonzalez
Austin Green
Melissa Green

Lauren Greis
Andrew Hall
Jason Harrison
David Hicks
Jacob Hicks
Luke Hosley
Erin Hughes
Sarah Jones
Todd Jones
Shane Kruse
Jason McDannold
Justin McGee
Derrick Meadows
Jessica Miller
Caleb Montgomery
Amber Penny
Wendy Poe
Christina Roberts
Brian Richardson
Kazi Saleem
Jacob Shackelford
Evan Skaggs
Robert Vick III
Wayne Walling
Bill Whitaker
Steven Wilson
Roxsanna Witten

Corporation Income Tax

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Brandon Keenon
Mark Kuyper
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Charles Tolliver
Dana Walker

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YOUR INPUT IS REQUESTED:

Your input, comments, and suggestions are welcomed. Please submit via e-mail to contact below.

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