ADVENTURES IN PUBLIC OUTREACH - COMPLIANCE, TRANSPARENCY, TAXPAYER EDUCATION AND PARTNERSHIPS

PRESENTED BY THE CITY OF KANSAS CITY MISSOURI
MSATA 2019
TAX ADMINISTRATION IN KANSAS CITY IS LIKE ALL TAX ADMINISTRATION...A WORK IN PROGRESS
OLD FASHIONED TAX ADMINISTRATION

Threatening Letters written in legalese

Aggressive and unfriendly revenue agents

Communications with agencies was difficult
• Phones long wait times and high drop call rates
• Letters lost or go unanswered

Agency relationship with media not collegial

Agency expects average residents to know complex tax requirements

Tax practitioners get little assistance from agency
KCMO NEW PHILOSOPHY…WORKING SMARTER NOT HARDER HOW WE GOT HERE

New GenTax Software improves the collections process
• Taxpayers can see all correspondence and monitor their own accounts

Voluntary Disclosure Program
• Established to create pathway to compliance with penalty relief

Public Outreach Initiative
• Go out in the community to get the word out

2013
Refined the internal processes
• Move more of the processes to the taxpayer by use of online functionality

2014–2017

2016–2017
Plain Language Initiative
• Rewrite all communication to 8th grade reading level

2018

2019
HOW KANSAS CITY MISSOURI IS TRANSFORMING HOW WE INTERACT WITH TAXPAYERS
Yearly tax update presentations to all preparers and groups wanting clarification on tax changes

- Missouri CPA Tax Update Meeting
- Missouri Society of Accountants
- Kansas City Chapter of Missouri Association of Tax Preparers
- Missouri Tax Professional Association Yearly Tax Update
- Heart of America Tax Institute University of Missouri Kansas City Law School
MEDIA EXPOSURE

LOCAL TALK SHOW HOST DISCUSES TAXES SEVERAL TIMES A YEAR WITH COMMISSIONER RUCK

Moneyline with Peter Newman
COMMUNITY GROUPS WITH SPECIAL INTERESTS

Work with Missouri restaurant Association Kansas City Chapter on noncompliance on Food Tax

Work with Hotel and Lodging Association and VisitKC to identify noncompliance on Room Taxes
COMMUNITY GROUPS WITH SPECIAL INTERESTS

- Kansas City Food Truck Group
  - How to meet tax requirements in the City of Kansas City Missouri
COMMUNITY GROUPS WITH SPECIAL INTERESTS

- Utility Companies
  - Tax on power businesses
  - Discount for manufacturers
  - Collaborate with industry to administer
Public Outreach for new Medical Marijuana Dispensaries in Kansas City…what tax obligations will there be?
MAKE IT EASIER TO FILE
Published February 2016
  ➢ Codified July 2017
  54 participants
  $1,321,877.05 collected
Goal = **Clear, action-oriented, reader-focused** communication

- Short concise sentences
- Personal pronouns
- Active voice
- Headings/ subheadings

**Earlier compliance**

- ~ 16 letter types converted
  - 2 Random Control Trials

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**Treatment Group Likelihood to Comply**

Business License Renewal by Delinquent Customers

<table>
<thead>
<tr>
<th></th>
<th>2018 Trial</th>
<th>2019 Trial</th>
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<tbody>
<tr>
<td>Likelihood</td>
<td>22.3%</td>
<td>20.8%</td>
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CITY OF KANSAS CITY MISSOURI
GET THE WORD OUT ABOUT THE KANSAS CITY EARNINGS TAX

WATER BILL INSERT

IMPORTANT NOTICE

PAYING THE KCMO EARNINGS TAX IS NOT OPTIONAL AND ANYONE WHO LIVES OR WORKS IN KANSAS CITY, MO IS REQUIRED TO PAY.

FILE ONLINE AT KCMO.GOV/TAX BY APRIL 15, 2019
Never ignore suggestions from taxpayers

- Partner with Jackson County Collector to identify new vehicle registrations for new residents to create mailing list
- Change QuickTax messages on our confirmation pages
- MeF vendors recommendations by tax professionals in KCMO
OUTREACH INITIATIVES SCHEDULED FOR 2020
WHEN IN DOUBT, CALL

- 62% Delinquent Business License Renewals each year
- BIT Trial on Delinquent Business License to increase compliance
- After trial, identify a small group to call and ask why, how could we make it easier, what could the City do to help
- Low cost, small sample, use interns
FEBRUARY 2020 TWEETING “SWEET TREATS FOR RENEWALS”

- Business License Renewals 2020
  - Last week of February, serving hot cocoa to those registering in the office
  - Measure success by tracking walk-in customers
W2 PENALTY WAIVERS

- Steep penalties
  - One time penalty waiver
  - Second waiver contingent upon second timely filing
  - Third waiver for uploading electronically in QuickTax
IN SUMMARY, CHOOSE YOUR PATH... CARROT OR THE STICK
IDENTIFY A PROBLEM AND FIND YOURSELF A CARROT TO GET BEHAVIORS TO CHANGE
What is your agency doing?  
Thanks for attending our session today  
Questions?