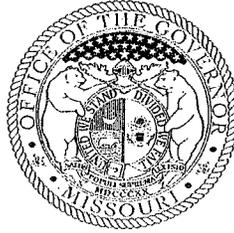


STATE CAPITOL  
201 W. CAPITOL AVENUE, ROOM 216  
JEFFERSON CITY, MISSOURI 65101



(573) 751-3222  
WWW.GOVERNOR.MO.GOV

*Michael L. Parson*

GOVERNOR  
STATE OF MISSOURI

July 22, 2019

Auditor Nicole Galloway  
State Auditor's Office  
State Capitol, Rm 121  
Jefferson City, MO 65101

Dear Auditor Galloway:

Please accept this correspondence in response to your letter dated July 11, 2019. Although encouraged by your attempted advocacy for the taxpayers of Missouri, I find your letter replete with factual inaccuracies that deserve correction.

The timeliness of tax refunds is a top priority of this administration. The citizens of Missouri are entitled to their money so that they can make financial decisions beneficial to their families. As a member of the General Assembly, Governor Parson supported the original legislation intended to shorten the window, from 120 to 90 days, in which the Department of Revenue (DOR) must process returns before assessing interest. When this shortened timeframe appeared inadequate to the task, the General Assembly again shortened the window from 90 to 45 days with the full support of Governor Parson.

You allege DOR's delay in processing tax returns is attributable to the Governor, yet this problem predates the current administration and extends back to both Governor Greitens and Governor Nixon's time in office. Notably, you were appointed to your current position by Governor Nixon at the time the General Assembly approved the aforementioned second piece of legislation intended to alleviate their concerns. Presumably, you were aware of the attempt to enact a statutory resolution to the issue given the process was occurring contemporaneously with your time in the Auditor's Office. Moreover, you must have been aware one of the justifications for shortening the window in which DOR can process tax returns was that the Democrat Governor would attempt to manipulate the timeline for tax return payouts in order to trigger Republican state tax cuts.

The previous attempts to resolve this issue, coupled with one of the reasons the General Assembly was motivated to act, highlight concerns about your decision to send your letter dated July 11, 2019. Put more simply, the credibility of your reasoning is undermined by your delay in

becoming interested in a solution. You decided to forego addressing the issue for the two years a Democrat was in the Governor's Office and waited until a Republican was elected to become involved.

The Governor, as the Chief Executive Officer of the State, strives to ensure each of the departments under his purview performs at the highest level of efficiency in order to best serve the people of this State. Your characterizations of DOR's performance are woefully inaccurate. For instance, DOR responded to two of your letters on the exact day DOR was requested to respond. DOR responded to another of your letters the day after DOR received it. DOR responded to yet another of your letters within three days. Your own correspondence with DOR acknowledges the agency has promptly followed up on the lists you provided. Thus, your accusations that DOR has been untimely in responding to your queries is undermined by the facts and your own admissions.

To further illustrate this point, your press release criticizing this administration that accompanied your July 11, 2019, letter appeared to arrive in the media prior to my receipt of the actual letter. The timeline of your actions indicates you prioritize media attention over substantive change. However, when it comes to substantive change and tangible results, I would direct your attention to the progress DOR has made. By way of example, DOR has processed 3 million tax returns as of the date of this letter. DOR has prioritized this task because their employees and managers understand the importance of giving the taxpayers their money. Tangibly, in recent years, improvements have been made in the average number of days from processing to issuing a return; for instance, from May through June, DOR processed nearly 50 percent more returns than the previous year.

Also, in *Director of Revenue v. State Auditor*, 511 S.W.2d 779, 783 (Mo. 1974), the Missouri Supreme Court has previously ruled and admonished the Auditor in relation to scope and authorized duties when specifically attempting to utilize DOR individual taxpayer records. This is of particular interest not only because of the previously aforementioned legal decision, but the information you gathered and then provided appears specific to DOR or individual taxpayers.

For instance, in relation to the list of approximately 1,000 names you reference, how did you come to possess the expected tax return information provided within a column on the list of taxpayer names submitted to DOR? This information is noticeably absent from your template "whistle blower" form, so where did you get individual's expected tax return amounts? This is pertinent not only for the above reasons, but also because an initial review of the list you provided revealed that more than 50 percent of the individuals had received their return. As DOR sorted through the rest of the list, the amount has increased to approximately 80 percent. Our concern is that individuals who communicated with you may have wanted this information to remain confidential, or you may not have adequately informed them that you intended to use their personal financial information in public discourse.

In addition, your template "whistle blower" form includes a question about what steps the individual has taken to address the issue, yet your correspondence did not include this information.

In other words, you gathered information that would have been helpful to DOR to identify previous communication, yet you did not provide it to DOR.

In closing, you ignore the positive results DOR has accomplished and seem unwilling to accept DOR's explanations regarding their new system and required manual review of some returns. Further, you must be aware that significant tax reform occurred at both the state and federal level for tax year 2018. Such reform resulted in changes to standard deductions and itemizations, and has provided a layer of intricacy to the process that is both new and challenging, yet beneficial to the working people of Missouri. Despite your lack of public support for and opposition to these tax code revisions, I am happy to note they have resulted in adjusted gross incomes rising nearly 5.5 percent and an overall strengthening of the Missouri economy. Given your recent interest in this topic, I will reciprocate the timeline you provided to this office and request you respond to the above queries within two weeks.

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron Willard". The signature is fluid and cursive, with a large, stylized initial "A".

Aaron Willard  
Chief of Staff  
Office of the Governor