



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

July 29, 2019

Governor Michael L. Parson
Office of the Governor
State Capitol Building
201 W. Capitol Avenue, Room 216
Jefferson City, MO 65101

Dear Governor Parson:

I am writing in response to the letter sent to me by your office on July 23, 2019. It is disappointing that, instead of offering a plan addressing the concerns of taxpayers waiting on their state tax refunds as I requested, your staff took the opportunity to launch an attack on the work of my office. However, as I am an advocate of fair and transparent government, I will provide additional information on my process and hope that you will provide additional information on yours.

As State Auditor, it is my job to ask questions on how government is using public resources to serve -- or not serve -- taxpayers. My office is hearing from an increasing number of taxpayers who have not yet received their refunds, despite some of those returns being filed as early as January. These Missourians are contacting my office because they are not getting answers from your Department of Revenue and are asking for my help.

I think we can both agree the timeliness of tax refunds has been an issue for years. It continued to get worse despite the General Assembly passing a law in 2015 to shorten the time to pay interest. For this reason, I began an audit in March 2017 on the timeliness of tax refunds, focusing on refunds paid in fiscal years 2015 and 2016. The Department of Revenue refused to provide information to my office related to fiscal years 2012 to 2016, prompting this office to subpoena this information from the department. In part because of the delays caused by the department, the final audit included information on refunds issued in fiscal year 2017.

After my report called attention to these problems, the Department of Revenue made significant improvements for fiscal year 2018, as outlined in the report issued this year. I have attached copies of the reports for your reference.

Unfortunately, the volume of complaints my office has received from taxpayers in recent months indicates there are once again issues that must be addressed. When these individuals speak to staff in my office, they are often relieved to talk with a person to whom they can relay their concerns. My office advises complainants that we are not provided access by the department to their specific tax return. However, with their explicit permission my staff can, and did, pass along contact information and some details about their refund on their behalf to the department. For taxpayers who have chosen to keep their identities protected, we do not disseminate their information.

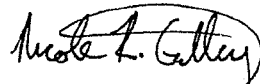
On May 21, my office sent a letter to the acting Director of the Department of Revenue on behalf of these taxpayers, asking for an explanation and assistance in getting these citizens the money that was due to them. That letter, and subsequent letters sent on June 11, July 1, July 10 and July 22 were copied to you as well. To date, my office has sent the names and information for more than 1,400 taxpayers to the department.

The responses from the department to my earlier letters have been unsatisfactory and taxpayers are continuing to contact my office. Even more concerning, communication from the department to these waiting taxpayers -- when they have been able to get responses at all -- has been inadequate. That is the reason for my July 11, 2019, letter to you asking for a plan of action on the refunds.

I'm pleased to hear that some of the taxpayers who were waiting received their refunds after my office reached out. As your department recently confirmed to the media, there are tens of thousands of Missourians still waiting.

My role as State Auditor is to act as the independent watchdog on behalf of citizens. While Missourians rely on their elected legislators to pass legislation to protect and help them, they depend on the state's Chief Executive to implement those laws. Taxpayers who have been waiting for months for their refunds have come to my office seeking both answers and help. I am committed to and serious about providing Missourians with a solution. You should be too. As I did in my earlier letter, I am asking you to present a plan of action on helping these Missourians.

Sincerely,



Nicole Galloway, CPA
State Auditor

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