

**Department 127 - Tax Commissioner  
 Senate Bill No. 2006**

**Executive Budget Comparison to Prior Biennium Appropriations**

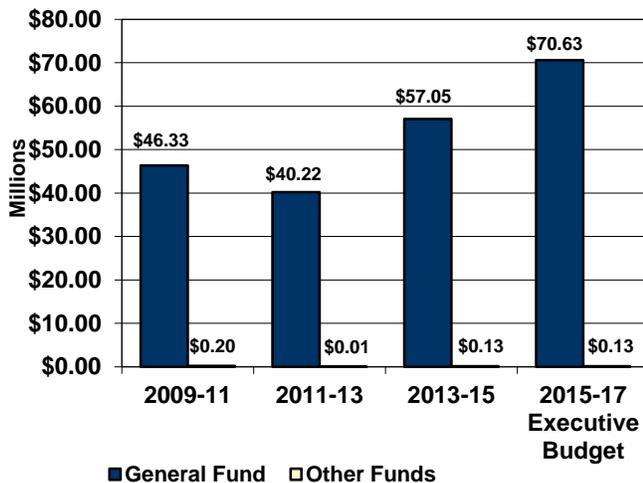
	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	138.00	\$70,625,716	\$125,000	\$70,750,716
2013-15 Legislative Appropriations <sup>1</sup>	134.00	57,054,140	125,000	57,179,140
Increase (Decrease)	4.00	\$13,571,576	\$0	\$13,571,576

<sup>1</sup>The 2013-15 appropriation amounts do not include general fund allocations of \$81,000 to the agency from the state agency energy impact funding pool for temporary salary adjustments for agency employees located in areas of the state affected by energy development.

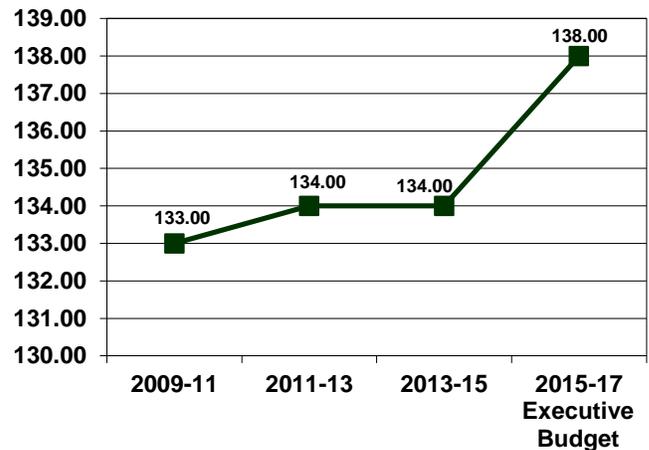
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 Executive Budget	\$70,625,716	\$0	\$70,625,716
2013-15 Legislative Appropriations	56,054,140	1,000,000	57,054,140
Increase (Decrease)	\$14,571,576	(\$1,000,000)	\$13,571,576

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$70,625,716	\$125,000	\$70,750,716
2015-17 Base Level	56,054,140	125,000	56,179,140
Increase (Decrease)	\$14,571,576	\$0	\$14,571,576

**First House Action**

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights  
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases of which \$1,115,188 relates to performance increases, \$214,339 is for market equity adjustments, \$595,860 is for health insurance increases, and \$114,940 is for retirement contribution increases. <b>The Senate provided funding for performance salary increases of 2 to 4 percent per year and funding for health insurance increases, but did not include funding for market equity increases or funding for retirement contribution increases.</b>	\$2,040,327	\$0	\$2,040,327

2. Adds funding to continue salary adjustments made in the 2013-15 biennium	\$332,929	\$0	\$332,929
3. Adds funding for 4.00 new FTE positions, of which \$490,831 is for salaries and wages and \$62,768 is for operating expenses	\$553,599	\$0	\$553,599
<ul style="list-style-type: none"> <li>• 1 FTE audit technician position</li> <li>• 1 FTE compliance officer position</li> <li>• 1 FTE property tax specialist position</li> <li>• 1 FTE research analyst position</li> </ul>			
<b>The Senate provided funding of \$439,194 for 1 compliance officer FTE position, 1 property tax specialist FTE position, and 1 research analyst FTE position.</b>			
4. Increases funding for Nexus software programs and the Multistate Tax Commission audit program	\$64,440	\$0	\$64,440
5. Increases funding for GenTax service maintenance contracts, which reflects a 6.25 percent increase for the biennium	\$200,000	\$0	\$200,000
6. Adds funding for temporary wages (\$97,000) and increases funding for postage costs (\$199,315) for total postage funding of \$1,170,276	\$296,315	\$0	\$296,315
7. Increases funding to continue the homestead tax credit program for total funding of \$22 million	\$2,000,000	\$0	\$2,000,000
8. Adds funding to expand the eligibility income threshold from \$42,000 to \$50,000 for the homestead tax credit program for total funding of \$30 million (Legislation has not yet been introduced making this statutory change)	\$8,000,000	\$0	\$8,000,000
9. Increases funding to continue the disabled veterans' tax credit for total funding of \$8,445,000	\$767,000	\$0	\$767,000

### Other Sections in Bill

**Transfer** - Section 3 provides for a transfer \$2,303,496 from the motor vehicle fuel tax revenue collections to the general fund for the expenses related to the administration of the motor vehicle fuel taxes.

**Salary of Tax Commissioner** - Section 4 provides the statutory changes necessary to increase the Tax Commissioner's salary as follows:

Annual salary authorized by the 2013 Legislative Assembly:

July 1, 2013	\$105,050
July 1, 2014	\$108,202

Proposed annual salary recommended in the 2015-17 executive budget:

July 1, 2015	\$112,530
July 1, 2016	\$117,031

The executive budget includes funding for elected officials' salary increases of 4 percent effective July 1, 2015, and 4 percent effective July 1, 2016.

**The Senate provided for a 3 percent annual increase to the Tax Commissioner's salary, resulting in an annual salary of \$111,448 effective July 1, 2015, and \$114,791 effective July 1, 2016.**

### Continuing Appropriations

There are no continuing appropriations for this agency.

### Significant Audit Findings

The operational audit for the Tax Department conducted by the State Auditor's office during the 2013-14 interim identified no significant audit findings.

### Major Related Legislation

**Senate Bill No. 2113** - Expands the disabled veterans' homestead tax credit by changing the taxable valuation from the value of the fixtures, buildings, and improvements of the property to the value of the property.

**Senate Bill No. 2115** - Allows the Tax Commissioner to accept reduced tax collections from taxes assessed but not yet paid if the taxpayer provides information verifying that the assessment exceeds the actual amount due.

**Senate Bill No. 2221** - Expands the homestead tax credit program by increasing the income limit from \$42,000 to \$50,000, increases the maximum refund amount available for the renter refund program from \$400 to \$600, and increases the maximum homestead value for credits from \$100,000 to \$150,000.

**House Bill No. 1053** - Exempts the Tax Department from required centralized desktop support services provided by the Information Technology Department.

**House Bill No. 1133** - Allows the Tax Commissioner to offset future distributions of tax collections related to overpayments, requires tax refunds to be at least \$5 before a payment is issued, and provides technical corrections for consistency and clarity.

**Tax Department - Budget No. 127**  
**Senate Bill No. 2006**  
**Base Level Funding Changes**

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2015-17 Biennium Base Level</b>	134.00	\$56,054,140	\$125,000	\$56,179,140	134.00	\$56,054,140	\$125,000	\$56,179,140
<b>2015-17 Ongoing Funding Changes</b>								
Base payroll changes		\$316,966		\$316,966		\$316,966		\$316,966
Salary increase - Performance		1,115,188		1,115,188		830,316		830,316
Salary increase - Market equity		214,339		214,339				0
Retirement contribution increase		114,940		114,940				0
Health insurance increase		595,860		595,860		591,542		591,542
Continuation of 2013-15 salary adjustments		332,929		332,929		332,929		332,929
New FTE audit technician position	1.00	98,713		98,713				0
New FTE compliance officer position	1.00	124,924		124,924	1.00	124,924		124,924
New FTE property tax specialist position	1.00	133,597		133,597	1.00	133,597		133,597
New FTE research analyst position	1.00	133,597		133,597	1.00	133,597		133,597
FTE operating expenses		62,768		62,768		47,076		47,076
Changes funding for operating expenses		64,440		64,440		64,440		64,440
GenTax contracts		200,000		200,000		200,000		200,000
Temporary wages and postage		296,315		296,315		296,315		296,315
Continuation of homestead tax credit		2,000,000		2,000,000		2,000,000		2,000,000
Expansion of homestead tax credit		8,000,000		8,000,000		8,000,000		8,000,000
Continuation of disabled veterans' tax credit		767,000		767,000		767,000		767,000
Total ongoing funding changes	4.00	\$14,571,576	\$0	\$14,571,576	3.00	\$13,838,702	\$0	\$13,838,702
<b>One-time funding items</b>								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	4.00	\$14,571,576	\$0	\$14,571,576	3.00	\$13,838,702	\$0	\$13,838,702
<b>2015-17 Total Funding</b>	138.00	\$70,625,716	\$125,000	\$70,750,716	137.00	\$69,892,842	\$125,000	\$70,017,842

**Other Sections in Senate Bill No. 2006**

	Executive Budget Recommendation	Senate Version
Motor vehicle fuel tax administration transfer	Section 3 provides for a transfer of \$2,030,496 from motor vehicle fuel tax collections to the general fund for expenses related to the collection of the taxes.	Section 3 provides for a transfer of \$2,030,496 from motor vehicle fuel tax collections to the general fund for expenses related to the collection of the taxes.
Salary of Tax Commissioner	Section 4 provides for the statutory changes necessary to increase the Tax Commissioner's salary from \$108,202 in state fiscal year 2015 to \$112,530 (4 percent) in state fiscal year 2016 and to \$117,031 (4 percent) in state fiscal year 2017.	Section 4 provides for the statutory changes necessary to increase the Tax Commissioner's salary from \$108,202 in state fiscal year 2015 to \$111,448 (3 percent) in state fiscal year 2016 and to \$114,791 (3 percent) in state fiscal year 2017.