

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

Executive Budget Comparison to Prior Biennium Appropriations

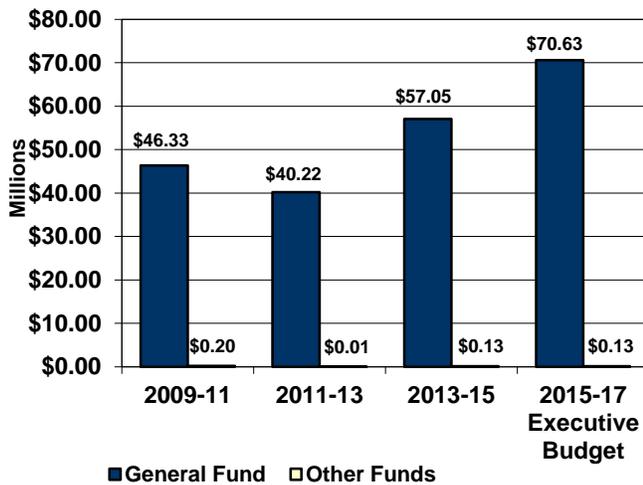
	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	138.00	\$70,625,716	\$125,000	\$70,750,716
2013-15 Legislative Appropriations ¹	134.00	57,054,140	125,000	57,179,140
Increase (Decrease)	4.00	\$13,571,576	\$0	\$13,571,576

¹The 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.

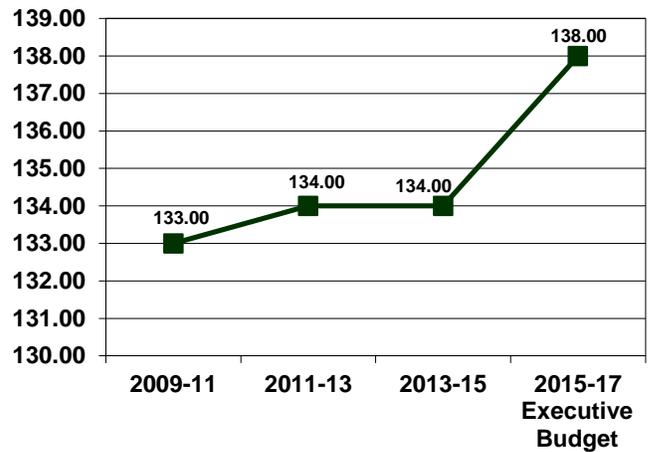
Ongoing and One-Time General Fund Appropriations

	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

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	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	\$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 <ul style="list-style-type: none"> • 1 FTE audit technician position 	\$553,599	\$0	\$553,599

- 1 FTE compliance officer position
- 1 FTE property tax specialist position
- 1 FTE research analyst position

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.

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

House Bill No. 1133 - Changes annual wholesale liquor tax payments to quarterly payments, 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.

Senate Bill No. 2033 - Requires the Tax Commissioner to determine if total oil and gas tax revenue collections exceed the legislative forecast for the first six months of the 2015-17 biennium. The bill includes a contingent appropriation of \$200 million from the strategic investment and improvements fund to provide funding distributions to political subdivisions if actual oil and gas tax collections exceed estimates by at least 20 percent.

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.

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

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

Other Sections in Senate Bill No. 2006

	Executive Budget Recommendation
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.
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.