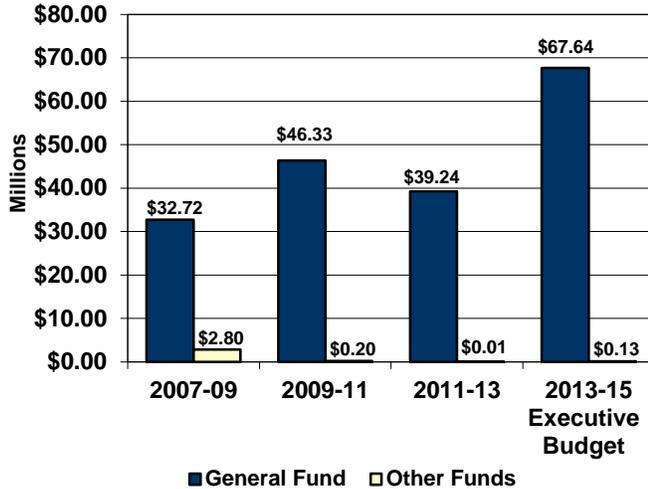


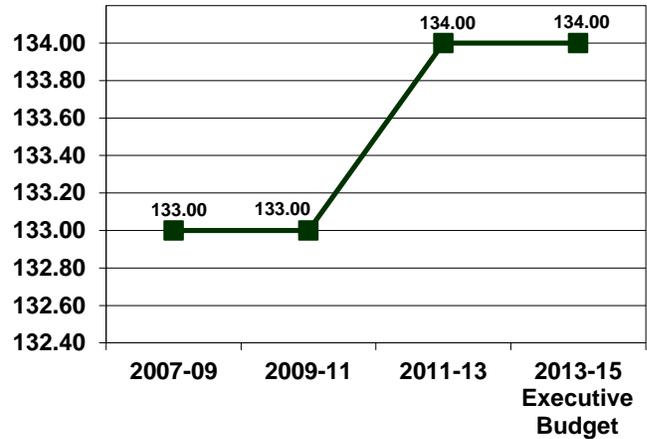
**Department 127 - State Tax Commissioner
 House Bill No. 1006**

	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	134.00	\$67,640,129	\$125,000	\$67,765,129
2011-13 Legislative Appropriations	134.00	39,238,449	10,000	39,248,449
Increase (Decrease)	0.00	\$28,401,680	\$115,000	\$28,516,680

Agency Funding



FTE Positions



Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$66,527,765	\$1,112,364	\$67,640,129
2011-13 Legislative Appropriations	38,238,449	1,000,000	39,238,449
Increase (Decrease)	\$28,289,316	\$112,364	\$28,401,680

First House Action

Attached is a summary of the first house changes.

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

	General Fund	Other Funds	Total
1. Provides additional funding for the current homestead tax credit program to provide a total of \$10,685,000 for the current program	\$1,892,212		\$1,892,212
2. Provides funding to expand the homestead tax credit program. The House removed this funding.	\$20,000,000		\$20,000,000
3. Provides additional funding for the disabled veterans credit program to provide a total of \$7,178,000	\$2,934,080		\$2,934,080
4. Provides funding to continue the bundled contract for support, maintenance, and upgrades for the GenTax system	\$1,000,000		\$1,000,000
5. Adds one-time funding for implementing the taxpayer access point (TAP) module for the GenTax system	\$1,000,000		\$1,000,000
6. Provides additional federal funds for motor fuel tax enforcement activities. The House removed this funding.		\$115,000	\$115,000
7. Provides funding for state employee salary increases, of which \$974,958 relates to performance increases and \$375,994 is for market equity adjustments. The House added \$21,963 to correct the executive compensation package and reduced funding by \$690,621 relating to retirement contributions and performance salary increases.	\$1,350,952		\$1,350,952

Other Sections in Bill

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 2011 Legislative Assembly:

July 1, 2011	\$98,068
July 1, 2012	\$101,010

Proposed annual salary recommended in the 2013-15 executive budget:

July 1, 2013	\$105,051
July 1, 2014	\$109,253

Proposed annual salary with House changes:

July 1, 2013	\$104,040
July 1, 2014	\$107,161

The executive budget includes funding for elected officials' salary increases equal to 4 percent of salaries effective July 1, 2013, and 4 percent effective July 1, 2014. **The House reduced the salary of the Tax Commissioner to provide for 3 percent annual salary increases.**

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 2011-12 interim identified no significant audit findings.

Major Related Legislation

House Bill No. 1023 - Subdivision 1 of Section 1 provides a deficiency appropriation of \$981,855 from the general fund for the disabled veterans tax credit program for the 2011-13 biennium.

House Bill No. 1306 - Creates a renters credit for qualifying disabled veterans and expands the disabled veteran homestead property tax credit

Senate Bill No. 2106 - Requires permits and registrations of persons using roll-your-own cigarette machines. Cigarettes made on these machines are subject to wholesale tobacco taxes.

Senate Bill No. 2171 - Expands the homestead credit and renters refund program for elderly and disabled citizens

ATTACH:1