Prepared by the Legislative Council staff for
Conference Committee
April 7, 1997

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1006

That the Senate recede from its amendments as printed on pages 1214 and 1215 of the House Journal and pages 1043 and 1044 of the Senate Journal and that Engrossed House Bill No. 1006 be amended as follows:

Page 1, line 2, after "commissioner" insert "; to provide a statement of legislative intent"

Page 1, line 10, replace "11,589,981" with "11,641,812"

Page 1, line 11, replace "4,219,055" with "4,460,817"

Page 1, line 12, replace "162,937" with "229,384"

Page 1, line 15, replace "16,325,545" with "16,685,585"

Page 1, line 17, replace "16,021,973" with "16,382,013"

Page 1, after line 22, insert:

> "**SECTION 3. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the tax commissioner coordinate the development of "Project 2001", the department's new tax processing system to allow, when completed, the exchange of information with other agencies, where appropriate, and to share equipment and processes with other agencies, where possible."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 127 - TAX DEPARTMENT

CONFERENCE COMMITTEE - This amendment makes the following changes:

	HOUSE VERSION	COMPUTER SYSTEM FUNDING	REMOVE RISK MANAGEMENT PREMIUMS	FUNDING SHIFT	COSTS RELATING TO OTHER BILLS	OTHER CHANGES	TOTAL CHANGES TO HOUSE VERSION	CONFERENCE COMMITTEE VERSION	SENATE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO SENATE VERSION
Salaries and wages	$11,589,981			$ 69,202	$32,629[3]	$(50,000)[5]	$ 51,831	$11,641,812	$11,691,812	$ (50,000)
Operating expenses	4,219,055	$250,000	$(50,332)	(69,202)	40,000[4]	71,296[6]	241,762	4,460,817	4,560,817	(100,000)
Equipment	162,937					66,447[7]	66,447	229,384	229,384	
City tax administration fees	50,000							50,000	50,000	
Motor fuels federal grant	303,572							303,572	303,572	
Total	$16,325,545	$250,000[1]	$(50,332)	$ 0[2]	$72,629	$ 87,743	$360,040	$16,685,585	$16,835,585	$(150,000)
General fund	$16,021,973	$250,000	$(50,332)		$72,629	$ 87,743	$360,040	$16,382,013	$16,532,013	$(150,000)
Special funds	303,572							303,572	303,572	
Total	$16,325,545	$250,000	$(50,332)	$ 0	$72,629	$ 87,743	$360,040	$16,685,585	$16,835,585	$(150,000)
FTE	150.50				0.50		0.50	151.00	151.00	0.00

[1] Additional funding is provided for redesigning the tax payment and return processing system. A comparison of funding for the system in various versions is listed below.

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE
General fund	$1,528,500	$750,000	$1,100,000	$1,000,000

[2] The House removed one FTE federal fund position and moved the associated funding from salaries and wages to operating expenses. Because funding for the position was not included in salaries and wages but in the motor fuels grant line item, the House change is being reversed and the funding remains in the motor fuels federal grant line item. Authorization for the FTE position, removed by the House, is not restored. The Senate made this same change.

[3] Adds funding for costs associated with provisions of House Bill No. 1068 (telecommunications gross receipts tax), including a .5 FTE auditor position. The Senate also made this change.

[4] Adds funding for costs associated with provisions of Senate Bill No. 2331 (financial institutions tax). The Senate also made this change.

[5] Reduces salaries and wages funding for anticipated savings resulting from employee turnover.

[6] Adds funding for the increase in costs charged to the Tax Department by other agencies. The Senate also made this change.

[7] Adds equipment funding to address departmental technology needs, the same as the Senate version.

A section of legislative intent is added providing that the Tax Commissioner coordinate the development of "Project 2001", the new tax return processing system, to allow the transfer of information with other agencies, where appropriate, and to share equipment and processes with other agencies, where possible.