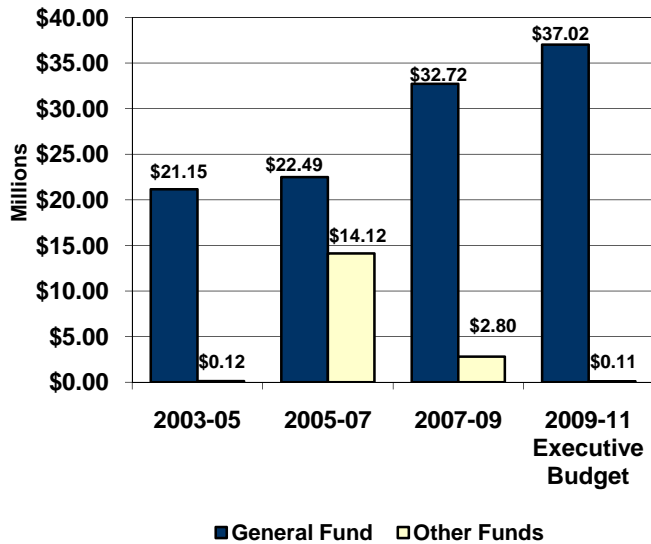


**Department 127 - Tax Commissioner  
 House Bill No. 1006**

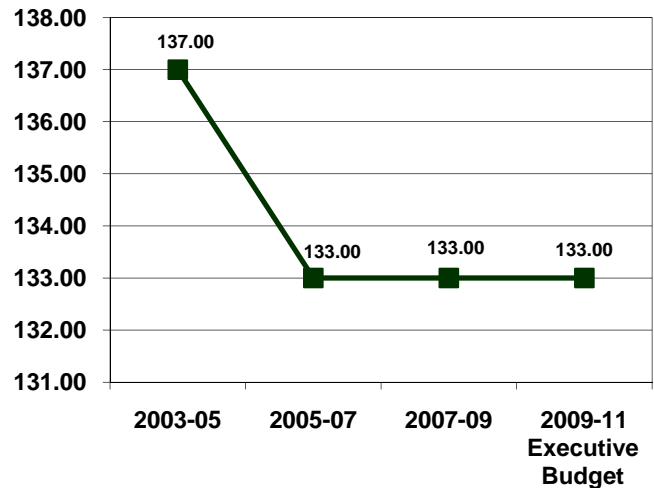
	FTE Positions	General Fund	Other Funds	Total
2009-11 Executive Budget	133.00	\$37,017,791	\$110,000	\$37,127,791
2007-09 Legislative Appropriations	133.00	32,716,810	2,800,000	35,516,810 <sup>1</sup>
Increase (Decrease)	0.00	\$4,300,981	(\$2,690,000)	\$1,610,981

<sup>1</sup>The 2007-09 appropriation amounts include \$178,657 from the general fund for the agency's share of the \$10 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees.

**Agency Funding**



**FTE Positions**



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

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2009-11 Executive Budget	\$29,027,089	\$7,990,702	\$37,017,791
2007-09 Legislative Appropriations	27,360,108	5,356,702	32,716,810
Increase (Decrease)	\$1,666,981	\$2,634,000	\$4,300,981

**First House Action**

Attached is a summary of first house changes.

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

	General Fund	Other Funds	Total
1. Provides funding to address salary equity issues (\$675,000) and related second-year salary increases (\$33,750). <b>The House removed this funding.</b>	\$708,750		\$708,750
2. Removes one-time funding for administration of the property tax income tax credit		(\$924,000)	(\$924,000)
3. Removes funding provided for the 2007-09 biennium for onsite support for the GenTax system		(\$1,150,000)	(\$1,150,000)
4. Decreases funding for the homestead tax credit program from \$8,104,000 to \$5,964,000	(\$2,140,000)		(\$2,140,000)
5. Provides <b>one-time funding</b> for information technology projects, including onsite support for the GenTax system (\$1,234,000) and the integration of the oil and gas tax collection system into the GenTax system (\$1,500,000)	\$2,634,000	\$100,000	\$2,734,000

6. Continues <b>one-time funding</b> for the second of three payments for the GenTax system loan. <b>The House provided additional funding of \$4,873,545 to repay the remaining balance of the loan.</b>	\$5,356,702		\$5,356,702
7. Provides funding for information technology equipment	\$58,000		\$58,000
8. Changes the funding source for the annual maintenance agreement for the integrated tax system from unexpended loan funds to the general fund for a total of \$1,100,000 from the general fund	\$550,000	(\$550,000)	\$0

**Other Sections in Bill**

Section 3 provides for a transfer of \$1,288,000 from motor vehicle fuel tax collections to the general fund relating to costs incurred by the Tax Department to collect motor vehicle fuel and special fuels taxes.

Section 4 authorizes the Tax Department to continue 2007-09 unspent appropriation authority for the integrated tax system to the 2009-11 biennium.

Section 5 provides for the statutory changes necessary to increase the Tax Commissioner's salary as follows:

Annual salary authorized by the 2007 Legislative Assembly:

July 1, 2007	\$83,039
July 1, 2008	\$86,360

Proposed annual salary recommended in the 2009-11 executive budget:

July 1, 2009	\$90,678
July 1, 2010	\$95,212

The executive recommendation provides funding for elected officials' salary increases equal to 5 percent of salaries effective July 1, 2009, and 5 percent effective July 1, 2010.

**Continuing Appropriations**

No continuing appropriations for this agency.

**Major Related Legislation**

**House Bill No. 1084** - This bill authorizes the Tax Department to request background checks for final applicants for a specified occupation with the Tax Commissioner as designated by the Tax Commissioner.

**House Bill No. 1324** - This bill provides an appropriation of \$100 million from the permanent oil tax trust fund to the Tax Department for allocation of state economic stimulus payments.

**Senate Bill No. 2201** - This bill provides an appropriation of \$2.7 million from the general fund to the Tax Department to pay the state reimbursement for property tax credits for disabled veterans.

**Significant Audit Findings**

The operational audit for the Tax Department conducted by the State Auditor's office during the 2007-08 interim included the following significant finding:

- The Tax Commissioner does not perform background investigations for new hires that will have access to sensitive information such as tax returns, Social Security numbers, and bank account information.

ATTACH:1