

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2006

That the House recede from its amendments as printed on pages 1382-1385 of the Senate Journal and pages 1574-1577 of the House Journal and that Engrossed Senate Bill No. 2006 be amended as follows:

Page 1, line 4, remove "and"

Page 1, line 4, after "transfer" insert "; and to declare an emergency"

Page 1, replace lines 15 through 22 with:

| | | | |
|-------------------------------|------------------|----------------|------------------|
| "Salaries and wages | \$21,724,004 | \$1,143,952 | \$22,867,956 |
| Operating expenses | 6,749,295 | 363,165 | 7,112,460 |
| Capital assets | 6,000 | 0 | 6,000 |
| Homestead tax credit | 14,800,000 | 1,000,000 | 15,800,000 |
| Disabled veterans' tax credit | <u>8,110,200</u> | <u>300,000</u> | <u>8,410,200</u> |
| Total all funds | \$51,389,499 | \$2,807,117 | \$54,196,616 |
| Less estimated income | <u>125,000</u> | <u>0</u> | <u>125,000</u> |
| Total general fund | \$51,264,499 | \$2,807,117 | \$54,071,616" |

Page 1, after line 23, insert:

"SECTION 2. APPROPRIATION - 2017-19 BIENNIUM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$590,000, or so much of the sum as may be necessary, to the tax commissioner for the homestead tax credit program and the disabled veterans' tax credit program, for the period beginning with the effective date of this Act, and ending June 30, 2019."

Page 2, line 18, replace "one hundred twenty thousand six hundred" with "one hundred twenty thousand fourteen"

Page 2, after line 18, insert:

"SECTION 6. EMERGENCY. Section 2 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2006 - State Tax Commissioner - Conference Committee Action

| | Base Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|---------------------------|------------------|-------------------|------------------------------------|------------------------------------|------------------|------------------------|
| Salaries and wages | \$21,724,004 | \$22,938,184 | (\$70,228) | \$22,867,956 | \$22,604,918 | \$263,038 |
| Operating expenses | 6,749,295 | 7,112,460 | | 7,112,460 | 7,112,460 | |
| Capital assets | 6,000 | 6,000 | | 6,000 | 6,000 | |
| Homestead tax credit | 14,800,000 | 15,800,000 | | 15,800,000 | 15,800,000 | |
| Disabled veterans' credit | <u>8,110,200</u> | <u>8,410,200</u> | | <u>8,410,200</u> | <u>8,410,200</u> | |
| Total all funds | \$51,389,499 | \$54,266,844 | (\$70,228) | \$54,196,616 | \$53,933,578 | \$263,038 |
| Less estimated income | <u>125,000</u> | <u>125,000</u> | 0 | <u>125,000</u> | <u>125,000</u> | 0 |
| General fund | \$51,264,499 | \$54,141,844 | (\$70,228) | \$54,071,616 | \$53,808,578 | \$263,038 |

| | | | | | | |
|-----|--------|--------|------|--------|--------|------|
| FTE | 133.00 | 123.00 | 0.00 | 123.00 | 123.00 | 0.00 |
|-----|--------|--------|------|--------|--------|------|

Department 127 - State Tax Commissioner - Detail of Conference Committee Changes

| | Adjusts Funding for Salary Increases ¹ | Underfunds Salaries and Wages ² | Total Conference Committee Changes |
|---------------------------|--|--|---|
| Salaries and wages | \$57,520 | (\$127,748) | (\$70,228) |
| Operating expenses | | | |
| Capital assets | | | |
| Homestead tax credit | | | |
| Disabled veterans' credit | | | |
| | | | |
| Total all funds | \$57,520 | (\$127,748) | (\$70,228) |
| Less estimated income | 0 | 0 | 0 |
| General fund | \$57,520 | (\$127,748) | (\$70,228) |
| FTE | 0.00 | 0.00 | 0.00 |

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

² Funding for salaries and wages is reduced by \$127,748 for anticipated savings from vacant positions and employee turnover for total underfunding of \$900,000. The Senate underfunded salaries and wages by \$772,252. The House underfunded salaries and wages by \$772,252 and reduced funding for temporary employees by \$390,786 for a total reduction of \$1,163,038.

This amendment:

- Provides an appropriation of \$590,000 from the general fund for the 2017-19 biennium for the homestead tax credit program and the disabled veterans' tax credit program and includes an emergency clause related to the appropriation. Neither the Senate nor the House included this funding.
- Does not include three sections added by the House to create a legacy income tax rate reduction fund, to transfer 50 percent of the legacy fund earnings at the end of the biennium to the newly created fund, and to provide an effective date of June 1, 2021.
- Includes a section to provide the statutory changes necessary to increase the Tax Commissioner's salary from the current salary of \$114,791 to \$117,087 (2 percent) in fiscal year 2020 and to \$120,014 (2.5 percent) in fiscal year 2021, the same as the House version. The Senate included statutory changes necessary to increase the Tax Commissioner's salary by 2 percent in fiscal year 2020 and by 3 percent in fiscal year 2021.