

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

| | FTE Positions | General Fund | Other Funds | Total |
|--------------------------------------|----------------------|---------------------|--------------------|-------------------------------|
| 2001-03 Schafer Executive Budget | 142.00 | \$17,562,518 | \$393,729 | \$17,956,247 |
| 1999-2001 Legislative Appropriations | <u>144.00</u> | <u>16,939,702</u> | <u>293,729</u> | <u>17,233,431¹</u> |
| Increase (Decrease) | <u>(2.00)</u> | <u>\$622,816</u> | <u>\$100,000</u> | <u>\$722,816</u> |

| | | | | |
|---------------------------------------|---------------|---------------------|------------------|---------------------|
| 2001-03 Hoeven Executive Budget | <u>142.00</u> | <u>\$17,562,518</u> | <u>\$393,729</u> | <u>\$17,956,247</u> |
| Hoeven Increase (Decrease) to Schafer | <u>0.00</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

¹ The 1999-2001 appropriation amounts include \$100,601 from the general fund for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$5,722 from the general fund for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000. The 1999-2001 appropriation amounts do not include \$100,000 of additional spending authority resulting from Emergency Commission action during the 1999-2001 biennium and \$60,000 of carryover authority from the 1997-99 appropriation.

Major Schafer Recommendations Affecting Tax Department 2001-03 Budget

| | General Fund | Other Funds | Total |
|---|---------------------|--------------------|--------------|
| 1. Removes 1 FTE auditor II position in the income tax division. | (\$66,891) | | (\$66,891) |
| 2. Removes 1 FTE account technician II position in the controller's division. | (\$45,083) | | (\$45,083) |
| 3. Provides increased salaries and wages funding based on the Central Personnel Division's market study for elected and appointed officials (Tax Commissioner). The proposed increase is \$341.42 per month effective January 1, 2002. The total increase required for the biennium, including benefits, is \$7,176 or \$17,092 less than the executive recommendation. | \$24,268 | | \$24,268 |
| 4. Adds funding for temporary wages to retain qualified temporary employees during the peak tax season period. | \$153,882 | | \$153,882 |
| 5. Reduces funding for equipment due to fewer activities reflected in the department's information technology plan. | (\$108,500) | | (\$108,500) |
| 6. Reduces funding for operating expenses in the commissioner's division due to fewer activities in the department's information technology plan. | (\$297,240) | | (\$297,240) |
| 7. Reduces funding for operating expenses in the income tax division by eliminating two years of the Multistate Tax Commission audit program fees. | (\$270,450) | | (\$270,450) |

**Major Hoeven Recommendations Affecting Tax Department 2001-03 Budget
Compared to the Bill as Introduced (Schafer Budget)**

The Hoeven recommendation does not change the Schafer recommendation.

Major Legislation Affecting the Tax Department

Section 3 of House Bill No. 1006 includes the statutory changes necessary to increase the Agriculture Commissioner's salary as follows:

Annual salary authorized by the 1999 Legislative Assembly:

| | |
|-----------------|----------|
| July 1, 1999 | \$58,262 |
| July 1, 2000 | \$59,428 |
| January 1, 2001 | \$66,282 |

Proposed annual salary recommended in the 2001-03 executive budget:

| | |
|-----------------|----------|
| July 1, 2001 | \$68,277 |
| January 1, 2001 | \$72,374 |
| July 1, 2002 | \$73,821 |

House Bill No. 1076 allows the Tax Commissioner to furnish to the Unclaimed Property Division of the Board of University and School Lands, upon its request, a taxpayer's name, address, and federal identification number for the sole purpose of identifying the taxpayer as the owner of an unclaimed voucher authorized by the Tax Commissioner.

Senate Bill No. 2053 transfers the beer and wholesale liquor tax collection responsibilities from the State Treasurer to the Tax Commissioner.

Senate Bill No. 2064 allows the Tax Commissioner to disclose name and address information to the United States postal service for the sole purpose of obtaining proper and correct address information on that person.

House Bill No. 1341 transfers the duties of allocating the gross production tax revenues to political subdivisions from the State Treasurer to the State Tax Commissioner.