

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1006 - Funding Summary**

	<b>Base Budget</b>	<b>Final Legislative Action</b>	<b>Comparison to Base Budget</b>
<b>State Tax Commissioner</b>			
Salaries and wages	\$21,528,135	\$21,724,004	\$195,869
Operating expenses	7,628,262	6,749,295	(878,967)
Capital assets	16,000	6,000	(10,000)
Homestead tax credit	18,690,000	14,800,000	(3,890,000)
Disabled veterans' credit	7,175,091	8,110,200	935,109
<b>Total all funds</b>	<b>\$55,037,488</b>	<b>\$51,389,499</b>	<b>(\$3,647,989)</b>
Less estimated income	125,000	125,000	0
<b>General fund</b>	<b>\$54,912,488</b>	<b>\$51,264,499</b>	<b>(\$3,647,989)</b>
FTE	136.00	133.00	(3.00)
<b>Bill Total</b>			
Total all funds	\$55,037,488	\$51,389,499	(\$3,647,989)
Less estimated income	125,000	125,000	0
<b>General fund</b>	<b>\$54,912,488</b>	<b>\$51,264,499</b>	<b>(\$3,647,989)</b>
FTE	136.00	133.00	(3.00)

**House Bill No. 1006 - State Tax Commissioner - House Action**

	<b>Base Budget</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$21,528,135	\$73,448	\$21,601,583
Operating expenses	7,628,262	(878,967)	6,749,295
Capital assets	16,000	(10,000)	6,000
Homestead tax credit	18,690,000	(2,690,000)	16,000,000
Disabled veterans' credit	7,175,091	(264,891)	6,910,200
<b>Total all funds</b>	<b>\$55,037,488</b>	<b>(\$3,770,410)</b>	<b>\$51,267,078</b>
Less estimated income	125,000	0	125,000
<b>General fund</b>	<b>\$54,912,488</b>	<b>(\$3,770,410)</b>	<b>\$51,142,078</b>
FTE	136.00	(3.00)	133.00

**Department 127 - State Tax Commissioner - Detail of House Changes**

	<b>Adjusts Funding for Base Payroll Changes<sup>1</sup></b>	<b>Adds Funding for Health Insurance Increases<sup>2</sup></b>	<b>Reduces Funding for Salaries and Wages<sup>3</sup></b>	<b>Reduces Funding for Operating Expenses<sup>4</sup></b>	<b>Reduces Funding for Capital Assets<sup>5</sup></b>	<b>Reduces Funding for Tax Credit Programs<sup>6</sup></b>
Salaries and wages	25,020	380,646	(332,218)			
Operating expenses				(878,967)		
Capital assets					(10,000)	
Homestead tax credit						(2,690,000)
Disabled veterans' credit						(264,891)
<b>Total all funds</b>	<b>\$25,020</b>	<b>\$380,646</b>	<b>(\$332,218)</b>	<b>(\$878,967)</b>	<b>(\$10,000)</b>	<b>(\$2,954,891)</b>
Less estimated income	0	0	0	0	0	0
<b>General fund</b>	<b>\$25,020</b>	<b>\$380,646</b>	<b>(\$332,218)</b>	<b>(\$878,967)</b>	<b>(\$10,000)</b>	<b>(\$2,954,891)</b>
FTE	(3.00)	0.00	0.00	0.00	0.00	0.00

	<b>Total House Changes</b>
Salaries and wages	73,448
Operating expenses	(878,967)
Capital assets	(10,000)
Homestead tax credit	(2,690,000)
Disabled veterans' credit	(264,891)
<b>Total all funds</b>	<b>(\$3,770,410)</b>
Less estimated income	0
<b>General fund</b>	<b>(\$3,770,410)</b>
FTE	(3.00)

<sup>1</sup> Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes, including the removal of 3 FTE positions (1 FTE tax services position, 1 FTE office assistant position, and 1 FTE document imaging position).

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Funding is removed for 3 FTE positions that are vacant.

<sup>4</sup> Funding is reduced for operating expenses, primarily related to professional services, postage, information technology equipment, and office furniture and equipment.

<sup>5</sup> Funding is reduced for capital assets, from \$16,000 to \$6,000.

<sup>6</sup> Funding is reduced for the homestead tax credit program by \$2,690,000, from \$18,690,000 to \$16,000,000. Funding is reduced for the disabled veterans' tax credit program by \$264,891, from \$7,175,091 to \$6,910,200.

This amendment also:

- Adds a section to identify the funding increases for the health insurance premium increase.
- Adds a section and an emergency clause allowing the Tax Commissioner to transfer funding between the homestead tax credit and the disabled veterans' tax credit line items in the 2015-17 biennium.
- Adds a section allowing the Tax Commissioner to transfer funding between the homestead tax credit and the disabled veterans' tax credit line items in the 2017-19 biennium.
- Adds a section to create a multistate tax audit fund. The collections from the multistate tax commission audit and nexus programs are deposited in the fund, and the related program expenses are paid from the fund pursuant to a continuing appropriation. Excess collections are transferred to the general fund at the end of each year. This section will reduce estimated general fund revenues by \$450,000 for the 2017-19 biennium.

#### House Bill No. 1006 - State Tax Commissioner - Senate Action

	<b>Base Budget</b>	<b>House Version</b>	<b>Senate Changes</b>	<b>Senate Version</b>
Salaries and wages	\$21,528,135	\$21,601,583	\$612,421	\$22,214,004
Operating expenses	7,628,262	6,749,295		6,749,295
Capital assets	16,000	6,000		6,000
Homestead tax credit	18,690,000	16,000,000	(1,200,000)	14,800,000
Disabled veterans' credit	7,175,091	6,910,200	1,200,000	8,110,200
<b>Total all funds</b>	<b>\$55,037,488</b>	<b>\$51,267,078</b>	<b>\$612,421</b>	<b>\$51,879,499</b>
Less estimated income	125,000	125,000	0	125,000
<b>General fund</b>	<b>\$54,912,488</b>	<b>\$51,142,078</b>	<b>\$612,421</b>	<b>\$51,754,499</b>
FTE	136.00	133.00	0.00	133.00

**Department 127 - State Tax Commissioner - Detail of Senate Changes**

	<b>Adjusts Funding for Health Insurance Increases<sup>1</sup></b>	<b>Adds Funding for Salaries and Wages<sup>2</sup></b>	<b>Rebalances Funding for Tax Credit Programs<sup>3</sup></b>	<b>Total Senate Changes</b>
Salaries and wages	(27,579)	640,000		612,421
Operating expenses				
Capital assets				
Homestead tax credit			(1,200,000)	(1,200,000)
Disabled veterans' credit			1,200,000	1,200,000
<b>Total all funds</b>	<b>(\$27,579)</b>	<b>\$640,000</b>	<b>\$0</b>	<b>\$612,421</b>
Less estimated income	0	0	0	0
General fund	(\$27,579)	\$640,000	\$0	\$612,421
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is adjusted to reflect this change.

<sup>2</sup> Funding of \$640,000 from the general fund is added to restore funding for 4 FTE auditor positions that had been reduced as part of the 2015-17 biennium budget reductions.

<sup>3</sup> Funding of \$1.2 million is transferred from the homestead tax credit program to the disabled veterans' tax credit program to align the appropriations with the anticipated funding needs for the 2017-19 biennium.

**House Bill No. 1006 - State Tax Commissioner - Conference Committee Action**

	<b>Base Budget</b>	<b>House Version</b>	<b>Conference Committee Changes</b>	<b>Conference Committee Version</b>	<b>Senate Version</b>	<b>Comparison to Senate</b>
Salaries and wages	\$21,528,135	\$21,601,583	\$122,421	\$21,724,004	\$22,214,004	(\$490,000)
Operating expenses	7,628,262	6,749,295		6,749,295	6,749,295	
Capital assets	16,000	6,000		6,000	6,000	
Homestead tax credit	18,690,000	16,000,000	(1,200,000)	14,800,000	14,800,000	
Disabled veterans' credit	7,175,091	6,910,200	1,200,000	8,110,200	8,110,200	
<b>Total all funds</b>	<b>\$55,037,488</b>	<b>\$51,267,078</b>	<b>\$122,421</b>	<b>\$51,389,499</b>	<b>\$51,879,499</b>	<b>(\$490,000)</b>
Less estimated income	125,000	125,000	0	125,000	125,000	0
General fund	\$54,912,488	\$51,142,078	\$122,421	\$51,264,499	\$51,754,499	(\$490,000)
FTE	136.00	133.00	0.00	133.00	133.00	0.00

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

	<b>Adjusts Funding for Health Insurance Increases<sup>1</sup></b>	<b>Adds Funding for Salaries and Wages<sup>2</sup></b>	<b>Rebalances Funding for Tax Credit Programs<sup>3</sup></b>	<b>Total Conference Committee Changes</b>
Salaries and wages	(27,579)	150,000		122,421
Operating expenses				
Capital assets				
Homestead tax credit			(1,200,000)	(1,200,000)
Disabled veterans' credit			1,200,000	1,200,000
<b>Total all funds</b>	<b>(\$27,579)</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$122,421</b>
Less estimated income	0	0	0	0
General fund	(\$27,579)	\$150,000	\$0	\$122,421
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is adjusted to reflect this change.

<sup>2</sup> Funding of \$150,000 from the general fund is added to restore funding for 1 FTE sales tax audit position that had been reduced as part of the 2015-17 biennium budget reductions. The Senate restored \$640,000 from the general fund relating to 4 FTE audit positions.

<sup>3</sup> Funding of \$1.2 million is transferred from the homestead tax credit program to the disabled veterans' tax credit program to align the appropriations with the anticipated funding needs for the 2017-19 biennium, the same as the Senate.

A section is added to provide an exemption to allow up to \$75,000 of unspent 2015-17 biennium appropriation authority to continue in the 2017-19 biennium for a sales tax auditor position. With the \$150,000 from the general fund restored by the Conference Committee as described above, a total of \$225,000 is provided to restore funding for 2 FTE sales tax audit positions.