

**Tax Commissioner  
Budget No. 127  
Senate Bill No. 2006**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2019-21 legislative appropriations</b>	<b>123.00</b>	<b>\$54,071,616</b>	<b>\$125,000</b>	<b>\$54,196,616</b>
2019-21 base budget	133.00	51,264,499	125,000	51,389,499
Legislative increase (decrease) to base budget	(10.00)	\$2,807,117	\$0	\$2,807,117

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

	<b>Ongoing General Fund Appropriation</b>	<b>One-Time General Fund Appropriation</b>	<b>Total General Fund Appropriation</b>
<b>2019-21 legislative appropriations</b>	<b>\$54,071,616</b>	<b>\$0</b>	<b>\$54,071,616</b>
2017-19 legislative appropriations	51,264,499	1,910,000 <sup>1</sup>	53,174,499 <sup>1</sup>
2019-21 legislative increase (decrease) to 2017-19 appropriations	\$2,807,117	(\$1,910,000)	\$897,117
Percentage increase (decrease) to 2017-19 appropriations	5.5%	(100.0%)	1.7%

<sup>1</sup>The 2017-19 biennium general fund appropriations reflect a deficiency appropriation of \$1.32 million in Senate Bill No. 2024 and a deficiency appropriation of \$590,000 in Section 2 of Senate Bill No. 2006. See the **Deficiency Appropriations** section below for additional information.

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS**  
**Changes to Base Budget**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
The legislative action:				
Adjusted funding for base payroll changes.		\$711,232		\$711,232
Added funding 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 2.5 percent on July 1, 2020.		691,036		691,036
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,426.74 per month.		566,684		566,684
Added funding for an auditor position that was partially funded during the 2017-19 biennium to provide total funding of \$150,000 for the position.		75,000		75,000
Removed 10 FTE unfunded vacant positions, including 2 office assistants, 1 account technician, 2 auditors, and 5 unspecified positions.	(10.00)			

Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover.	(900,000)	(900,000)
Increased funding for GenTax software support to provide total funding of \$3.63 million.	300,589	300,589
Added funding for Microsoft Office 365 licensing expenses.	62,576	62,576
Increased funding for the homestead tax credit program by \$1,000,000, from \$14,800,000 to \$15,800,000 and increased funding for the disabled veterans' tax credit program by \$300,000, from \$8,110,200 to \$8,410,200.	1,300,000	1,300,000
Total	<u>(10.00)</u>	<u>\$2,807,117</u>
		<u>\$0</u>
		<u>\$2,807,117</u>

### FTE Changes

The Legislative Assembly approved 123 FTE positions for the Tax Commissioner for the 2019-21 biennium, a decrease of 10 FTE positions from the 2017-19 biennium authorized level of 133 FTE positions. The Legislative Assembly removed 2 FTE office assistant positions, 1 FTE account technician position, 2 FTE auditor positions, and 5 unspecified positions, the same as the agency's budget request.

### Deficiency Appropriations

Senate Bill No. 2024 provides a deficiency appropriation of \$1.32 million from the general fund to the Tax Commissioner for the homestead tax credit program (\$1.17 million) and for the disabled veterans' tax credit program (\$150,000). Section 2 of Senate Bill No. 2006 provides a deficiency appropriation of \$590,000 from the general fund for the homestead tax credit program (\$42,000) and the disabled veterans' tax credit program (\$548,000). An increase in taxable values resulted in a shortfall in the homestead tax credit program. Increases in applicants and taxable values resulted in a shortfall in the disabled veterans' tax credit program.

### Other Sections in Senate Bill No. 2006

**Tax credit program** - Section 2 provides a deficiency appropriation of \$590,000 for the homestead and disabled veterans' tax credit programs. Section 6 provides an emergency clause related to the deficiency appropriation.

**Line item transfers** - Section 3 allows the Tax Commissioner to transfer funding between the homestead tax credit and the disabled veterans' tax credit line items during the 2019-21 biennium.

**Motor vehicle fuel taxes** - Section 4 provides for a transfer of \$1,991,024 from motor vehicle fuel tax collections to the general fund for the 2019-21 biennium related to the Tax Commissioner's expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes.

**Salary of the Tax Commissioner** - Section 5 includes the statutory changes necessary to increase the Tax Commissioner's salary from the current salary of \$114,791 to \$117,087 (2 percent) on July 1, 2019, and to \$120,014 (2.5 percent) on July 1, 2020.

### Related Legislation

**House Bill No. 1041** - Increases the maximum amount that a qualified homeowner may claim as a homestead tax credit for special assessments by providing an annual adjustment to the maximum based on the consumer price index.

**House Bill No. 1112** - Requires information returns to be submitted electronically to the Tax Department in certain situations.

**House Bill No. 1214** - Clarifies the membership of the Streamlined Sales Tax Governing Board.

**House Bill No. 1487** - Provides for a Legislative Management study of the homestead tax credit program.

**Senate Bill No. 2036** - Removes obsolete language related to an expired income tax credit for angel fund investments and automation tax credits.

**Senate Bill No. 2089** - Provides technical corrections for clarity and consistency relating to various reports received by the Tax Department and definitions for administering sales and use taxes.