

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2006 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
State Tax Commissioner			
Salaries and wages	\$21,724,004	\$22,867,956	\$1,143,952
Operating expenses	6,749,295	7,112,460	363,165
Capital assets	6,000	6,000	
Homestead tax credit	14,800,000	15,800,000	1,000,000
Disabled veterans' credit	8,110,200	8,410,200	300,000
Total all funds	\$51,389,499	\$54,196,616	\$2,807,117
Less estimated income	125,000	125,000	0
General fund	\$51,264,499	\$54,071,616	\$2,807,117
FTE	133.00	123.00	(10.00)
Bill total			
Total all funds	\$51,389,499	\$54,196,616	\$2,807,117
Less estimated income	125,000	125,000	0
General fund	\$51,264,499	\$54,071,616	\$2,807,117
FTE	133.00	123.00	(10.00)

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

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$21,724,004	\$1,214,180	\$22,938,184
Operating expenses	6,749,295	363,165	7,112,460
Capital assets	6,000		6,000
Homestead tax credit	14,800,000	1,000,000	15,800,000
Disabled veterans' credit	8,110,200	300,000	8,410,200
Total all funds	\$51,389,499	\$2,877,345	\$54,266,844
Less estimated income	125,000	0	125,000
General fund	\$51,264,499	\$2,877,345	\$54,141,844
FTE	133.00	(10.00)	123.00

Department 127 - State Tax Commissioner - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Adds Funding for an Auditor Position³	Removes Unfunded Vacant FTE Positions⁴	Underfunds Salaries and Wages⁵	Increases Funding for GenTax Software Support⁶
Salaries and wages	\$711,232	\$1,200,200	\$75,000		(\$772,252)	
Operating expenses						\$300,589
Capital assets						
Homestead tax credit						
Disabled veterans' credit						
Total all funds	\$711,232	\$1,200,200	\$75,000	\$0	(\$772,252)	\$300,589
Less estimated income	0	0	0	0	0	0
General fund	\$711,232	\$1,200,200	\$75,000	\$0	(\$772,252)	\$300,589
FTE	0.00	0.00	0.00	(10.00)	0.00	0.00

	Adds Funding for Microsoft Office 365 Licensing ⁷	Increases Funding for Tax Credit Programs ⁸	Total Senate Changes
Salaries and wages			\$1,214,180
Operating expenses	\$62,576		363,165
Capital assets			
Homestead tax credit		\$1,000,000	1,000,000
Disabled veterans' credit		300,000	300,000
Total all funds	\$62,576	\$1,300,000	\$2,877,345
Less estimated income	0	0	0
General fund	\$62,576	\$1,300,000	\$2,877,345
FTE	0.00	0.00	(10.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

General Fund	
Salary increase	\$633,516
Health insurance increase	566,684
Total	\$1,200,200

³ Funding is added for an auditor position that was partially funded during the 2017-19 biennium to provide a total of \$150,000.

⁴ Removes 10 FTE unfunded vacant positions, including 2 office assistants, 1 account technician, 2 auditors, and 5 unspecified positions.

⁵ Funding for salaries and wages is reduced for anticipated savings from vacant positions and employee turnover.

⁶ Funding is increased for GenTax information technology support to provide total funding of \$3,630,000.

⁷ Funding is added for Microsoft Office 365 licensing expenses.

⁸ Funding for the homestead tax credit program is increased by \$1,000,000, from \$14,800,000 to \$15,800,000. Funding for the disabled veterans' tax credit program is increased by \$300,000, from \$8,110,200 to \$8,410,200.

This amendment also adds sections to:

- Authorize the Tax Commissioner to transfer funds between the homestead tax credit line item and the disabled veterans' tax credit line item for the 2019-21 biennium.
- 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 \$120,600 (3 percent) in fiscal year 2021.

Senate Bill No. 2006 - State Tax Commissioner - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$21,724,004	\$22,938,184	(\$333,266)	\$22,604,918
Operating expenses	6,749,295	7,112,460		7,112,460
Capital assets	6,000	6,000		6,000
Homestead tax credit	14,800,000	15,800,000		15,800,000
Disabled veterans' credit	8,110,200	8,410,200		8,410,200
Total all funds	\$51,389,499	\$54,266,844	(\$333,266)	\$53,933,578
Less estimated income	125,000	125,000	0	125,000
General fund	\$51,264,499	\$54,141,844	(\$333,266)	\$53,808,578
FTE	133.00	123.00	0.00	123.00

Department 127 - State Tax Commissioner - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Reduces Funding for Temporary Employees ²	Total House Changes
Salaries and wages	\$57,520	(\$390,786)	(\$333,266)
Operating expenses			
Capital assets			
Homestead tax credit			
Disabled veterans' credit			
Total all funds	\$57,520	(\$390,786)	(\$333,266)
Less estimated income	0	0	0
General fund	\$57,520	(\$390,786)	(\$333,266)
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 temporary employees is reduced by \$390,786 to provide total funding of \$258,534. The Senate provided \$649,320.

This amendment also:

- Adds three new sections 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. The Senate did not include these provisions. The transfer of legacy fund earnings to the legacy income tax rate reduction fund will reduce general fund revenues in the 2019-21 biennium.
- 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 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.

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	8,110,200	8,410,200		8,410,200	8,410,200	
Total all funds	\$51,389,499	\$54,266,844	(\$70,228)	\$54,196,616	\$53,933,578	\$263,038
Less estimated income	125,000	125,000	0	125,000	125,000	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.