

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1006 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
State Tax Commissioner			
Salaries and wages	\$22,867,956	\$22,594,196	(\$273,760)
Operating expenses	7,112,460	7,466,120	353,660
Capital assets	6,000	6,000	
Homestead tax credit	15,800,000	18,000,000	2,200,000
Disabled veterans' credit	8,410,200	16,300,000	7,889,800
Total all funds	\$54,196,616	\$64,366,316	\$10,169,700
Less estimated income	125,000	125,000	0
General fund	\$54,071,616	\$64,241,316	\$10,169,700
FTE	123.00	118.00	(5.00)
Bill total			
Total all funds	\$54,196,616	\$64,366,316	\$10,169,700
Less estimated income	125,000	125,000	0
General fund	\$54,071,616	\$64,241,316	\$10,169,700
FTE	123.00	118.00	(5.00)

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

	Base Budget	House Changes	House Version
Salaries and wages	\$22,867,956	(\$525,154)	\$22,342,802
Operating expenses	7,112,460	353,660	7,466,120
Capital assets	6,000		6,000
Homestead tax credit	15,800,000	2,200,000	18,000,000
Disabled veterans' credit	8,410,200	5,589,800	14,000,000
Total all funds	\$54,196,616	\$7,618,306	\$61,814,922
Less estimated income	125,000	0	125,000
General fund	\$54,071,616	\$7,618,306	\$61,689,922
FTE	123.00	(5.00)	118.00

Department 127 - State Tax Commissioner - Detail of House Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Adjusts Funding for Salaries and Wages³	Adjusts Funding for Operating Expenses⁴	Increases Funding for Tax Credit Programs⁵	Total House Changes
Salaries and wages	\$241,271	\$555,827	(\$1,322,252)			(\$525,154)
Operating expenses				\$353,660		353,660
Capital assets						
Homestead tax credit					\$2,200,000	2,200,000
Disabled veterans' credit					5,589,800	5,589,800
Total all funds	\$241,271	\$555,827	(\$1,322,252)	\$353,660	\$7,789,800	\$7,618,306
Less estimated income	0	0	0	0	0	0
General fund	\$241,271	\$555,827	(\$1,322,252)	\$353,660	\$7,789,800	\$7,618,306
FTE	0.00	0.00	(5.00)	0.00	0.00	(5.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund
Salary increase	\$549,839
Health insurance increase	<u>5,988</u>
Total	\$555,827

³ Salaries and wages funding and FTE positions are adjusted as follows:

	FTE Positions	General Fund
Removes undesignated unfunded vacant positions	(5.00)	(\$10)
Underfunds salaries and wages for anticipated savings from vacant positions and employee turnover	<u>0</u>	<u>(1,322,242)</u>
Total	(5.00)	(\$1,322,252)

⁴ Funding for operating expenses is adjusted as follows:

	General Fund
Increases funding for GenTax information technology support	\$294,339
Adds funding for the treasury offset program primarily related to certified mail expenses	45,000
Increases funding for Microsoft Office 365 licensing expenses	<u>14,321</u>
Total	\$353,660

⁵ Funding is increased for the tax credit programs as follows:

	General Fund
Increases funding for the homestead tax credit program	\$2,200,000
Increases funding for the disabled veterans' tax credit program	<u>5,589,800</u>
Total	\$7,789,800

This amendment also adds a section to provide the statutory changes necessary to increase the Tax Commissioner's salary from the current salary of \$120,014 to \$121,814 (1.5 percent) in fiscal year 2022 and to \$123,641 (1.5 percent) in fiscal year 2023.

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$22,867,956	\$22,342,802	\$499,130	\$22,841,932
Operating expenses	7,112,460	7,466,120		7,466,120
Capital assets	6,000	6,000		6,000
Homestead tax credit	15,800,000	18,000,000		18,000,000
Disabled veterans' credit	<u>8,410,200</u>	<u>14,000,000</u>	2,300,000	<u>16,300,000</u>
Total all funds	\$54,196,616	\$61,814,922	\$2,799,130	\$64,614,052
Less estimated income	<u>125,000</u>	<u>125,000</u>	0	<u>125,000</u>
General fund	\$54,071,616	\$61,689,922	\$2,799,130	\$64,489,052
FTE	123.00	118.00	0.00	118.00

Department 127 - State Tax Commissioner - Detail of Senate Changes

	Adjusts Funding for Salary Increases ¹	Adds Funding for Salaries and Wages ²	Increases Funding for Tax Credit Programs ³	Total Senate Changes
Salaries and wages	\$3,657	\$495,473		\$499,130
Operating expenses				
Capital assets				
Homestead tax credit				
Disabled veterans' credit			\$2,300,000	2,300,000
Total all funds	\$3,657	\$495,473	\$2,300,000	\$2,799,130
Less estimated income	0	0	0	0
General fund	\$3,657	\$495,473	\$2,300,000	\$2,799,130
FTE	0.00	0.00	0.00	0.00

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² Funding of \$495,473 from the general fund is added for salaries and wages. After this addition, the Senate anticipates salaries and wages savings relating to vacant positions and employee turnover of \$826,769. The House anticipated salaries and wages savings of \$1,322,242 from vacant positions and employee turnover.

³ Funding of \$2.3 million from the general fund is added for the disabled veterans' tax credit related to the expansion of the credit in Senate Bill No. 2213. The House did not include this increase.

This amendment also:

- Provides the statutory changes to increase the Tax Commissioner's salary. The Tax Commissioner's annual salary would increase from the current level of \$120,014 to \$121,814, effective July 1, 2021, and to \$124,250, effective July 1, 2022, to reflect the 1.5 percent and 2 percent salary increase respectively. The House provided for a 1.5 percent annual salary increase.
- Excludes the sale or exchange of farm machinery as gross income from farming activities to determine eligibility for a farming-related property tax exemption and provides an effective date for the changes to the property tax exemption.
- Directs the Attorney General to pay litigation-related expenses from the statewide litigation funding pool on behalf of the Tax Commissioner. The House did not include this section.

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

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$22,867,956	\$22,342,802	\$251,394	\$22,594,196	\$22,841,932	(\$247,736)
Operating expenses	7,112,460	7,466,120		7,466,120	7,466,120	
Capital assets	6,000	6,000		6,000	6,000	
Homestead tax credit	15,800,000	18,000,000		18,000,000	18,000,000	
Disabled veterans' credit	8,410,200	14,000,000	2,300,000	16,300,000	16,300,000	
Total all funds	\$54,196,616	\$61,814,922	\$2,551,394	\$64,366,316	\$64,614,052	(\$247,736)
Less estimated income	125,000	125,000	0	125,000	125,000	0
General fund	\$54,071,616	\$61,689,922	\$2,551,394	\$64,241,316	\$64,489,052	(\$247,736)
FTE	123.00	118.00	0.00	118.00	118.00	0.00

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

	Adjusts Funding for Salary Increases ¹	Adds Funding for Salaries and Wages ²	Increases Funding for Tax Credit Programs ³	Total Conference Committee Changes
Salaries and wages	\$3,657	\$247,737		\$251,394
Operating expenses				
Capital assets				
Homestead tax credit				
Disabled veterans' credit			\$2,300,000	2,300,000
Total all funds	\$3,657	\$247,737	\$2,300,000	\$2,551,394
Less estimated income	0	0	0	0
General fund	\$3,657	\$247,737	\$2,300,000	\$2,551,394
FTE	0.00	0.00	0.00	0.00

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² Funding of \$247,737 from the general fund is added for salaries and wages to provide total anticipated savings of \$1,074,505 related to vacant positions and employee turnover. The Senate anticipated salaries and wages savings relating to vacant positions and employee turnover of \$826,769. The House anticipated salaries and wages savings of \$1,322,242 from vacant positions and employee turnover.

³ Funding of \$2.3 million from the general fund is added for the disabled veterans' tax credit related to the expansion of the credit in Senate Bill No. 2213, the same as the Senate. The House did not include this increase.

This amendment also:

- Provides the statutory changes to increase the Tax Commissioner's salary, the same as the Senate. The Tax Commissioner's annual salary would increase from the current level of \$120,014 to \$121,814, effective July 1, 2021, and to \$124,250, effective July 1, 2022, to reflect the 1.5 percent and 2 percent salary increase respectively. The House provided for a 1.5 percent annual salary increase.
- Directs the Attorney General to pay litigation-related expenses from the statewide litigation funding pool on behalf of the Tax Commissioner, the same as the Senate. The House did not include this section.
- Removes a section added by the Senate to exclude the sale or exchange of farm machinery as gross income from farming activities for determining eligibility for a farming-related property tax exemption and removes the effective date related to the property tax exemption.