

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	\$22,594,196	\$23,325,034	\$730,838
Operating expenses	7,466,120	9,113,370	1,647,250
Capital assets	6,000	6,000	
Homestead tax credit	18,000,000	18,900,000	900,000
Disabled veterans' credit	16,300,000	18,745,000	2,445,000
Total all funds	\$64,366,316	\$70,089,404	\$5,723,088
Less estimated income	125,000	125,000	0
General fund	\$64,241,316	\$69,964,404	\$5,723,088
FTE	118.00	117.00	(1.00)
Bill total			
Total all funds	\$64,366,316	\$70,089,404	\$5,723,088
Less estimated income	125,000	125,000	0
General fund	\$64,241,316	\$69,964,404	\$5,723,088
FTE	118.00	117.00	(1.00)

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

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$22,594,196	\$1,656,202	\$24,250,398
Operating expenses	7,466,120	1,647,250	9,113,370
Capital assets	6,000		6,000
Homestead tax credit	18,000,000	900,000	18,900,000
Disabled veterans' credit	16,300,000	2,445,000	18,745,000
Total all funds	\$64,366,316	\$6,648,452	\$71,014,768
Less estimated income	125,000	0	125,000
General fund	\$64,241,316	\$6,648,452	\$70,889,768
FTE	118.00	(1.00)	117.00

Department 127 - State Tax Commissioner - Detail of Senate Changes

	Adds Funding for Cost to Continue Salaries¹	Adds Funding for Salary and Benefit Increases²	Removes an FTE Position³	Adds Salary Equity Funding for Elected Officials⁴	Adds Funding for Operating Expenses⁵	Adds Funding for Tax Credit Programs⁶
Salaries and wages	\$159,434	\$1,663,353	(\$167,444)	\$859		
Operating expenses					\$1,147,250	
Capital assets						
Homestead tax credit						\$900,000
Disabled veterans' credit						2,445,000
Total all funds	\$159,434	\$1,663,353	(\$167,444)	\$859	\$1,147,250	\$3,345,000
Less estimated income	0	0	0	0	0	0
General fund	\$159,434	\$1,663,353	(\$167,444)	\$859	\$1,147,250	\$3,345,000
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Adds One-Time Funding for IT Costs ⁷	Total Senate Changes
Salaries and wages		\$1,656,202
Operating expenses	\$500,000	1,647,250
Capital assets		
Homestead tax credit		900,000
Disabled veterans' credit		2,445,000

Total all funds	\$500,000	\$6,648,452
Less estimated income	0	0
General fund	\$500,000	\$6,648,452

FTE	0.00	(1.00)

¹ Funding is added from the general fund for cost to continue salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$1,110,808	\$0	\$1,110,808
Health insurance increase	<u>552,545</u>	<u>0</u>	<u>552,545</u>
Total	\$1,663,353	\$0	\$1,663,353

³ Funding of \$167,444 from the general fund and 1 undesignated vacant FTE position are removed.

⁴ Funding is added to provide a salary equity increase for the Tax Commissioner. This funding is in addition to the funding added for the general 4 percent annual salary increases for state employees. As a result, the Tax Commissioner's annual salary is increased from the current level of \$124,250 to \$130,000 (4.6 percent) effective July 1, 2023.

⁵ Funding of \$1,147,250 is added from the general fund for the following operating expenses:

- \$36,596 for increases in Information Technology Department rates;
- \$400,000 for GenTax support to provide total funding of \$4.4 million;
- \$96,000 for information technology data processing; and
- \$614,654 for a new Capitol space rent model.

⁶ Funding of \$3,345,000 is added from the general fund to increase the funding for the homestead tax credit program by \$900,000, from \$18,000,000 to \$18,900,000, and to increase the funding for the disabled veterans' tax credit program by \$2,445,000, from \$16,300,000 to \$18,745,000.

⁷ One-time funding of \$500,000 is added from the general fund for GenTax support enhancements.

This amendment also adds sections to:

- Provide the statutory changes necessary to increase the Tax Commissioner's annual salary to \$130,000 (4.6 percent) effective July 1, 2023, and to \$135,200 (4 percent) effective July 1, 2024.
- Create a sales and use tax exemption for materials to construct, expand, or upgrade a facility that refines renewable feedstock into sustainable aviation fuel and provide effective and expiration dates related to the exemption. The sales and use tax exemption may decrease the collections deposited in the general fund and state aid distribution fund but the amount cannot be determined.

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$22,594,196	\$24,250,398	(\$925,364)	\$23,325,034
Operating expenses	7,466,120	9,113,370		9,113,370
Capital assets	6,000	6,000		6,000
Homestead tax credit	18,000,000	18,900,000		18,900,000
Disabled veterans' credit	16,300,000	18,745,000		18,745,000
Total all funds	\$64,366,316	\$71,014,768	(\$925,364)	\$70,089,404
Less estimated income	125,000	125,000	0	125,000
General fund	\$64,241,316	\$70,889,768	(\$925,364)	\$69,964,404
FTE	118.00	117.00	0.00	117.00

Department 127 - State Tax Commissioner - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases¹	Adjusts Equity Funding²	Removes Salary Funding for a Funding Pool³	Total House Changes
Salaries and wages	\$361,341	(\$859)	(\$1,285,846)	(\$925,364)
Operating expenses				
Capital assets				
Homestead tax credit				
Disabled veterans' credit				
Total all funds	\$361,341	(\$859)	(\$1,285,846)	(\$925,364)
Less estimated income	0	0	0	0
General fund	\$361,341	(\$859)	(\$1,285,846)	(\$925,364)
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$373,766	\$0	\$373,766
Health insurance adjustment	(12,425)	0	(12,425)
Total	\$361,341	0	\$361,341

The Senate provided salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024.

² Funding of \$859, which was added by the Senate for a salary equity increase for the Tax Commissioner, is removed because the salary increase of 6 percent on July 1, 2023, exceeds the equity increase needed to provide a salary of \$130,000 for the Tax Commissioner.

³ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	\$0	\$0	\$0
Vacant FTE positions	(1,285,846)	0	(1,285,846)
Total	(\$1,285,846)	\$0	(\$1,285,846)

The Senate did not remove funding for a new and vacant FTE funding pool.

This amendment also:

- Provides the statutory changes necessary to increase the Tax Commissioner's annual salary to \$131,705 (6 percent) effective July 1, 2023, and to \$136,973 (4 percent) effective July 1, 2024. The Senate provided salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024.

- Adds a section to allow property assessment increase notices to include an estimate of a tax increase.

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

The Senate concurred with the House.