

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1006 - Funding Summary

	Base Budget	House Changes	House Version
State Tax Commissioner			
Salaries and wages	\$24,036,152	\$1,650,068	\$25,686,220
New and vacant FTE pool		1,119,992	1,119,992
Operating expenses	8,613,370	824,741	9,438,111
Capital assets	6,000		6,000
Homestead tax credit	72,400,000	(11,800,000)	60,600,000
Disabled veterans' credit	18,745,000	10,655,000	29,400,000
Primary residence credit	103,225,000	(103,225,000)	
Total all funds	\$227,025,522	(\$100,775,199)	\$126,250,323
Less estimated income	125,000	0	125,000
General fund	\$226,900,522	(\$100,775,199)	\$126,125,323
FTE	117.00	0.00	117.00
Bill total			
Total all funds	\$227,025,522	(\$100,775,199)	\$126,250,323
Less estimated income	125,000	0	125,000
General fund	\$226,900,522	(\$100,775,199)	\$126,125,323
FTE	117.00	0.00	117.00

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

	Base Budget	House Changes	House Version
Salaries and wages	\$24,036,152	\$1,650,068	\$25,686,220
New and vacant FTE pool		1,119,992	1,119,992
Operating expenses	8,613,370	824,741	9,438,111
Capital assets	6,000		6,000
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Primary residence credit	103,225,000	(103,225,000)	
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Less estimated income	125,000	0	125,000
General fund	\$226,900,522	(\$100,775,199)	\$126,125,323
FTE	117.00	0.00	117.00

Department 127 - State Tax Commissioner - Detail of House Changes

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding to Replace 2023-25 FTE Pool ²	Transfers Funding for 2025-27 New and Vacant FTE Pool ³	Adjusts Funding for Salaries and Wages ⁴	Adds Funding for Operating Expenses ⁵	Adjusts Funding for Tax Credits ⁶
Salaries and wages	\$1,629,178	\$1,285,846	(\$1,599,989)	\$335,033		
New and vacant FTE pool			1,119,992			
Operating expenses					\$824,741	
Capital assets						
Homestead tax credit						(\$11,800,000)
Disabled veterans' credit						10,655,000
Primary residence credit						(103,225,000)
Total all funds	\$1,629,178	\$1,285,846	(\$479,997)	\$335,033	\$824,741	(\$104,370,000)
Less estimated income	0	0	0	0	0	0
General fund	\$1,629,178	\$1,285,846	(\$479,997)	\$335,033	\$824,741	(\$104,370,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	\$1,650,068
New and vacant FTE pool	1,119,992
Operating expenses	824,741
Capital assets	
Homestead tax credit	(11,800,000)
Disabled veterans' credit	10,655,000
Primary residence credit	(103,225,000)
Total all funds	(\$100,775,199)
Less estimated income	0
General fund	(\$100,775,199)
FTE	0.00

¹ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund	Other Funds	Total
Salary increase	\$926,560	\$0	\$926,560
Health insurance increase	702,618	0	702,618
Total	\$1,629,178	\$0	\$1,629,178

² Funding of \$1,285,846 is added to replace 2023-25 biennium new and vacant FTE pool funding for vacant FTE positions.

³ Funding of \$1,599,989 is removed for estimated savings from vacant 2025-27 FTE positions and \$1,119,992 is added for a new and vacant FTE pool, resulting in net savings of \$479,997.

⁴ Funding for salaries and wages is adjusted by \$335,033, as follows:

- Decreased by \$26,967 for budget reduction from salary savings.
- Increased by \$362,000 for cost to continue salary increases.

⁵ Operating funding is adjusted as follows:

	General Fund	Other Funds	Total
GenTax support	\$450,000	\$0	\$450,000
IT rate adjustments	358,321	0	358,321
Capitol rent increase	16,420	0	16,420
Total	\$824,741	\$0	\$824,741

⁶ Funding from the general fund for tax credit programs is adjusted as follows:

- Decreased by \$11.8 million for the homestead tax credit program, from \$72.4 million to \$60.6 million. The \$60.6 million reflects \$48 million for the estimated cost of the program based on current law and an increase of \$12.6 million related to the expansion of the program in House Bill No. 1176 and 1575 as approved by the House.
- Increased by \$10,655,000 for the disabled veterans credit program, from \$18,745,000 to \$29,400,000. The \$29,400,000 reflects \$22,000,000 for the estimated cost of the program based on current law and an increase of \$7,400,000 related to the expansion of the program in House Bill No. 1266 as approved by the House.
- Decreased by \$103,225,000 for the primary residence tax credit to remove funding for the program. House Bill No. 1176 as approved by the House includes an appropriation of \$473,000,000 from a newly created legacy property tax relief fund for the state reimbursement under the primary residence credit. House Bill No. 1575 as approved by the House includes an appropriation of \$483,400,000 from a newly created legacy property tax relief fund for a newly created property tax relief credit to provide a taxable valuation reduction for residential property, agricultural property, and commercial property.

The House version:

- Adds a section regarding the use of funding in the new and vacant FTE pool line item.
- Includes a section allowing the Tax Commissioner to transfer funding between the homestead tax credit and disabled veterans' tax credit line items if one line item does not have sufficient funding.

- Includes a section to transfer \$1,761,168 from motor vehicle tax revenue to the general fund for reimbursing expenses related to the administration of the motor vehicle fuels and special fuels taxes.
- Adds a section to provide the statutory changes necessary to increase the Tax Commissioner's annual salary to \$141,082 (3 percent) effective July 1, 2025, and to \$145,314 (3 percent) effective July 1, 2026.