

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	\$24,036,152	\$26,148,020	\$2,111,868
New and vacant FTE pool		1,119,992	1,119,992
Operating expenses	8,613,370	10,438,111	1,824,741
Capital assets	6,000	6,000	
Homestead tax credit	72,400,000	60,600,000	(11,800,000)
Disabled veterans credit	18,745,000	29,400,000	10,655,000
Primary residence credit	103,225,000		(103,225,000)
Total all funds	\$227,025,522	\$127,712,123	(\$99,313,399)
Less estimated income	125,000	125,000	0
General fund	\$226,900,522	\$127,587,123	(\$99,313,399)
FTE	117.00	117.00	0.00
Bill total			
Total all funds	\$227,025,522	\$127,712,123	(\$99,313,399)
Less estimated income	125,000	125,000	0
General fund	\$226,900,522	\$127,587,123	(\$99,313,399)
FTE	117.00	117.00	0.00

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
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

Department 127 - State Tax Commissioner - Detail of House Changes

	Adds Funding for Salary and Benefit Increases¹	Adds Funding to Replace 2023-25 FTE Pool²	Transfers Funding for 2025-27 New and Vacant FTE Pool³	Adjusts Funding for Salaries and Wages⁴	Adds Funding for Operating Expenses⁵	Adjusts Funding for Tax Credits⁶
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 Nos. 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.

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$24,036,152	\$25,686,220	\$511,800	\$26,198,020
New and vacant FTE pool		1,119,992		1,119,992
Operating expenses	8,613,370	9,438,111	1,500,000	10,938,111
Capital assets	6,000	6,000		6,000
Homestead tax credit	72,400,000	60,600,000		60,600,000
Disabled veterans credit	18,745,000	29,400,000		29,400,000
Primary residence credit	103,225,000			
Total all funds	\$227,025,522	\$126,250,323	\$2,011,800	\$128,262,123
Less estimated income	125,000	125,000	0	125,000
General fund	\$226,900,522	\$126,125,323	\$2,011,800	\$128,137,123
FTE	117.00	117.00	0.00	117.00

Department 127 - State Tax Commissioner - Detail of Senate Changes

	Adds Funding for Salary Adjustments ¹	Adds One-Time Funding Item ²	Total Senate Changes
Salaries and wages	\$511,800		\$511,800
New and vacant FTE pool			
Operating expenses		\$1,500,000	1,500,000
Capital assets			
Homestead tax credit			
Disabled veterans credit			
Primary residence credit			
Total all funds	\$511,800	\$1,500,000	\$2,011,800
Less estimated income	0	0	0
General fund	\$511,800	\$1,500,000	\$2,011,800
FTE	0.00	0.00	0.00

¹ Funding of \$511,800 from the general fund is added for salary adjustments, including \$215,011 for the reclassification of FTE positions and \$296,789 for equity adjustments related to additional responsibilities for administering property tax relief programs. The House version did not include this funding.

² One-time funding of \$1.5 million is added from the general fund for tax relief program administrative costs related to operating expenses for advertising and information technology (IT) costs. The House version did not include this funding.

This amendment also expands the primary residence credit to include properties owned through a cooperative. The estimated fiscal impact for the remainder of the 2023-25 biennium and for the 2025-27 biennium is unknown but is anticipated to be relatively minimal.

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	\$24,036,152	\$25,686,220	\$461,800	\$26,148,020	\$26,198,020	(\$50,000)
New and vacant FTE pool		1,119,992		1,119,992	1,119,992	
Operating expenses	8,613,370	9,438,111	1,000,000	10,438,111	10,938,111	(500,000)
Capital assets	6,000	6,000		6,000	6,000	
Homestead tax credit	72,400,000	60,600,000		60,600,000	60,600,000	
Disabled veterans credit	18,745,000	29,400,000		29,400,000	29,400,000	
Primary residence credit	103,225,000					
Total all funds	\$227,025,522	\$126,250,323	\$1,461,800	\$127,712,123	\$128,262,123	(\$550,000)
Less estimated income	125,000	125,000	0	125,000	125,000	0
General fund	\$226,900,522	\$126,125,323	\$1,461,800	\$127,587,123	\$128,137,123	(\$550,000)
FTE	117.00	117.00	0.00	117.00	117.00	0.00

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

	Adds Funding for Salary Adjustments ¹	Adds One-Time Funding Item ²	Total Conference Committee Changes
Salaries and wages	\$461,800		\$461,800
New and vacant FTE pool			
Operating expenses		\$1,000,000	1,000,000
Capital assets			
Homestead tax credit			
Disabled veterans credit			
Primary residence credit			
Total all funds	\$461,800	\$1,000,000	\$1,461,800
Less estimated income	0	0	0
General fund	\$461,800	\$1,000,000	\$1,461,800
FTE	0.00	0.00	0.00

¹ Funding of \$461,800 from the general fund is added for salary adjustments, including \$215,011 for the reclassification of FTE positions and \$246,789 for equity adjustments related to additional responsibilities for administering property tax relief programs. The House version did not include this funding, but the Senate version included \$511,800, of which \$215,011 was for reclassifications and \$296,789 was for equity.

² One-time funding of \$1 million is added from the general fund for tax relief program administrative costs related to operating expenses for advertising and IT costs. The House version did not include this funding, but the Senate version included \$1.5 million of one-time funding from the general fund.

This amendment does not include sections added by the Senate to expand the primary residence credit to include properties owned through a cooperative. The Conference Committee did not adjust the funding for the homestead tax credit and the disabled veterans tax credit. House Bill No. 1176, as approved by the Legislative Assembly, increased the renters refund under the homestead tax credit and increased the disabled veterans tax credit to align with the homestead tax credit but did not expand the income thresholds for qualifying for the homestead tax credit. House Bill No. 1176 allows the Tax Commissioner to use unspent funding from the homestead tax credit or the disabled veterans tax credit if the expenditures for the primary residence credit exceed the appropriation in House Bill No. 1176.