

**Tax Commissioner  
Budget No. 127  
House Bill Nos. 1006 and 1176**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2025-27 legislative appropriations</b>	<b>117.00</b>	<b>\$127,587,123</b>	<b>\$409,025,000</b>	<b>\$536,612,123</b>
2025-27 base budget	117.00	226,900,522	125,000	227,025,522
Legislative increase (decrease) to base budget	0.00	(\$99,313,399)	\$408,900,000	\$309,586,601

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

	<b>Ongoing General Fund Appropriation</b>	<b>One-Time General Fund Appropriation</b>	<b>Total General Fund Appropriation</b>
<b>2025-27 legislative appropriations</b>	<b>\$126,587,123</b>	<b>\$1,000,000</b>	<b>\$127,587,123</b>
2023-25 legislative appropriations	226,900,522	2,000,000	228,900,522
2025-27 legislative increase (decrease) to 2023-25 appropriations	(\$100,313,399)	(\$1,000,000)	(\$101,313,399)
Percentage increase (decrease) to 2023-25 appropriations	(44.2%)	(50.0%)	(44.3%)

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS**  
**Changes to Base Budget**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
The legislative action:		\$926,560		\$926,560
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026				
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		702,618		702,618
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool for vacant positions		1,285,846		1,285,846
Transferred \$1,599,989 for estimated savings from vacant FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$1,119,992 resulting in the savings as shown		(479,997)		(479,997)
Decreased funding for salaries and wages related to budget savings		(26,967)		(26,967)
Added funding for salaries and wages, including \$362,000 for the cost to continue 2023-25 biennium salary increases, \$215,011 for FTE position		823,800		823,800

reclassifications, and \$246,789 for salary equity increases related to additional responsibilities for administering property tax relief programs

Added funding for operating expenses, including \$450,000 for GenTax support, \$358,321 for information technology (IT) rate increases, and \$16,420 for Capitol rent increases	824,741		824,741
Decreased funding for the homestead tax credit to provide total funding of \$60.6 million, including \$1 million for an increase in the annual renters refund limit in House Bill No. 1176	(11,800,000)		(11,800,000)
Increased funding for the disabled veterans' tax credit to provide total funding of \$29.4 million, including \$7.4 million related to an expansion of the credit to align with the homestead tax credit in House Bill No. 1176	10,655,000		10,655,000
Adjusted funding for the primary residence credit by removing \$103,225,000 included from the general fund in House Bill No. 1006 and by adding \$408,900,000 from a newly created legacy property tax relief fund in House Bill No. 1176	(103,225,000)	\$408,900,000	305,675,000
Added <b>one-time funding</b> for tax relief program administrative costs related to operating expenses for advertising and IT costs	1,000,000		1,000,000
Total	<u>0.00</u>	<u>(\$99,313,399)</u>	<u>\$408,900,000</u> <u>\$309,586,601</u>

#### FTE Changes

The Legislative Assembly approved 117 FTE positions for the Tax Commissioner for the 2025-27 biennium, the same as the 2023-25 biennium.

#### One-Time Funding

The following is a summary of one-time funding items for the Tax Commissioner for the 2025-27 biennium:

	General Fund	Other Funds	Total
Tax relief program administrative costs, including advertising and IT costs	\$1,000,000		\$1,000,000
Total	\$1,000,000	\$0	\$1,000,000

#### Other Sections in House Bill No. 1006

**New and vacant FTE pool line item** - Section 3 provides guidelines regarding the use of funding in the new and vacant FTE pool line item.

**Line item transfers** - Section 4 allows the Tax Commissioner to transfer funding between the homestead tax credit and the disabled veterans' tax credit line items during the 2025-27 biennium.

**Motor vehicle fuel taxes** - Section 5 provides for a transfer of \$1,761,168 from motor vehicle fuel tax collections to the general fund for the 2025-27 biennium related to the Tax Commissioner's expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes.

**Salary of Tax Commissioner** - Section 6 provides the statutory changes necessary to increase the Tax Commissioner's salary from the current level of \$136,973 to \$141,082 (3 percent) effective July 1, 2025, and to \$145,314 (3 percent) effective July 1, 2026.

#### Related Legislation

**House Bill No. 1176 - Primary residence credit expansion and property tax levy increase limit** - Provides property tax relief by:

- Increasing the primary residence property tax credit from \$500 to \$1,600 per year for each primary residence;

- Providing \$408.9 million from earnings of the legacy fund for the primary residence credit;
- Limiting the increase in property taxes levied by taxing districts to 3 percent per year with additional increases requiring voter approval; and
- Adjusting the disabled veterans' tax credit by increasing the taxable value exempt from taxation to align with the homestead tax credit.

**Senate Bill No. 2201 - Properties held in trust for the primary residence credit** - Expands the primary residence credit to allow primary residences held through a trust to qualify for the credit, including a retroactive application which resulted in an estimated cost of \$1.9 million prior to the end of the 2023-25 biennium.