

## DEPARTMENT 127 - TAX DEPARTMENT 2025-27 BASE-LEVEL BUDGET

### Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$24,036,152
Operating expenses	8,613,370
Capital assets	6,000
Homestead tax credit	72,400,000
Disabled veterans' tax credit	18,745,000
Primary residence credit	<u>103,225,000</u>
Total all funds	\$227,025,522
Less other funds	<u>125,000</u>
Total general fund	\$226,900,522
Full-time equivalent (FTE) positions	117.00

### Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for state employee salary and benefits for 117 FTE positions (\$23,666,513) and temporary salaries (\$369,639)	\$24,036,152	\$0	\$24,036,152
2. Includes funding for operating expenses, primarily related to GenTax software support (\$4,400,000), other information technology (IT) expenses (\$1,829,350), the new Capitol space rent model and other leases (\$707,654), postage and printing (\$693,400), and travel and professional development (\$388,866)	\$8,488,370	\$125,000	\$8,613,370
3. Includes funding for capital assets for a high-volume scanner to process paper tax returns	\$6,000	\$0	\$6,000
4. Includes funding for the homestead tax credit which provides property tax relief applied as an exemption of up to \$9,000 of taxable value based on two income threshold levels with an upper income limit of \$70,000 (NOTE: A taxable valuation exemption of \$9,000 relates to an exemption of \$200,000 of true and full value.)	\$72,400,000	\$0	\$72,400,000
5. Includes funding for the disabled veterans' tax credit which provides property tax relief to disabled veterans applied as an exemption of up to \$8,100 of taxable value based on a percentage of disability (NOTE: The exemption requires a disability of at least 50 percent, and a taxable valuation exemption of \$8,100 relates to an exemption of \$180,000 of true and full value.)	\$18,745,000	\$0	\$18,745,000
6. Includes funding for the primary residence credit which provides property tax relief as a credit of up to \$500 per year applied as a credit to the tax liability on eligible primary residences based on an application process	\$103,225,000	\$0	\$103,225,000

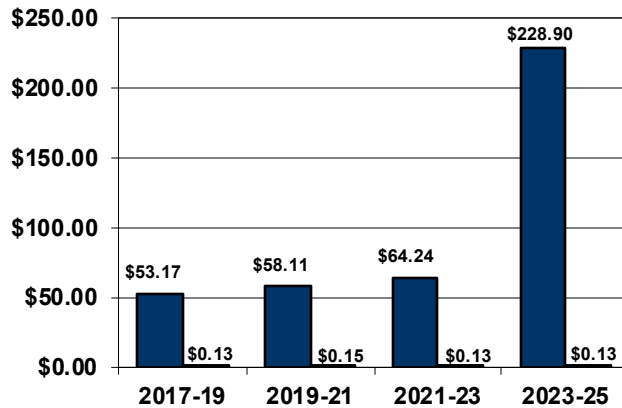
### Continuing Appropriations

**Multistate tax audit fund** - North Dakota Century Code Section 57-01-20 - Collections from the Multistate Tax Commission and the National Nexus program - For the 2021-23 biennium, the fund had \$11,291,212 of revenues, \$454,262 of fees paid for the Multistate Tax Commission audit and the National Nexus program, \$10,836,950 of transfers to the general fund, and a June 30, 2023, fund balance of \$233,484.

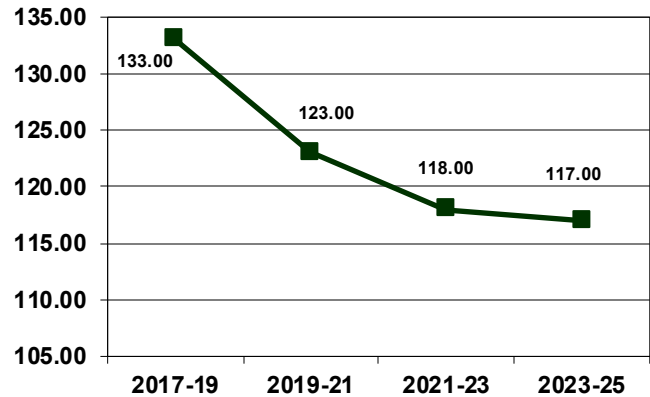
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



■ General Fund □ Other Funds

### Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing general fund appropriations	\$54,912,488	\$51,264,499	\$54,071,616	\$64,241,316	\$226,900,522
Increase (decrease) from previous biennium	N/A	(\$3,647,989)	\$2,807,117	\$10,169,700	\$162,659,206
Percentage increase (decrease) from previous biennium	N/A	(6.6%)	5.5%	18.8%	253.2%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(6.6%)	(1.5%)	17.0%	313.2%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2017-19 Biennium

1. Reduced funding for operating expenses, primarily related to professional services, postage, and office equipment and furniture (\$878,967)
2. Reduced funding for the homestead tax credit program (\$3.89 million) and increased funding for the disabled veterans' tax credit program (\$935,109) (\$2,954,891)

#### 2019-21 Biennium

1. Removed 10 FTE unfunded vacant positions, including 2 office assistants, 1 account technician, 2 auditors, and 5 unspecified positions and underfunded FTE positions (\$772,252)
2. Reduced funding for salaries and wages for anticipated savings from vacant positions and turnover (\$900,000)
3. Added funding for GenTax IT software support \$300,589
4. Increased funding for the homestead tax credit program (\$1 million) and the disabled veterans' tax credit program (\$300,000) \$1,300,000

#### 2021-23 Biennium

1. Removed 5 undesignated unfunded FTE vacant positions and reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover (\$1,074,515)
2. Increased funding for GenTax IT software support \$294,339
3. Increased funding for the homestead tax credit program (\$2,200,000) and the disabled veterans' tax credit program (\$7,889,800) \$10,089,800

#### 2023-25 Biennium

1. Increased funding for GenTax support to provide total funding of \$4.4 million \$400,000
2. Increased funding for operating expenses, including \$36,596 for Information Technology Department rate increases, \$96,000 for IT data processing, and \$614,654 for a new Capitol space rent model \$747,250

- 3. Increased funding for the homestead tax credit program (\$900,000) and expanded the homestead tax credit program (\$53,500,000) to provide total funding of \$72,400,000 \$54,400,000
- 4. Increased funding for the disabled veterans' credit program to provide total funding of \$18,745,000 \$2,445,000
- 5. Added funding for a primary residence credit program \$103,225,000

**One-Time General Fund Appropriations**

	<b>2015-17</b>	<b>2017-19</b>	<b>2019-21</b>	<b>2021-23</b>	<b>2023-25</b>
One-time general fund appropriations	\$8,000	\$1,910,000	\$4,040,000	\$0	\$2,000,000

**Major One-Time General Fund Appropriations**

**2017-19 Biennium**

- 1. Provided a deficiency appropriation for the homestead tax credit program (\$1,212,000) and the disabled veterans' tax credit program (\$698,000) \$1,910,000

**2019-21 Biennium**

- 1. Provided a deficiency appropriation for the homestead tax credit program (\$1.31 million) and the disabled veterans' tax credit program (\$2.73 million) \$4,040,000

**2021-23 Biennium**

None \$0

**2023-25 Biennium**

- 1. Added one-time funding for GenTax support enhancements \$500,000
- 2. Added one-time funding for operating expenses related to IT and advertising costs for the primary residence credit \$1,500,000