

Agency Name: **REVENUE**

2007 - 2009 Biennium

Agency Number:

15000

Detail of 5% Reduction to 2007-09 Legislatively Approved Budget Level

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Priority (ranked with highest priority first)	Dept. Initials	Prgm. or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div													
	ERA	ERA	The Elderly Rental Assistance (ERA) and Non-Profit Homes (NPH) program makes payments to eligible low-income elderly renters and to the counties to fund the property tax exemption for nonprofit homes for the elderly.	1,000,000						\$ 1,000,000				None. The program has \$1,000,000 in savings from the appropriation after payments have been made.
	PTAC/BUS	PIT	Acceleration of 09-11 Collections POP for 2 more months of revenue.	636,334						\$ 636,334				Will impact revenue's in 2009-11. General Fund Revenue loss of \$1.44 million for 2009-11 (2 months).
	PTAC	PIT	Revenue speed up collection work.	145,507						\$ 145,507				Will impact revenue's in 2007-09. General Fund Revenue loss of \$7.2 million for 2007-09 (6 months). Moved staff from Other Fund programs to collect General Fund revenues in PIT.
	PTD	Pass thru	Quarterly Special payments to Counties.	257,750						\$ 257,750				5% reduction reflects 38% of the last quarter transfer. Impacts local government property tax administration activities.
	PTAC/BUS	Red Pckg 1a from 09-11 Budget Request	Reduces compliance activity but maintains the basic infrastructure to administer these programs that generate General Fund dollars. Long term compliance would be compromised with these reductions. The department is not able to reduce these programs to this level without affecting the 2007-09 General Fund	1,002,098		25,567				\$ 1,027,665	32	8.00		Eliminates 32 auditors, revenue agents, and support staff in the personal income tax and corporation income tax programs. It will save about \$1.0 million in General Funds with a \$7.7 million loss of revenue to the state General Fund . The department is focused on maintaining the long-term capability of these tax programs to generate revenue and maintain voluntary compliance. The department will continue to provide core administrative functions for these programs.
	PTAC/BUS	Red Pckg 1b from 09-11 Budget Request	Further reduces the income tax programs by eliminating 49 positions, primarily in the personal income tax program.	1,509,526		99,197				\$ 1,608,723	49	12.25		The cut would impact all parts of the program, including withholding, collections, auditing, filing enforcement and support. It will severely impact voluntary compliance, reducing our audit presence in the community and decreasing awareness of the risks of non-compliance. General Fund Revenue loss of \$9.6 million.

PTD/ASD/BUS	Red Pckg 2 from 09-11 Budget Request	Reduces the department's capacity to provide tax administration and collection services for local government. The package also contains the "ripple" effect within the department of the reductions taken in the previous two packages. As we reduce to this level, there will be substantially less mail, processing, and banking work generated by the collections, audit and filing enforcement functions. In addition, with significantly fewer staff, there will be reduced need for infrastructure support in such areas as Human Resources, technical desktop assistance, and facilities.	1,178,128	58,256					\$ 1,236,384	42	10.25	This package will do substantial harm to the property tax system and reduce its capacity to generate tax revenue by eliminating 14 positions (3.44 FTE) in property tax assessment and taxation, mapping and valuation. These positions provide statewide supervision of the Property Tax program and deliver valuable services to county government. They also provide mapping services on a contract basis to the counties. The package shifts considerable work to county assessors' offices and will require statutory changes in responsibilities for the Property Tax program to be implemented. General Fund Revenue Loss \$123,870.
PTD	Pass thru	Quarterly Special payments to Counties.	257,750						\$ 257,750			With this reduction and the one above it reflects a total 76% of the last quarter transfer (38% each). Impacts local government property tax administration activities.
PTD	2nd 10% from 09-11 (pkg 6)	Further reduces the department's capacity to provide tax administration and collection services for local government. Priority 1-4 on second 10% reduction list.	179,879	8,560					\$ 188,439	6	1.41	Cuts the ATS Section Manager and 3 additional ATS staff. Revenue loss to local governments of \$125,000.
BUS	2nd 10% from 09-11 (pkg 8)	Further reduces Corporation compliance activity. Attempts to maintain the basic infrastructure to administer these programs that generate General Fund dollars. Long term compliance would be compromised with these reductions. The department is not able to reduce these programs to this level without affecting the 2007-09 General Fund	312,350	91,930					\$ 404,280	12	3.00	It will severely impact voluntary compliance, reducing our audit presence in the community and decreasing awareness of the risks of non-compliance. General Fund Revenue loss of \$2.58 million.
PTAC	2nd 10% from 09-11 (pkg 9)	Further reduces Personal Income Tax compliance activity. Attempts to maintain the basic infrastructure to administer these programs that generate General Fund dollars. Long term compliance would be compromised with these reductions. The department is not able to reduce these programs to this level without affecting the 2007-09 General Fund	1,339,278	27,327					\$ 1,366,605	52	13.00	Eliminates 52 auditors, revenue agents, and support staff in the personal income tax and corporation income tax programs. General Fund Revenue Loss of \$10.82 million. The department is focused on maintaining the long-term capability of these tax programs to generate revenue and maintain voluntary compliance. The department will continue to provide core administrative functions for these programs.
									\$ -			
									\$ -			
									\$ -			
			7,818,600	-	310,837	-	-	-	\$ 8,129,437	193	47.91	

*** Assumes 6 months of savings or reduction of staff.

\$ 150,874,320 GF
 \$ 7,543,716 target