

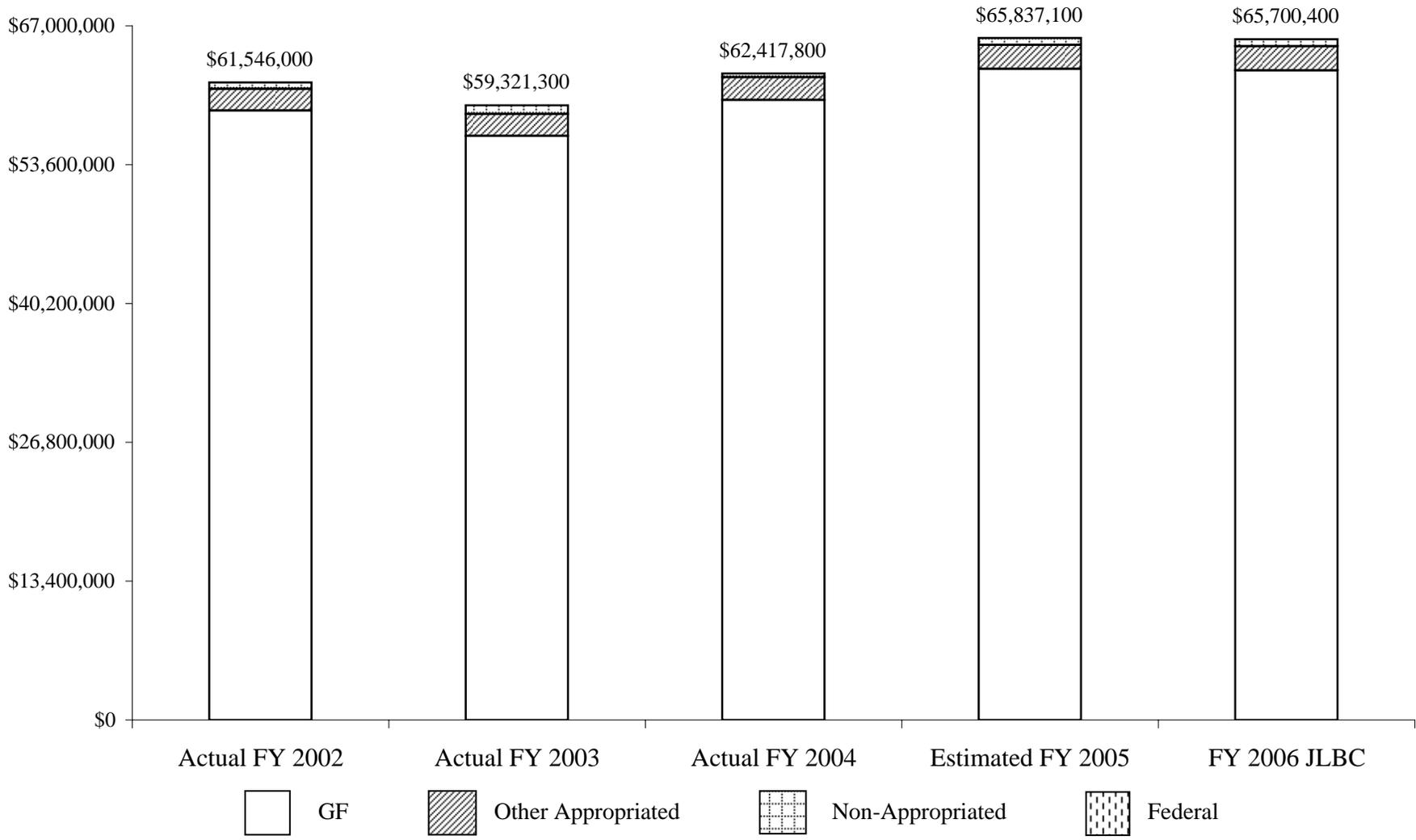
DEPARTMENT OF REVENUE

	JLBC	EXECUTIVE
Total Appropriations (Pg. 409)	<u>FY 2006</u> <ul style="list-style-type: none"> • \$62.7 M GF • \$2.3 M OF • \$(148,000) GF below FY 2005, or (0.2)% • \$11,300 OF above FY 2005, or 0.5% <u>FY 2007</u> <ul style="list-style-type: none"> • JLBC only recommends FY 2006 	<u>FY 2006</u> <ul style="list-style-type: none"> • \$63.8 M GF • \$2.8 M OF • \$1 M GF above FY 2005, or 1.6% • \$ 0.4 M OF above FY 2005, or 17.5% <u>FY 2007</u> <ul style="list-style-type: none"> • \$63.8 M GF • \$2.7 M OF • \$1 M GF above FY 2005, or 1.5% • \$ 0.3 M OF above FY 2005, or 14.5% • Note: FY 2006 and FY 2007 estimates do not include \$18.8 M GF in spending that would be added by proposed Revenue Generating Plan (see p.2)
One-Time Equipment (Pg. 410)	<ul style="list-style-type: none"> • \$(148,000) GF for one-time equipment for 14 tobacco tax enforcement FTE Positions added in FY 2005 	<ul style="list-style-type: none"> • Does not include
Risk Management (Pg. 410, 411)	<ul style="list-style-type: none"> • Continues the FY 2005 appropriation of \$368,100, including \$359,300 GF and \$8,800 OF • Prevents DOR from partially reimbursing Risk Management for \$2 M paid in FY 2004 by Risk Management for Ladewig plaintiff attorney fees. • Footnote limits total Risk Management payment to \$368,100 from all funds in FY 2006 	<ul style="list-style-type: none"> • \$855,700 in FY 2006 and FY 2007 for payment to Risk Management, including \$835,200 GF and \$20,500 OF • Does not include
Attorney General Legal Services (Pg. 409)	<ul style="list-style-type: none"> • As in prior budget, includes in operating budget 	<ul style="list-style-type: none"> • Transfers funding to special line item
Taxpayer Information Staff	<ul style="list-style-type: none"> • Does not include 	<ul style="list-style-type: none"> • \$110,800 GF in FY 2006 and \$97,000 GF in FY 2007 for 3 more taxpayer information telephone staff

	JLBC	EXECUTIVE
Unclaimed Property Staff	<ul style="list-style-type: none"> • Does not include. • Added unclaimed property administrative positions reduces funding that would otherwise go to General Fund, Housing Trust Fund and Racing Fund. 	<ul style="list-style-type: none"> • \$29,500 GF and \$384,800 Unclaimed Property Fund and 7 FTE Positions in FY 2006 for unclaimed property workload. \$29,500 GF and \$316,400 Unclaimed Property Fund in FY 2007.
Technical (Pg. 410)	<ul style="list-style-type: none"> • \$11,300 OF for standard changes 	<ul style="list-style-type: none"> • \$1,800 GF in FY 2006 and \$7,700 GF in FY 2007 for standard changes
Ladewig Settlement (Pg. 411)	<ul style="list-style-type: none"> • \$58.3 M GF for second year of payments required by court settlement. Includes \$51.6 M for taxpayer payments, up to \$1.8 M for administrative costs and \$4.9 M for plaintiff attorney fees. 	<ul style="list-style-type: none"> • Does not include General Fund for cash payment. Instead would sell and leaseback state buildings to generate \$58.4 M for taxpayer payments, attorney fees and administrative costs in FY 2006 • Lease payments would begin in FY 2007 • JLBC estimates FY 2007 lease payment would be \$7 M for 10 years
Revenue Generating Program II	<ul style="list-style-type: none"> • JLBC waiting additional information • Revenue Generating Program I (RGP I) and Business Re-engineering/Integrated Tax System (BRITS) have not met their targets • RGP I added 153 FTE Positions for tax enforcement and collections implemented in FY 2003. It was supposed to produce \$53.2 M GF gross revenue at a cost of \$6.6 M GF in FY 2004 -- RGP I was \$28.6 M GF below the \$53.2 M GF target in FY 2004, and \$18.7 M GF below target for first quarter FY 2005 	<ul style="list-style-type: none"> • Executive budget includes a Revenue Generating Plan II that is projected to generate \$11.4 M GF in net FY 2006 revenues, \$52.1 M GF in net FY 2007 revenues, and \$62 M GF in net FY 2008 revenues. The net revenue includes: -- \$30.2 M GF gross revenue in FY 2006, \$70.6 M GF in FY 2007, and \$80.5 M GF in FY 2008 -- Add spending of \$18.8 M GF in FY 2006 and \$18.5 M GF in FY 2007 for 280 new FTE Positions and \$3,000 pay raise for auditors and collectors

	JLBC	EXECUTIVE
Revenue Generating Program II (Cont.)	<ul style="list-style-type: none"> BRITS is DOR's new computer system that is supposed to integrate separate tax systems, improve enforcement and pay for itself through increased revenue. Contract was awarded August 2002. -- BRITS revenue was \$6.9 M below target through first quarter FY 2005 	
Revenue Generating Program I (Pg. 409)	<ul style="list-style-type: none"> As in prior budget, includes \$6.8 M as a special line item to implement Revenue Generating Plan in FY 2003 	<ul style="list-style-type: none"> Transfers funding to operating budget. Does not break out as a special line item.

Department of Revenue Total Funds FY 2002 - FY 2006



Department of Revenue

	FY 2005 ESTIMATE				FY 2006 OSPB		FY 2006 JLBC			
	General Fund	Other Funds	Non-Appropriated	Total	General Fund	Other Funds	General Fund	Other Funds	Non-Appropriated	Total
OPERATING BUDGET										
<i>Full Time Equivalent Positions</i>	1,118.0	30.0	0.0	1,148.0	1,121.0	37.0	1,118.0	30.0	0.0	1,148.0
Personal Services	32,999,600	1,027,600	0	34,027,200	36,678,400	1,220,700	32,999,600	1,027,600	0	34,027,200
Employee Related Expenditures	9,917,100	300,100	0	10,217,200	11,226,800	359,900	9,964,500	311,400	0	10,275,900
Professional and Outside Services	1,757,000	276,000	25,400	2,058,400	2,203,000	276,000	1,757,000	276,000	25,400	2,058,400
Travel - In State	321,900	22,600	5,000	349,500	447,800	22,600	321,900	22,600	5,000	349,500
Travel - Out of State	246,900	11,300	0	258,200	543,600	11,300	246,900	11,300	0	258,200
Other Operating Expenditures	10,196,000	586,000	541,000	11,323,000	11,971,300	704,000	10,148,600	586,000	541,000	11,275,600
Equipment	619,100	95,600	100,000	814,700	632,900	130,000	471,100	95,600	100,000	666,700
OPERATING SUBTOTAL	56,057,600	2,319,200	671,400	59,048,200	63,703,800	2,724,500	55,909,600	2,330,500	671,400	58,911,500
SPECIAL LINE ITEMS										
Attorney General Legal Services	0	0	0	0	120,000	0	0	0	0	0
Revenue Generating Program	6,788,900	0	0	6,788,900	0	0	6,788,900	0	0	6,788,900
AGENCY TOTAL	62,846,500	2,319,200	671,400	65,837,100	63,823,800	2,724,500	62,698,500	2,330,500	671,400	65,700,400

FUND SOURCES

General Fund	62,846,500		62,846,500	63,823,800		62,698,500		62,698,500
Other Appropriated Funds								
Estate and Unclaimed Property Fund		1,478,900	1,478,900		1,876,000		1,489,700	1,489,700
Liability Setoff Fund		391,800	391,800		395,100		384,100	384,100
Tobacco Tax and Health Care Fund		448,500	448,500		453,400		456,700	456,700
SUBTOTAL - Other Appropriated Funds		2,319,200	2,319,200		2,724,500		2,330,500	2,330,500
SUBTOTAL - Appropriated Funds			65,165,700		66,548,300			65,029,000
Other Non-Appropriated Funds								
Client County Equipment Capitalization Fund			486,000	486,000			486,000	486,000
Revenue Publications Revolving Fund			185,000	185,000			185,000	185,000
Special Collections Fund			400	400			400	400
SUBTOTAL - Other Non-Appropriated Funds			671,400	671,400			671,400	671,400
TOTAL - ALL SOURCES			65,837,100					65,700,400

CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
General Fund	(148,000)	(0.2%)
Other Appropriated Funds	11,300	0.5%
Non Appropriated Funds	0	0.0%
Total - All Sources	(136,700)	(0.2%)

Department of Revenue

	FY 2007 OSPB		FY 2007 JLBC			
	General Fund	Other Funds	General Fund	Other Funds	Non-Appropriated	Total
OPERATING BUDGET						
<i>Full Time Equivalent Positions</i>	1,121.0	37.0				
Personal Services	36,678,400	1,220,700				
Employee Related Expenditures	11,226,800	359,900				
Professional and Outside Services	2,203,000	276,000				
Travel - In State	447,800	22,600				
Travel - Out of State	543,600	11,300				
Other Operating Expenditures	11,977,200	670,000				
Equipment	619,100	95,600				
OPERATING SUBTOTAL	63,695,900	2,656,100				
SPECIAL LINE ITEMS						
Attorney General Legal Services	120,000	0				
Revenue Generating Program	0	0				
AGENCY TOTAL	63,815,900	2,656,100				
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FUND SOURCES						
General Fund	63,815,900					
Other Appropriated Funds						
Estate and Unclaimed Property Fund		1,807,600				
Liability Setoff Fund		395,100				
Tobacco Tax and Health Care Fund		453,400				
SUBTOTAL - Other Appropriated Funds		2,656,100				
SUBTOTAL - Appropriated Funds		66,472,000				

[Click here to return to the Table of Contents](#)