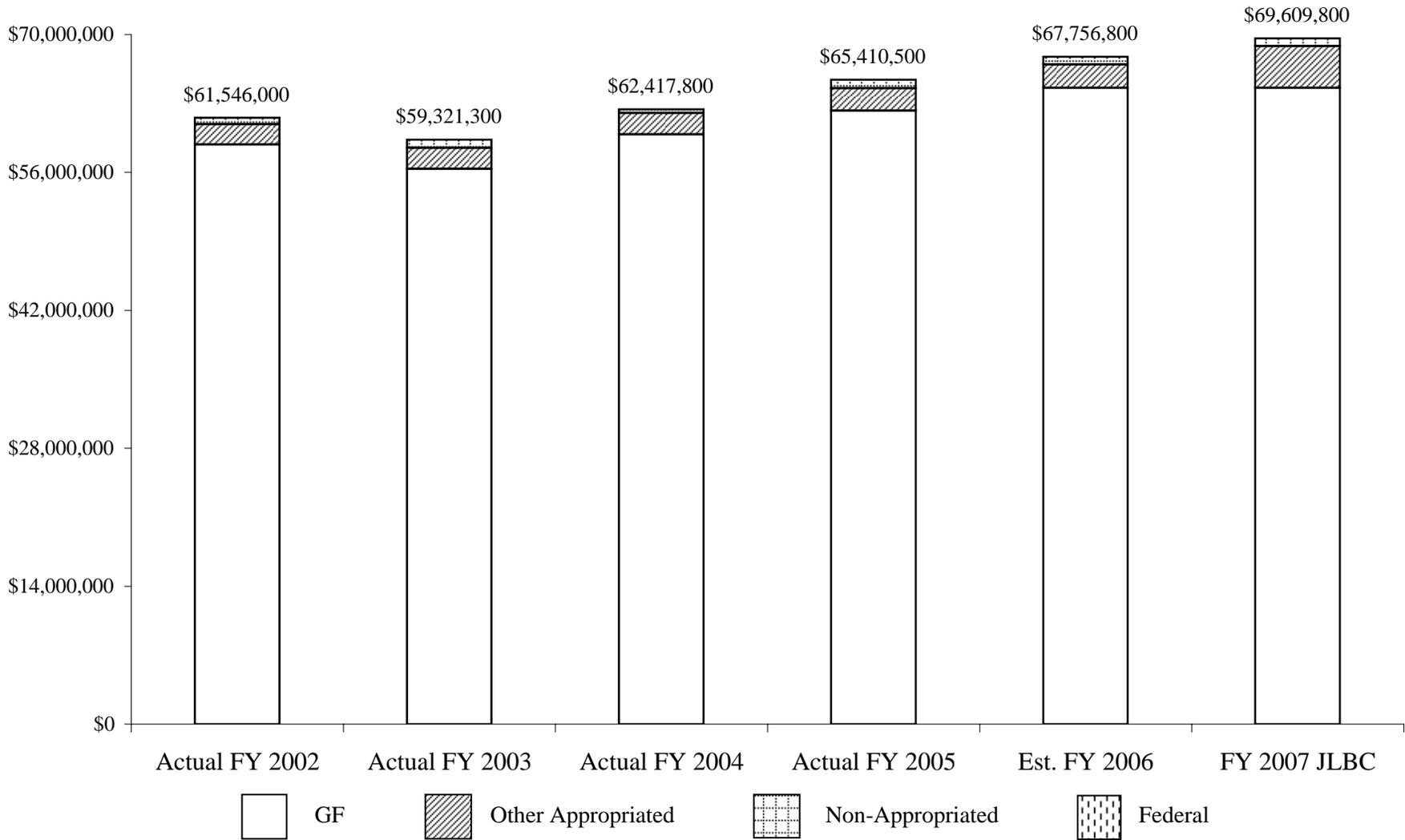


DEPARTMENT OF REVENUE

	JLBC	EXECUTIVE
Total Appropriations (Pg. 281)	<u>FY 2007</u> <ul style="list-style-type: none"> ● \$64.6 M GF ● \$4.2 M OF ● \$0 GF above FY 2006, or 0.0% ● \$1.9 M OF above FY 2006, or 77.6% <u>FY 2006 Supplemental</u> <ul style="list-style-type: none"> ● Does not include ● Does not include 	<u>FY 2007</u> <ul style="list-style-type: none"> ● \$68.1 M GF ● \$2.5 M OF ● \$3.6 GF above FY 2006, or 5.5% ● \$91.8 M OF above FY 2006, or 3.8% <u>FY 2006 Supplemental</u> <ul style="list-style-type: none"> ● \$1.3 M GF ● \$135,000 OF
Business Reengineering/ Integrated Tax System (BRITS) Cost (Pg. 284)	<ul style="list-style-type: none"> ● Statutory change requiring legislative authorization prior to any future BRITS contract extension or change that would increase the cost of the contract ● The BRITS contract originally cost \$133.7 M. DOR signed a \$6.4 M extension without legislative authorization. Contract extensions reduce GF revenues. 	<ul style="list-style-type: none"> ● Does not include
BRITS/Arizona Property Assessment and Taxation System (APATS) Operational Support	<ul style="list-style-type: none"> ● Does not include. GITA has approved \$1.2 M in FY 2007 to refresh computer equipment which is 4 or more years old, including servers, storage, printers, and network equipment. 	<ul style="list-style-type: none"> ● \$3.4 M GF for ongoing hardware and software maintenance of BRITS and APATS, including \$354,600 for one-time network upgrades
Kerr Lawsuit	<ul style="list-style-type: none"> ● Does not include ● Does not include 	<ul style="list-style-type: none"> ● \$1.3 M GF non-lapsing supplemental in FY 2006 as a special line item for Kerr Lawsuit administration costs, contingent upon DOR settling the lawsuit in tax court in February 2006 ● Allocates \$15 M GF for taxpayer payments
Ladewig Settlement (Pg. 283)	<ul style="list-style-type: none"> ● \$99.2 M GF for third and final year of payments required by court settlement ● DOR expects to update the estimate in February 	<ul style="list-style-type: none"> ● \$92.6 M GF for third and final year of payments
Economist Positions	<ul style="list-style-type: none"> ● Does not include 	<ul style="list-style-type: none"> ● \$186,800 GF and 3 Economist III FTE Positions, including \$10,800 for one-time equipment, for tax research workload

	JLBC	EXECUTIVE
Supplemental - Unclaimed Property Advertising	<ul style="list-style-type: none"> • Does not include 	<ul style="list-style-type: none"> • \$135,000 Unclaimed Property Fund supplemental in FY 2006 for printing and advertising cost of unclaimed property
Unclaimed Property Document Imaging (Pg. 282)	<ul style="list-style-type: none"> • \$83,000 Unclaimed Property Fund for document imaging system to improve processing unclaimed property • Move unclaimed property administration to a new special line to clearly show administration costs • Does not include due to small dollar amount 	<ul style="list-style-type: none"> • \$83,000 Unclaimed Property Fund for document imaging system • Does not include • \$8,700 Unclaimed Property Fund and 4 clerk typist FTE Positions to replace 5 temporary positions
Unclaimed Property Contract Auditors (Pg. 282)	<ul style="list-style-type: none"> • \$1.8 M Unclaimed Property Fund to pay unclaimed property contract auditor fees • A.R.S. § 44-313 requires that unclaimed property administrative costs be appropriated. DOR currently pays these fees on a non-appropriated basis. • New footnote specifies that 12.5% of the dollar value of properties recovered by unclaimed property contract auditors is the amount appropriated 	<ul style="list-style-type: none"> • Statutory change to exempt unclaimed property contract auditor fees from appropriation • Does not include
Unclaimed Property Advertising	<ul style="list-style-type: none"> • Does not include 	<ul style="list-style-type: none"> • Statutory change would no longer require publishing names annually in the newspaper. Instead publish semi-annual ads directing people to the unclaimed property website.
Attorney General Legal Services (Pg. 281)	<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

Department of Revenue Total Funds FY 2002 - FY 2007



Department of Revenue

	FY 2006 ESTIMATE				FY 2007 OSPB		FY 2007 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	34.0	1,118.0	30.0	0.0	1,148.0
Personal Services	33,305,200	407,900	0	33,713,100	37,104,100	1,172,200	33,305,200	407,900	0	33,713,100
Employee Related Expenditures	11,323,600	136,400	0	11,460,000	12,507,000	400,200	11,323,600	136,400	0	11,460,000
Professional and Outside Services	1,870,800	5,500	15,000	1,891,300	2,381,800	135,200	1,870,800	5,500	15,000	1,891,300
Travel - In State	297,000	23,500	5,000	325,500	427,400	26,000	297,000	23,500	5,000	325,500
Travel - Out of State	215,200	5,200	89,500	309,900	511,900	13,900	215,200	5,200	89,500	309,900
Other Operating Expenditures	9,780,600	284,800	427,000	10,492,400	10,999,900	572,400	9,780,600	284,800	427,000	10,492,400
Equipment	801,000	0	248,200	1,049,200	4,101,700	161,200	801,000	0	248,200	1,049,200
OPERATING SUBTOTAL	57,593,400	863,300	784,700	59,241,400	68,033,800	2,481,100	57,593,400	863,300	784,700	59,241,400
SPECIAL LINE ITEMS										
Attorney General Legal Services	0	0	0	0	110,000	0	0	0	0	0
Revenue Generating Program	6,989,400	0	0	6,989,400	0	0	6,989,400	0	0	6,989,400
Unclaimed Property Administration	0	1,526,000	0	1,526,000	0	0	0	1,609,000	0	1,609,000
Unclaimed Property Contract Auditors	0	0	0	0	0	0	0	1,770,000	0	1,770,000
AGENCY TOTAL	64,582,800	2,389,300	784,700	67,756,800	68,143,800	2,481,100	64,582,800	4,242,300	784,700	69,609,800

FUND SOURCES										
General Fund	64,582,800			64,582,800	68,143,800		64,582,800			64,582,800
Other Appropriated Funds										
Estate and Unclaimed Property Fund		1,526,000		1,526,000		1,617,800		3,379,000		3,379,000
Liability Setoff Fund		393,500		393,500		393,500		393,500		393,500
Tobacco Tax and Health Care Fund		469,800		469,800		469,800		469,800		469,800
SUBTOTAL - Other Appropriated Funds		2,389,300		2,389,300		2,481,100		4,242,300		4,242,300
SUBTOTAL - Appropriated Funds				66,972,100		70,624,900				68,825,100
Other Non-Appropriated Funds										
Client County Equipment Capitalization Fund			649,200	649,200					649,200	649,200
Revenue Publications Revolving Fund			135,500	135,500					135,500	135,500
SUBTOTAL - Other Non-Appropriated Funds			784,700	784,700					784,700	784,700
TOTAL - ALL SOURCES				67,756,800						69,609,800

CHANGE IN FUNDING SUMMARY

	FY 2006 to FY 2007 JLBC	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	1,853,000	77.6%
Non Appropriated Funds	0	0.0%
Total - All Sources	1,853,000	2.7%