

**77<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2013 Session  
BUDGET REPORT AND MEASURE SUMMARY**

**JOINT COMMITTEE ON WAYS AND MEANS**

**MEASURE: SB 5538-A**

**Carrier – House: Rep. Gomberg  
Carrier – Senate: Sen. Steiner Hayward**

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**Action:** Do Pass as Amended and as Printed A-Engrossed

**Vote:** 23 – 3 – 0

House

Yeas: Barker, Buckley, Frederick, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Read, Richardson, Smith, Tomei, Williamson

Nays: Freeman

Exc:

Senate

Yeas: Bates, Devlin, Edwards, Hansell, Johnson, Monroe, Steiner Hayward, Whitsett, Winters

Nays: Girod, Thomsen

Exc:

**Prepared By:** Jim Carbone, Department of Administrative Services

**Reviewed By:** John Borden, Legislative Fiscal Office

**Meeting Date:** June 6, 2013

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Agency

Department of Revenue

Biennium

2013-15

## **Budget Summary**\*

	<b>2011-13 Legislatively Approved Budget <sup>(1)</sup></b>	<b>2013-15 Current Service Level</b>	<b>2013-15 Committee Recommendation</b>	<b>Committee Change from 2011-13 Leg. Approved</b>	
				<b>\$\$ Change</b>	<b>% Change</b>
General Fund	\$ 147,798,243	\$ 163,259,812	\$ 165,022,170	\$ 17,223,927	11.7%
Other Funds	\$ 34,230,088	\$ 37,336,826	\$ 38,447,601	\$ 4,217,513	12.3%
Other Funds Nonlimited	\$ 1,945,006	\$ 1,991,686	\$ 0	\$ -1,945,006	-100.0%
Total	\$ 183,973,337	\$ 202,588,324	\$ 203,469,771	\$ 19,496,434	10.6%

## **Position Summary**

Authorized Positions	1,051	1,050	1,050	-1
Full-time Equivalent (FTE) positions	990.84	991.06	993.49	2.65

(1) Includes adjustments through December 2012.

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

The Department of Revenue operations are funded primarily by the General Fund. However the agency's cost for administering various Other Funds programs are charged to those programs. These include: collecting debts owed to other agencies, providing county assessment and mapping services, collecting the Tri-Met and Lane County Transit Self-Employment Tax, and other programs.

## **Summary of General Government Subcommittee Action**

The Department of Revenue administers more than 30 tax programs, including: the Personal Income Tax, the Corporate Excise Tax, Property Tax oversight, Cigarette and Other Tobacco Tax, the Inheritance Tax, and other tax programs.

The Subcommittee approved a 2013-15 budget of \$203,469,771, which includes \$165,022,170 General Fund and \$38,447,601 Other Funds and 1,050 positions (993.49 FTE). The recommendation includes the following adjustments to the Current Service Level:

### Executive

The Executive program unit includes Central Office staff, the Communications Unit and the Human Resources section. The Central Office directs the activities of the agency's four line divisions and the Project Management Section and coordinates the department's legislative, rule-

making, and internal audit activities. The Communications Unit provides the means for the agency to educate and communicate with taxpayers, stakeholders, and external partners. The Human Resources Section provides general oversight of the agency's relationship with its more than 1,000 employees. For this program the Subcommittee approved a 2013-15 budget of \$6,827,720 total funds (\$6,088,842 General Fund and \$738,878 Other Funds) and 33 positions (33.00 FTE). This includes the following adjustments to the Current Service Level:

Package 081 (May 2012 E-Board), a \$163,348 Total Funds reduction, makes permanent those changes that were directed by the Emergency Board in May 2012, which were part of the legislative plan from the 2012 session to restructure state government business operations. This package eliminates one position (1.00 FTE).

Package 092 (PERS Taxation Policy), a \$15,130 Total Funds reduction, reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

Package 093 (Other PERS Adjustments), a \$120,903 Total Funds reduction, reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 101 (Service and Supplies True-Up), an \$8,433 General Fund increase in services and supplies, aligns the agency budget categories to better reflect how the agency will execute this budget. Historically, the agency has used vacant positions, above normal attrition, to augment its Services and Supplies budget. This package, in six of the agency's budget units, is intended to align the budgeted expenditure categories with actual expense categories. The net of all Package 101 adjustments will not reduce or degrade the revenue generation capabilities of the agency.

#### General Services

This unit includes the Program Management Office which leads and facilitates the ongoing transformation of people, processes and technology. The Office's functions include project management, portfolio reporting, process improvement, and metrics. Additionally the General Services Budget Unit includes centrally managed expenditures and fees such as postage, recording and release fees, collection fees and merchant fees. For this program the Subcommittee approved a 2013-15 budget of \$7,731,788 total funds (\$4,783,438 General Fund and \$2,948,350 Other Funds) and two positions (2.00 FTE). This includes the following adjustments to the current service level:

Package 081 (May 2012 E-Board), a \$453,396 total funds reduction, makes permanent those changes that were directed by the Emergency Board in May 2012, which were part of the legislative plan from the 2012 session to restructure state government business operations. This package eliminates two positions (2.00 FTE).

Package 082 (September 2012 E-Board). This package reflects the continuation of an Emergency Board decision in September 2012 to provide the second year of funding for the Elderly Rental Assistance and Non-profit Housing programs. It adjusts revenues to accommodate continuing administration of the Elderly Rental Assistance program at the Department of Revenue.

Package 092 (PERS Taxation Policy), a \$1,441 Total Funds reduction, reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

Package 093 (Other PERS Adjustments), a \$11,514 Total Funds reduction, reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 101 (Service and Supplies True-Up), an \$866,339 Total Funds increase, aligns the agency budget categories to better reflect how the agency will execute this budget. Historically, the agency has used vacant positions, above normal attrition, to augment its Services and Supplies budget. This package, six of the agency's budget units, is intended to align the budgeted expenditure categories with actual expense categories. The net of all Package 101 adjustments will not reduce or degrade the revenue generation capabilities of the agency.

Package 814 (Nonlimited OF to Limited OF) converts \$1,715,040 of Nonlimited Other Funds to Limited Other Funds. The agency's third party collection activities and the cost of the Multistate Tax Commission would become subject to expenditure limitation.

#### Administrative Services

The Administrative Services Unit includes IT Services, the Processing Center, and the Finance and Budget unit. For this program the Subcommittee approved a 2013-15 budget of \$52,187,586 Total Funds (\$45,188,232 General Fund and \$6,999,354 Other Funds) and 263 positions (220.00 FTE). This includes the following adjustments to the Current Service Level:

Package 081 (May 2012 E-Board), a \$631,860 total funds reduction, makes permanent those changes that were directed by the Emergency Board in May 2012, which were part of the legislative plan from the 2012 session to restructure state government business operations. This package eliminates three positions (3.00 FTE).

Package 091 (Statewide Administrative Savings), a \$1,247,916 total funds reduction is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

Package 092 (PERS Taxation Policy), a \$28,022 total funds reduction, reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

Package 093 (Other PERS Adjustments), a \$223,909 total funds reduction, reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 101 (Service and Supplies True-Up), a \$479,962 total funds increase and a reduction of five positions (3.50 FTE), aligns the agency budget categories to better reflect how the agency will execute this budget. Historically, the agency has used vacant positions, above normal attrition, to augment its Services and Supplies budget. This package, in six of the agency's budget units, is intended to align the budgeted expenditure categories with actual expense categories. The net of all Package 101 adjustments will not reduce or degrade the revenue generation capabilities of the agency.

#### Property Tax

This unit ensures that counties comply with property tax laws and rules in their appraisals, assessments, tax levies, tax collection, budgets, and Boards of Property Tax Appeals proceedings. In addition the unit has responsibility for conducting the appraisals on industrial facilities that are valued in excess of \$1 million. It also conducts appraisals of utilities and companies designated by ORS 308.515, such as telecommunications, gas and electric companies, airlines, and railroads. Finally the unit administers several timber tax programs. For this unit the Subcommittee approved a 2013-15 budget of \$25,745,461 total funds (\$14,450,399 General Fund and \$11,295,062 Other Funds) and 99 positions (97.26 FTE). This includes the following adjustments to the Current Service Level:

Package 081 (May 2012 E-Board), a \$567,600 total funds reduction, makes permanent those changes that were directed by the Emergency Board in May 2012, which were part of the legislative plan from the 2012 session to restructure state government business operations. This package eliminates three positions (3.00 FTE).

Package 092 (PERS Taxation Policy), a \$49,166 total funds reduction, reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

Package 093 (Other PERS Adjustments), a \$392,860 total funds reduction, reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 101 (Service and Supplies True-Up), a \$389,486 total funds reduction and a reduction of three positions (2.07 FTE), aligns the agency budget categories to better reflect how the agency will execute this budget. Historically, the agency has used vacant positions, above normal attrition, to augment its Services and Supplies budget. This package, in six of the agency's budget units, is intended to align the budgeted expenditure categories with actual expense categories. The net of all Package 101 adjustments will not reduce or degrade the revenue generation capabilities of the agency.

#### Personal Tax and Compliance

This budget unit has program responsibility for the Personal Income Tax and Elderly Rental Assistance Programs and provides enforcement and collection services for the Personal Income Tax Program. For this program the Subcommittee approved a 2013-15 budget of \$67,948,136 total Funds (\$66,496,615 General Fund and \$1,451,521 Other Funds) and 433 positions (425.32 FTE). This includes the following adjustments to the Current Service Level:

Package 081 (May 2012 E-Board), a \$533,482 total funds increase, makes permanent those changes that were directed by the Emergency Board in May 2012, which were part of the legislative plan from the 2012 session to restructure state government business operations. This package eliminates three positions (3.00 FTE).

Package 092 (PERS Taxation Policy), a \$142,355 total funds reduction, reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

Package 093 (Other PERS Adjustments), a \$1,137,487 total funds reduction, reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 101 (Service and Supplies True-Up), a \$519,635 total funds reduction and a reduction of six positions (6.00 FTE), aligns the agency budget categories to better reflect how the agency will execute this budget. Historically, the agency has used vacant positions, above normal attrition, to augment its Services and Supplies budget. This package, in six of the agency's budget units, is intended to align the budgeted expenditure categories with actual expense categories. The net of all Package 101 adjustments will not reduce or degrade the revenue generation capabilities of the agency.

Package 813 (Enhanced Tax and Receivables Enforcement), a \$3,804,635 total funds increase and an increase of 31 positions (31.00 FTE), is intended to increase enforcement and collections for the personal income tax program. The additional enforcement positions are designed to reduce underreporting by taxpayers through more audits and filing enforcement. The focus will be on cash based businesses, income that lacks third party documentation, and pass-through entities (partnerships and S corporations) where complex transactions can hide income. Additional accounts receivable actions will clean up the department's accounts receivables by having staff review accounts for write-off, cancellation, and other associated actions as well as add more collectors to pursue the agency's delinquent accounts. This package is assumed to generate an additional \$33.1 million (gross) in new General Fund, with \$13.6 million coming from enforcement activities and \$19.5 million from accounts receivable activities.

**Budget Note:**

The Department of Revenue shall submit a report to the Legislature during the 2014 session that describes the cause of non-compliance in the personal and corporation tax programs, including a discussion of tax gap estimates. The Department shall create a specific, systemic plan to reduce the tax gap including performance measures, benchmarks, and timelines, and report progress from this plan to the Legislature in 2015. Where possible, the Department shall incorporate the results of the work performed for the Enforcement Revenue Budget Note in 2011.

**Business Division**

The Business Division administers several tax and other revenue programs. These programs include Corporation Income and Excise Taxes, Employer Income Tax Withholdings, Transit Payroll and Self-Employment Taxes, Fiduciary, Estate Transfer, Other Agency Accounts, Cigarette Tax, Other Tobacco Products Tax, and other Special programs such as the Amusement Device Tax, State Lodging Tax, Emergency Communication Tax, Petroleum Load Fee, and Hazardous Substance Tax. For this program the Subcommittee approved a 2013-15 budget of \$37,080,434 Total Funds (\$22,342,644 General Fund and \$14,737,790 Other Funds) and 220 positions (215.91 FTE). This includes the following adjustments to the Current Service Level:

Package 081 (May 2012 E-Board), a \$145,618 total funds reduction, makes permanent those changes that were directed by the Emergency Board in May 2012, which were part of the legislative plan from the 2012 session to restructure state government business operations. This package eliminates one position (1.00 FTE).

Package 092 (PERS Taxation Policy), a \$81,444 total funds reduction, reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

Package 093 (Other PERS Adjustments), a \$650,776 total funds reduction, reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 101 (Service and Supplies True-Up), a \$437,538 Total Funds reduction and a reduction of four positions (4.00 FTE), aligns the agency budget categories to better reflect how the agency will execute this budget. Historically, the agency has used vacant positions, above normal attrition, to augment its Services and Supplies budget. This package, in six of the agency's budget units, is intended to align the budgeted expenditure categories with actual expense categories. The net of all Package 101 adjustments will not reduce or degrade the revenue generation capabilities of the agency.

**Budget Note:**

The Department of Revenue shall report to the Legislature in 2014 on the use of private collection firms (PCF) including: age of accounts sent to PCF, amount of accounts turned over to the PCF (total and individual), time it takes PCF's to collect past due accounts, collection rate, and the amount and type of fees charged to clients.

**Multistate Tax Commission**

The Multistate Tax Commission is an intergovernmental organization composed of 21 states that have joined in an effort to promote uniformity in state taxation of corporate income. Member states are assessed the operational expenses of the Multistate Tax commission each year. For this program the Subcommittee approved a 2013-15 budget of \$276,646 Other Funds. This includes the following adjustment to the Current Service Level:

Package 814 (Nonlimited OF to Limited OF) converts \$276,646 Nonlimited Other Funds to Limited Other Funds. The cost of the Multistate Tax Commission will become subject to expenditure limitation.

**Elderly Rental Assistance**

The Elderly Rental Assistance Program provides annual payments averaging \$367 to low-income elderly renters. Also included in this budget unit is the Non-Profit Homes for the Elderly Program. This program reimburses local governments for property tax exemptions that are granted to qualifying non-profit corporations that provide permanent housing, recreational and social facilities and care to elderly persons. For this program the Subcommittee approved a 2013-15 budget of \$5,672,000 General Fund. This includes the following adjustment to the Current Service Level:

Package 082, September Emergency Board, a \$2,600,000 General Fund increase, reflects the continuation of an Emergency Board decision in September 2012 to provide the second year of funding for these programs.



### Core System Replacement

The Subcommittee recommends to the Joint Committee on Ways and Means – Capital Construction Subcommittee that the Core System Replacement project be approved and that Senate Bill 5506, the bonding measure, include \$26.5 million in Article XI-Q bonding during the 2013-15 biennium to fund the first phase of the Core System Replacement Project.

Additionally, the recommendation is that House Bill 5008, the Emergency Fund measure, include a \$3.6 million General Fund appropriation for vendor contract maintenance and Department of Administrative Services – State Data Center costs, Other Funds expenditure limitation of \$26.5 million for vendor costs and agency cost, and authority for 31 positions (31.00 FTE) for the project.

### Capital Debt Service and Related Costs

The Subcommittee recommends to the Joint Committee on Ways and Means – Capital Construction Subcommittee that the Core System Replacement project be approved and that \$1.6 million of General Fund Debt Service and \$521,182 Other Funds of financing costs be added to the agency's budget in House Bill 5008, the Emergency Fund measure, if Senate Bill 5506 is amended to include the bonding authority for the Core System Replacement project.

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**SB 5538-A**

Department of Revenue  
Jim Carbone - 503-378-3619

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 147,798,243	\$ 0	\$ 34,230,088	\$ 1,945,006	\$ 0	\$ 0	\$ 183,973,337	1,051	990.84
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 163,259,812	\$ 0	\$ 37,336,826	\$ 1,991,686	\$ 0	\$ 0	\$ 202,588,324	1,050	991.06
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
<b>SCR 001 - Executive</b>									
Package 081: May 2012 E-Board									
Personal Services	\$ (130,678)	\$ 0	\$ (32,670)	\$ 0	\$ 0	\$ 0	\$ (163,348)	-1	-1.00
Package 092: PERS Taxation Policy									
Personal Services	\$ (13,602)	\$ 0	\$ (1,528)	\$ 0	\$ 0	\$ 0	\$ (15,130)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (108,690)	\$ 0	\$ (12,213)	\$ 0	\$ 0	\$ 0	\$ (120,903)	0	0.00
Package 101: Services and Supplies True-Up									
Services & Supplies	\$ 8,433	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,433		
<b>SCR 002 - General Services</b>									
Package 081: May 2012 E-Board									
Personal Services	\$ (391,863)	\$ 0	\$ (61,533)	\$ 0	\$ 0	\$ 0	\$ (453,396)	-2	-2.00
Package 092: PERS Taxation Policy									
Personal Services	\$ (1,366)	\$ 0	\$ (75)	\$ 0	\$ 0	\$ 0	\$ (1,441)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (10,915)	\$ 0	\$ (599)	\$ 0	\$ 0	\$ 0	\$ (11,514)	0	0.00

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**SB 5538-A**

**Department of Revenue  
Jim Carbone - 503-378-3619**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 101: Services and Supplies True-Up									
Services & Supplies	\$ 815,801	\$ 0	\$ 50,538	\$ 0	\$ 0	\$ 0	\$ 866,339		
Package 814: Nonlimited OF to Limited OF									
Services & Supplies	\$ 0	\$ 0	\$ 1,715,040	\$ (1,715,040)	\$ 0	\$ 0	\$ 0		
<b>SCR 003 - Administrative Services</b>									
Package 081: May 2012 E-Board									
Personal Services	\$ (581,312)	\$ 0	\$ (50,548)	\$ 0	\$ 0	\$ 0	\$ (631,860)	-3	-3.00
Package 091: Administrative Savings									
Services & Supplies	\$ (1,010,812)	\$ 0	\$ (237,104)	\$ 0	\$ 0	\$ 0	\$ (1,247,916)		
Package 092: PERS Taxation Policy									
Personal Services	\$ (25,330)	\$ 0	\$ (2,692)	\$ 0	\$ 0	\$ 0	\$ (28,022)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (202,400)	\$ 0	\$ (21,509)	\$ 0	\$ 0	\$ 0	\$ (223,909)	0	0.00
Package 101: Services and Supplies True-Up									
Personal Services	\$ (343,614)	\$ 0	\$ (29,876)	\$ 0	\$ 0	\$ 0	\$ (373,490)	-5	-3.50
Services & Supplies	\$ 730,652	\$ 0	\$ 122,800	\$ 0	\$ 0	\$ 0	\$ 853,452		
<b>SCR 004 - Property Tax</b>									
Package 081: May 2012 E-Board									
Personal Services	\$ (514,103)	\$ 0	\$ (53,497)	\$ 0	\$ 0	\$ 0	\$ (567,600)	-3	-3.00
Package 092: PERS Taxation Policy									
Personal Services	\$ (31,134)	\$ 0	\$ (18,032)	\$ 0	\$ 0	\$ 0	\$ (49,166)	0	0.00

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**SB 5538-A**

Department of Revenue  
Jim Carbone - 503-378-3619

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
<b>Package 093: Other PERS Adjustments</b>										
Personal Services	\$ (248,776)	\$ 0	\$ (144,084)	\$ 0	\$ 0	\$ 0	\$ (392,860)	0	0.00	
<b>Package 101: Services and Supplies True-Up</b>										
Personal Services	\$ (418,483)	\$ 0	\$ (6,921)	\$ 0	\$ 0	\$ 0	\$ (425,404)	-3	-2.07	
Services & Supplies	\$ 35,918	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,918			
<b>SCR 005 - Personal Tax and Compliance</b>										
<b>Package 081: May 2012 E-Board</b>										
Personal Services	\$ 545,347	\$ 0	\$ (11,865)	\$ 0	\$ 0	\$ 0	\$ 533,482	-3	-3.00	
<b>Package 092: PERS Taxation Policy</b>										
Personal Services	\$ (139,696)	\$ 0	\$ (2,659)	\$ 0	\$ 0	\$ 0	\$ (142,355)	0	0.00	
<b>Package 093: Other PERS Adjustments</b>										
Personal Services	\$ (1,116,241)	\$ 0	\$ (21,246)	\$ 0	\$ 0	\$ 0	\$ (1,137,487)	0	0.00	
<b>Package 101: Services and Supplies True-Up</b>										
Personal Services	\$ (645,945)	\$ 0	\$ (10,978)	\$ 0	\$ 0	\$ 0	\$ (656,923)	-6	-6.00	
Services & Supplies	\$ 137,288	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 137,288			
<b>Package 813: Enhanced Tax Receivables Enforcement</b>										
Personal Services	\$ 3,185,785	\$ 0	\$ 65,016	\$ 0	\$ 0	\$ 0	\$ 3,250,801	31	31.00	
Services & Supplies	\$ 484,765	\$ 0	\$ 9,893	\$ 0	\$ 0	\$ 0	\$ 494,658			
Capital Outlay	\$ 57,992	\$ 0	\$ 1,184	\$ 0	\$ 0	\$ 0	\$ 59,176			
<b>SCR 006 - Business</b>										
<b>Package 081: May 2012 E-Board</b>										
Personal Services	\$ (142,705)	\$ 0	\$ (2,913)	\$ 0	\$ 0	\$ 0	\$ (145,618)	-1	-1.00	
<b>Package 092: PERS Taxation Policy</b>										
Personal Services	\$ (49,975)	\$ 0	\$ (31,469)	\$ 0	\$ 0	\$ 0	\$ (81,444)	0	0.00	

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**SB 5538-A**

Department of Revenue  
Jim Carbone - 503-378-3619

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 093: Other PERS Adjustments									
Personal Services	\$ (399,327)	\$ 0	\$ (251,449)	\$ 0	\$ 0	\$ 0	\$ (650,776)	0	0.00
Package 101: Services and Supplies True-Up									
Personal Services	\$ (484,427)	\$ 0	\$ (133,232)	\$ 0	\$ 0	\$ 0	\$ (617,659)	-4	-4.00
Services & Supplies	\$ 171,771	\$ 0	\$ 8,350	\$ 0	\$ 0	\$ 0	\$ 180,121		
<b>SCR 015 - Multistate Tax Commission</b>									
Package 814: Nonlimited OF to Limited OF									
Special Payments	\$ 0	\$ 0	\$ 276,646	\$ (276,646)	\$ 0	\$ 0	\$ 0		
<b>SCR 019 - Elderly Rental Assistance</b>									
Package 082: September 2012 E-Board									
Special Payments-Account 6060	\$ 2,600,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,600,000		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 1,762,358</b>	<b>\$ 0</b>	<b>\$ 1,110,775</b>	<b>\$ (1,991,686)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 881,447</b>	<b>0</b>	<b>2.43</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 165,022,170</b>	<b>\$ 0</b>	<b>\$ 38,447,601</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 203,469,771</b>	<b>1,050</b>	<b>993.49</b>
% Change from 2011-13 Leg Approved Budget	11.7%	0.0%	12.3%	-100.0%	0.0%	0.0%	10.6%		
% Change from 2013-15 Current Service Level	1.1%	0.0%	3.0%	-100.0%	0.0%	0.0%	0.4%		

\*Excludes Capital Construction Expenditures

## Legislatively Approved 2013-2015 Key Performance Measures

**Agency: REVENUE, DEPARTMENT of**

Mission: We make tax systems work to fund the public service that preserve and enhance the quality of life for all citizens.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - Dollars Collected Per Revenue Agent Per Month (Personal Income Tax)		Approved KPM	114,141.00	125,000.00	128,750.00
2 - Percent of Property Taxes Collected.		Approved KPM	93.70	95.00	95.00
3 - Percent of Assessor's Maps Digitized in a GIS Format.		Approved KPM	75.00	90.00	95.00
5 - Personal Income Tax Nonfiler Assessments Issued Per Employee Per Month.		Approved KPM	60.00	55.00	55.00
6 - Personal Income Tax and Corporation Tax Cases Closed Per Revenue Agent Per Month.		Approved KPM	137.00	170.00	170.00
7 - Delinquent Returns Filed After Compliance Contact Per Filing Enforcement Employee Per Month.		Approved KPM	23.00	26.00	26.00
8 - Average Days to Process Personal Income Tax Refund.		Approved KPM	10.00	12.00	12.00
9 - Percent of Personal Income Tax Returns Filed Electronically		Approved KPM	78.60	80.00	82.00
10 - Employee Work Environment (based upon a scale of 1-6)		Approved KPM	4.15	5.00	5.00
11 - Employee Training Per Year (percent receiving 20 hours per year).		Approved KPM	27.40	60.00	60.00
12 - Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Accuracy	Approved KPM	95.10	98.00	98.00
12 - Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Availability of Information	Approved KPM	95.40	98.00	98.00

**Agency: REVENUE, DEPARTMENT of**

Mission: We make tax systems work to fund the public service that preserve and enhance the quality of life for all citizens.

<b>Legislatively Proposed KPMs</b>	<b>Customer Service Category</b>	<b>Agency Request</b>	<b>Most Current Result</b>	<b>Target 2014</b>	<b>Target 2015</b>
12 - Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Expertise	Approved KPM	96.10	98.00	98.00
12 - Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Helpfulness	Approved KPM	97.40	98.00	98.00
12 - Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Overall	Approved KPM	97.00	98.00	98.00
12 - Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Timeliness	Approved KPM	95.90	98.00	98.00
13 - Effective Taxpayer Assistance: Provide the most effective taxpayer assistant services by a data-driven combination of direct assistance and electronic self-help services.		Approved KPM	50.96	56.00	56.00

**LFO Recommendation:**

The Legislative Fiscal Office recommends that the Subcommittee approve the Department of Revenue's key performance measures and targets.

**Sub-Committee Action:**

The General Government Subcommittee adopted the Legislative Fiscal Office recommendation .