

**SB 5537 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Golden

**Joint Committee On Ways and Means**

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**Action Date:** 06/04/21

**Action:** Do pass with amendments. (Printed A-Eng.)

**Senate Vote**

**Yeas:** 12 - Anderson, Frederick, Girod, Golden, Gorsek, Hansell, Johnson, Knopp, Lieber, Steiner Hayward, Taylor, Thomsen

**House Vote**

**Yeas:** 11 - Bynum, Drazan, Gomberg, Leif, McLain, Nosse, Rayfield, Sanchez, Smith G, Sollman, Stark

**Prepared By:** Patrick Heath, Department of Administrative Services

**Reviewed By:** Zane Potter, Legislative Fiscal Office

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**Department of Revenue  
2021-23**

## **Budget Summary\***

	2019-21	2021 - 23	2021-23	Committee Change from 2019-21 Leg.	
	Legislatively Approved Budget <sup>(1)</sup>		Current Service Level	Committee Recommendation	Approved
				\$ Change	% Change
General Fund	\$ 193,109,647	\$ 204,437,845	\$ 213,020,750	\$ 19,911,103	10.3%
General Fund Debt Service	\$ 14,287,394	\$ 6,695,900	\$ 6,695,900	\$ (7,591,494)	-53.1%
Other Funds Nonlimited	\$ 8,817	\$ -	\$ -	\$ (8,817)	-100.0%
Other Funds Debt Service Nonlimited	\$ 2,246,184	\$ -	\$ -	\$ (2,246,184)	-100.0%
Other Funds Limited	\$ 140,177,244	\$ 129,810,993	\$ 149,099,871	\$ 8,922,627	6.4%
Other Funds Debt Service	\$ 2,018,471	\$ 550,120	\$ 550,120	\$ (1,468,351)	-72.7%
<b>Total</b>	<b>\$ 351,847,757</b>	<b>\$ 341,494,858</b>	<b>\$ 369,366,641</b>	<b>\$ 17,518,884</b>	<b>5.0%</b>

## **Position Summary**

Authorized Positions	1,094	1,001	1,105	11
Full-time Equivalent (FTE) positions	1,014.40	957.18	1,045.62	31.22

<sup>(1)</sup> Includes adjustments through January 2021

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

The Department of Revenue (DOR) is responsible for collecting taxes that make up 97% of the state's General Fund revenue, including the Personal Income Tax, Corporate Income Tax, Inheritance Tax, Cigarette Tax, and Other Tobacco Products Tax. General Fund revenues collected by DOR are expected to reach \$22.6 billion in the 2021-23 biennium. The General Fund is uniquely dependent on the Personal Income Tax, which is projected to account for approximately 89% of the General Fund revenues in 2021-23.

The Department's primary source of Other Funds, to pay for the cost of administering its tax portfolio, is Other Funds taxes it collects, including the Corporate Activity Tax, Marijuana Tax, portions of the Cigarette and Other Tobacco Products Tax, transportation taxes, the State Lodging Tax, and a host of other taxes collected on behalf of other state departments or local governments. Proceeds from these taxes are transferred to the departments or local governments after deducting the costs of administration. The revenues from these taxes are subject to appropriation and many of the taxes the Department collects have legal caps on the administrative costs. In addition to the Other Funds tax revenues supporting administrative work, the Property Tax program receives fees for maintaining tax maps for counties, as well as document recording fees and a portion of the interest on delinquent properties. The primary revenue source for Property Tax, the County Assessment Function Funding Account revenue, is projected to bring in \$40.0 million during the 2021-23 biennium. Of this amount, 90% will be transferred to

counties to help pay for the administration of their property tax programs, while 10% will be retained by the Property Tax Division to administer the division's programs.

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

The Department of Revenue (DOR) administers almost 40 tax programs, collecting 97 percent of the state's General Fund revenue. DOR oversees the county property tax function and collects and distributes taxes and fees for other state agencies and local governments. The Department operates two tax relief programs for the elderly and persons with disabilities: the Non-profit Housing for Elderly Persons Program and the Senior Citizens' and Disabled Citizens' Property Tax Deferral Program. The Subcommittee recommended a total funds budget of \$369,366,641 and 1,105 positions (1,045.62 FTE) for the 2021-23 biennium. The budget consists of a General Fund appropriation of \$219,716,650 and \$149,649,991 Other Funds expenditure limitation. This represents a 5% increase in total funds from the 2019-21 legislatively approved budget.

### **Administration Division**

The Administration Division provides overall Department leadership and supports the work of the rest of DOR by providing services in the following areas: the Director's Office, Finance (including the Accounting, Procurement, and Budget and Payroll sections), Communications, Facilities, Project Management, the Disclosure Office, Human Resources, Internal Audit, and Research. The Subcommittee recommended budget for the Administration Division is \$41.2 million total funds and 68 positions (68.00 FTE).

The Subcommittee approved the following budget note:

#### **Budget Note**

The Department of Revenue will report to the Joint Committee on Ways and Means by January 2023 on a plan to modernize and enhance its customer call centers. The plan shall identify and evaluate options for meeting projected demand; consider technology options for enhanced service such as artificial intelligence and machine learning; consider options for offering 24-hour service to customers; develop strategies to optimize use of live assistance; and include strategies for meeting the increased demands of a surge event.

### **Property Tax Division**

The Property Tax Division (PTD) oversees the property tax function of Oregon county government, which generates over \$7 billion a year to fund public schools, police and fire departments, and other local government services. PTD consists of four major program areas: County Oversight, Industrial and Utility Valuation, Forestland Valuation and Timber Taxes, and Cadastral Information Systems.

This Division is supported by General Fund and Other Funds revenues. Other Funds revenues come from the County Mapping and County Assessment Funding Programs. Document recording fees, plus a portion of the interest collected on delinquent property tax payments, support the Department's appraisal of approximately 900 industrial sites and approximately 525 utility and transportation companies, as well as the

Department administration of the county grant process. The Subcommittee recommended budget for the Division consists of \$64.8 million total funds and 80 positions (79.25 FTE).

### **Personal Tax and Compliance Division**

The Personal Tax and Compliance Division (PTAC) is responsible for administering the Personal Income Tax. The Division also provides enforcement and collection services for the TriMet and Lane Transit District Self-Employment taxes. The Personal Income Tax is projected to bring in approximately \$20.7 billion during the 2021-23 biennium; an estimated 2.2 million personal income tax returns were filed for the 2019 tax year.

The mission of PTAC is to improve taxpayer compliance with the programs it administers through taxpayer assistance, education, and enforcement activities. To aid voluntary compliance, PTAC provides taxpayer education and assistance programs. It also employs enforcement activities for those who do not voluntarily comply with Oregon's personal income tax laws. Enforcement actions affect individuals who fail to file required returns, understate income, overstate expenses or deductions, or fail to pay.

This Division is supported primarily by General Fund revenues. PTAC Other Funds expenditures are primarily for the administration of Tri-Met and Lane County Transit Self-Employment Tax programs. The Subcommittee recommended budget for PTAC consists of \$59.3 million total funds and 254 positions (248.23 FTE). The Subcommittee recommended the following packages:

Package 103, PTAC Seasonal Staff. This package provides \$575,790 General Fund and \$11,747 Other Funds expenditure limitation for 10 permanent seasonal positions (4.68 FTE) to address peak workload during tax season. DOR has used budgetary savings from leave without pay and vacancies to cover the costs of seasonal positions in recent years but the consolidation of collections functions in the Collections Division reduces the availability of this resource.

Package 106, Consolidate Collections. This package shifts \$29,228,030 General Fund, \$583,326 Other Funds, and 147 positions (147.00 FTE) from the Personal Tax and Compliance Division to the Collections Division in alignment with a 2019 DOR report and prior legislative direction. The 2019 Legislature acknowledged receipt of the Department's report on the feasibility of consolidating all collection functions into a single division, which will help track collection expenditures through the state's budget system. The budgetary impact of this package nets to zero agency-wide.

### **Business Division**

The Business Division administers the Corporation Income and Excise taxes, Employer Income Tax Withholdings, state and local Transit Payroll Taxes, Fiduciary, Inheritance, Cigarette Tax, Tobacco Tax, the Vehicle Excise and Use Taxes, other Special Programs, and other taxes. Although administered by the Business Division, the costs associated with administering the Marijuana Tax and the Corporate Activity Tax are budgeted in the Marijuana Program and the Corporate Division, respectively. The Business Division shares administrative responsibility for administering the

Combined Payroll Tax program with the Oregon Employment Department, which processes the majority of the returns and administers the state's unemployment tax, and the Department of Consumer and Business Services, which administers the workers' benefit fund assessment.

The Division audits corporation income and excise tax returns, fiduciary returns, and transit self-employment tax returns. Audit activity is performed by staff located in Salem and in field offices around the state.

This section is supported by General Fund and by charges to Other Funds programs for their share of the Department's administrative expenses. Other Funds revenue includes administrative charges to the Other Funds taxes the Division administers. The Subcommittee recommended budget for the Business Division consists of \$34.5 million total funds and 131 positions (130.50 FTE). The Subcommittee recommended the following packages:

Package 089, Post-September 2020 Legislative Actions. The December 2020 Emergency Board provided Other Funds expenditure limitation of \$634,463 and authorized the establishment of six permanent full-time positions (1.67 FTE) for the implementation of Ballot Measure 108 (2020) which increased the cigarette tax, imposed a cigarette floor tax, increased the cap on the cigar tax, and imposed a tax on inhalant delivery systems.

Package 104, Business Cigarette Tax and Vaping. This package increases Other Funds expenditure limitation by \$695,956 and establishes 4.33 FTE for the implementation of Ballot Measure 108 (2020), which increased the cigarette tax, imposed a cigarette floor tax, increased the cap on the cigar tax, and imposed a tax on inhalant delivery systems. The position authority for the 4.33 FTE was provided by the Emergency Board (December 2020).

Package 106, Consolidate Collections. This package shifts \$3,387,096 General Fund, \$1,926,047 Other Funds, and 28 positions (27.56 FTE) from the Business Division to the Collections Division in alignment with a 2019 DOR report and prior legislative direction. The 2019 Legislature acknowledged receipt of the Department's report on the feasibility of consolidating all collection functions into a single division, which will help track collection expenditures through the state's budget system. The budgetary impact of this package nets to zero agency-wide.

### **Collections Division**

The Collections Division contains all of DOR's collections functions, including the transfer in of collections functions from the Personal Tax and Compliance Division and the Business Division, as well as the Other Agency Accounts (OAA) section. OAA acts as an in-house collections agency for state government, collecting on debts for 180 state departments, boards, and commissions and managing contracts for private collections firms for Executive Branch agencies.

The Subcommittee recommended budget for the Collections Division is \$50.2 million total funds and 248 positions (247.56 FTE). The Subcommittee recommended the following packages:

Package 106, Consolidate Collections. This package shifts \$32,615,126 General Fund, \$2,509,373 Other Funds expenditure limitation, and 175 positions (174.56 FTE) from the Personal Tax and Compliance Division and Business Division to the Collections Division in alignment with a 2019

DOR report and prior legislative direction. The 2019 Legislature acknowledged receipt of the Department's report on the feasibility of consolidating all collection functions into a single division, which will help track collection expenditures through the state's budget system. The budgetary impact of this package nets to zero agency-wide.

Package 107, FIDM Ongoing Costs. This package increases General Fund by \$214,500 and Other Funds expenditure limitation by \$71,500 to continue to pay fees to banks for their participation in the state's bank account data matching function. The package is recommended on a one-time basis.

### **Corporate Division**

The Corporate Division was established to administer the Corporate Activity Tax established by House Bill 3427 (2019). The Corporate Activity Tax applies to business receipts earned on or after July 1, 2020. Proceeds from the tax will support investments in education. The Subcommittee recommended a budget of \$15.9 million Other Funds expenditure limitation and 67 positions (57.96 FTE). The Subcommittee recommended the following packages:

Package 087, August 2020 Special Session. This package increases Other Funds expenditure limitation by \$11,536,915 and 28 permanent positions (28.46 FTE) to provide supplemental resources for the administration of the Corporate Activities Tax program.

Package 105, CAT. This package increases Other Funds expenditure limitation by \$4,349,727 and authorizes the establishment of 39 permanent positions (29.50 FTE) for the administration of the Corporate Activity Tax (CAT) program. The work of these positions will include enforcement, audit, and collection activities for the CAT program. These positions will provide the necessary resources for the full implementation of the program.

Package 113, Processing Center Quick Modules. This package increases Other Funds expenditure limitation by \$6,784 for ongoing contracted vendor support costs and data processing costs for Quick Modules, the software DOR uses to image tax returns and correspondence.

### **Information Technology Services Division**

The Information Technology Services Division supports the technology platforms on which DOR operates, processes incoming paper returns and correspondence, and processes and deposits all payments received by the Department. The Division includes Engineering Services, which manages DOR's network, databases, middleware, systems and servers; the Service Desk, which provides end-user support for DOR's employees; the Core Systems group, which supports DOR's core system, Gentax; Application Services, which develops and supports in-house applications DOR uses to administer its tax portfolio; and the Processing Center, which processes all incoming paper returns, payments and correspondence and deposits all payments.

This Division is supported by General Fund and by charges to Other Funds programs for their share of the Department's administrative expenses. The Subcommittee recommended budget for the Information Technology Services Division consists of \$52.4 million total funds and 233 positions (190.37 FTE). The Subcommittee recommended the following packages:

Package 099, Microsoft 365 Consolidation. This package reduces \$633,767 in General Fund and \$111,841 in Other Funds expenditure limitation to recognize the consolidation of Microsoft 365 within the Office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

Package 109, GenTax Operations and Maintenance. This package increases General Fund by \$5,571,002 and Other Funds expenditure limitation by \$484,435 for ongoing contracted maintenance and support of GenTax, DOR's tax administration system. The maintenance and support of the system ensures the system is effectively maintained, used, and kept current over time, as software upgrades are released. There are three levels of maintenance support and this funding provides for level 3 service, which is the most common investment level of other states.

Package 110, Core Systems Operations and Maintenance. This package increases General Fund by \$2,217,434, Other Funds expenditure limitation by \$192,818, and authorizes the establishment of nine permanent positions (7.92 FTE) to build DOR's IT capacity to eventually reduce its dependence on vendors for GenTax, DOR's tax administration system. In a report to the Interim Joint Committee on Ways and Means in January 2020, DOR suggested resources would be needed to reduce reliance on outside vendors after implementing a major system upgrade in 2020 and decommissioning legacy applications. In the report, DOR described four options ranging from a minimal investment, which would not substantially reduce reliance on outside vendors, to the amount requested by this package, which would reduce agency dependence the most.

Package 111, IT Compliance Risk Mitigation. This package increases General Fund by \$243,871, Other Funds expenditure limitation by \$21,206, and establishes one permanent, full-time Information Services Specialist 7 position (0.88 FTE) focused on IT security. SB 90 (2017) centralized IT security positions statewide within Enterprise Information Services. As the model for statewide IT security was refined, it was determined that compliance with federal tax data requirements and IRS Publication 1075 Federal Tax compliance would remain a DOR responsibility. This package will ensure DOR has the resources to keep taxpayer data safe and maintain federal compliance.

Package 112, Processing Center Transit Tax Processing. This package increases Other Funds expenditure limitation by \$1,367,685 and authorizes the establishment of 11 limited duration positions (11.00 FTE). This package provides the staff needed to handle paper returns and correspondence related to the statewide transit tax enacted by the Legislature in 2017. The state has a joint payroll tax form administered by the Employment Department, but due to that agency's modernization efforts and a lack of space on the tax form, DOR was unable to use that form. This package is recommended on a one-time basis.

Package 113, Processing Center Quick Modules. This package increases General Fund by \$394,075 and Other Funds expenditure limitation by \$27,483 for ongoing vendor support and data processing costs for the post-implementation of the Processing Center Modernization Project, which replaces the Department's obsolete scanners with new scanners that are integrated with Gentax, the Department's primary tax processing system, and updates DOR's capability to process paper returns and mailed payments through high-speed scanning equipment and software.

### **Marijuana Program**

The Marijuana Program consists of the staff needed to administer the Marijuana Tax, including communications, policy analysis, and the development of administrative rules and forms. In addition, the Marijuana Program administers approximately 90 local marijuana taxes on behalf of local governments. As many marijuana businesses are unable to use the formal banking system due to federal law, many pay their taxes in cash, which required the Department to build and staff a cash handling facility where all taxpayers seeking to make cash payments must go.

This program is supported by marijuana tax revenues and reimbursements from local governments for the administration of their taxes. The Subcommittee recommended budget for the Marijuana Program is \$4.9 million total funds and 16 positions (16.00 FTE).

### **Non-profit Housing For Elderly Persons**

The Nonprofit Housing for Elderly Persons program reimburses counties for the costs of a property tax exemption for certain nonprofit homes for the elderly. The nonprofit homes receive the exemption regardless of whether or to what extent the counties are reimbursed for this exemption. The Subcommittee recommended a budget of \$3,492,972 General Fund for this program.

### **Senior Deferral Program**

The Department administers the Senior Citizens' Property Tax Deferral program, the Senior Citizens' Special Assessment Deferral Program, and the Disabled Citizens' Property Tax Deferral Program. These programs pay the property taxes and special property assessments for qualified senior and disabled citizens in exchange for a lien against the property in the amount of the deferred taxes. The deferred taxes are repaid when either the participant no longer lives in their home, sells the home, or the participant dies. The Subcommittee recommended a budget of \$35.4 million total funds and eight positions (7.75 FTE).

### **Debt Service**

This program unit includes the total cost of all debt service for the Department. The base budget pays for Core System Replacement and Property Valuation System bonds issued during previous biennia. The Subcommittee recommended a budget of \$6,695,900 General Fund and \$550,120 Other Funds expenditure limitation for this program.



## **Revenue Clearinghouse**

The Revenue Clearinghouse program unit contains the revenues and transfers DOR makes to the state's General Fund and to other state agencies. This program unit contains no expenditure limitation. The Subcommittee recommended the following package:

Package 090, Analyst Adjustments. SB 1566 (2018) directed DOR to transfer excess estate taxes to PERS for the School Districts Unfunded Liability Fund. This revenue-only package increases the revenue transfer to PERS by \$41,251,000 to reflect the excess estate taxes projected in the March 2021 Office of Economic Analysis revenue forecast.

## **Summary of Performance Measure Action**

See attached "Legislatively Approved 2021-2023 Key Performance Measures."

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Revenue  
Patrick Heath - 503-983-8670

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2019-21 Legislatively Approved Budget at Jan. 2021*	\$ 207,397,041	\$ -	\$ 142,195,715	\$ 2,255,001	\$ -	\$ -	351,847,757	1,094	1,014.40
2021-23 Current Service Level (CSL)*	\$ 211,133,745	\$ -	\$ 130,361,113	\$ -	\$ -	\$ -	341,494,858	1,001	957.18
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 005 - Personal Tax and Compliance Division</b>									
Package 103: PTAC Seasonal Staff									
Personal Services	\$ 575,790	\$ -	\$ 11,747	\$ -	\$ -	\$ -	587,537	10	4.68
Package 106: Consolidate Collections									
Personal Services	\$ (25,473,707)	\$ -	\$ (457,584)	\$ -	\$ -	\$ -	(25,931,291)	(147)	(147.00)
Services and Supplies	\$ (3,546,398)	\$ -	\$ (122,061)	\$ -	\$ -	\$ -	(3,668,459)		
Capital Outlay	\$ (207,925)	\$ -	\$ (3,681)	\$ -	\$ -	\$ -	(211,606)		
<b>SCR 006 - Business Division</b>									
Package 089: Post-September 2020 Legislative Actions									
Personal Services	\$ -	\$ -	\$ 292,817	\$ -	\$ -	\$ -	292,817	6	1.67
Services and Supplies	\$ -	\$ -	\$ 341,646	\$ -	\$ -	\$ -	341,646		
Package 104: Business Cigarette Tax, Vape									
Personal Services	\$ -	\$ -	\$ 782,251	\$ -	\$ -	\$ -	782,251	0	4.33
Services and Supplies	\$ -	\$ -	\$ (130,179)	\$ -	\$ -	\$ -	(130,179)		
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		
Capital Outlay	\$ -	\$ -	\$ 43,884	\$ -	\$ -	\$ -	43,884		
Package 106: Consolidate Collections									
Personal Services	\$ (2,887,436)	\$ -	\$ (1,644,989)	\$ -	\$ -	\$ -	(4,532,425)	(28)	(27.56)
Services and Supplies	\$ (499,660)	\$ -	\$ (281,058)	\$ -	\$ -	\$ -	(780,718)		
<b>SCR 007 - Collections Division</b>									
Package 106: Consolidate Collections									
Personal Services	\$ 28,361,143	\$ -	\$ 2,102,573	\$ -	\$ -	\$ -	30,463,716	175	174.56
Services and Supplies	\$ 4,046,058	\$ -	\$ 403,119	\$ -	\$ -	\$ -	4,449,177		
Capital Outlay	\$ 207,925	\$ -	\$ 3,681	\$ -	\$ -	\$ -	211,606		
Package 107: FIDM ongoing costs									
Services and Supplies	\$ 214,500	\$ -	\$ 71,500	\$ -	\$ -	\$ -	286,000		
<b>SCR 008 - Corporate Division</b>									
Package 087: August 2020 Special Session									
Personal Services	\$ -	\$ -	\$ 7,633,294	\$ -	\$ -	\$ -	7,633,294	28	28.46
Services and Supplies	\$ -	\$ -	\$ 3,569,240	\$ -	\$ -	\$ -	3,569,240		
Capital Outlay	\$ -	\$ -	\$ 334,381	\$ -	\$ -	\$ -	334,381		

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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 105: CAT										
Personal Services	\$ -	\$ -	\$ 4,174,967	\$ -	\$ -	\$ -	\$ 4,174,967	39	29.50	
Services and Supplies	\$ -	\$ -	\$ 274,740	\$ -	\$ -	\$ -	\$ 274,740			
Capital Outlay	\$ -	\$ -	\$ (99,980)	\$ -	\$ -	\$ -	\$ (99,980)			
Package 103: Proc Ctr Quick Modules										
Services and Supplies	\$ -	\$ -	\$ 6,784	\$ -	\$ -	\$ -	\$ 6,784			
<b>SCR 009 - Information Technology Services Division</b>										
Package 099: Microsoft 365 Consolidation										
Services and Supplies	\$ (633,767)	\$ -	\$ (111,841)	\$ -	\$ -	\$ -	\$ (745,608)			
Package 109: Gen Tax Ops & Maint										
Services and Supplies	\$ 5,571,002	\$ -	\$ 484,435	\$ -	\$ -	\$ -	\$ 6,055,437			
Package 110: Core Systems Ops & Maint										
Personal Services	\$ 2,002,875	\$ -	\$ 174,160	\$ -	\$ -	\$ -	\$ 2,177,035	9	7.92	
Services and Supplies	\$ 153,999	\$ -	\$ 13,392	\$ -	\$ -	\$ -	\$ 167,391			
Capital Outlay	\$ 60,560	\$ -	\$ 5,266	\$ -	\$ -	\$ -	\$ 65,826			
Package 111: IT Compliance Risk Mitigation										
Personal Services	\$ 220,032	\$ -	\$ 19,132	\$ -	\$ -	\$ -	\$ 239,164	1	0.88	
Services and Supplies	\$ 17,110	\$ -	\$ 1,489	\$ -	\$ -	\$ -	\$ 18,599			
Capital Outlay	\$ 6,729	\$ -	\$ 585	\$ -	\$ -	\$ -	\$ 7,314			
Package 112: Proc Ctr Trans Tax Processing										
Personal Services	\$ -	\$ -	\$ 1,350,668	\$ -	\$ -	\$ -	\$ 1,350,668	11	11.00	
Services and Supplies	\$ -	\$ -	\$ 17,017	\$ -	\$ -	\$ -	\$ 17,017			
Package 113: Proc Ctr Quick Modules										
Services and Supplies	\$ 394,075	\$ -	\$ 27,483	\$ -	\$ -	\$ -	\$ 421,558			
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 8,582,905</b>	<b>\$ -</b>	<b>\$ 19,288,878</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,871,783</b>	<b>104</b>	<b>88.44</b>	
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 219,716,650</b>	<b>\$ -</b>	<b>\$ 149,649,991</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 369,366,641</b>	<b>1,105</b>	<b>1,045.62</b>	
% Change from 2019-21 Leg Approved Budget	5.9%	0.0%	5.2%	-100.0%	0.0%	0.0%	5.0%	1.0%	3.1%	
% Change from 2021-23 Current Service Level	4.1%	0.0%	14.8%	0.0%	0.0%	0.0%	8.2%	10.4%	9.2%	

\*Excludes Capital Construction Expenditures

# Legislatively Approved 2021 - 2023 Key Performance Measures

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**Agency:** Revenue, Department of

**Mission Statement:**

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

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. Average Days to Process Personal Income Tax Refund.		Approved	17	16	16
2. Percent of Personal Income Tax Returns Filed Electronically		Approved	91.30%	91%	91%
3. Employee Training Per Year (percent receiving 20 hours per year).		Approved	26%	65%	65%
4. Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good"; or "excellent" based on overall experience, timeliness, accuracy, helpfulness, expertise, and availability of information.	a) Overall	Approved	91%	90%	90%
	b) Availability of Information		90%	90%	90%
	c) Helpfulness		94%	90%	90%
	d) Timeliness		91%	90%	90%
	e) Accuracy		94%	90%	90%
	f) Expertise		94%	90%	90%
5. Effective Taxpayer Assistance - Provide effective taxpayer assistance through a combination of direct assistance and electronic self-help services.		Approved	85	85	85
6. Appraisal Program Equity and Uniformity - We will measure the degree to which county appraisal program equity and uniformity is achieved by determining the percentage of study areas statewide with real market values that are within accepted appraisal standards.		Approved	97%	98%	98%
7. Appraisal Value Uniformity - We will demonstrate our ability to deliver high quality business results by measuring appraisal equity and uniformity for DOR industrial accounts.		Approved	12%	15%	15%
8. Direct Enforcement Dollars Cost of Funds - We will demonstrate our efficiency and effectiveness at funding services that preserve and enhance the quality of life for all citizens by measuring the cost of funds (COF) for every direct enforcement dollar received by our agency.		Approved	\$0.21	\$0.20	\$0.20
9. Collection Dollars Cost of Funds - We will demonstrate our efficiency and effectiveness at funding services that preserve and enhance the quality of life for all citizens by measuring the cost of funds (COF) for every dollar collected by our agency.		Approved	\$0.10	\$0.10	\$0.10
10. Cost of Assessments - We will demonstrate our efficiency and effectiveness of our suspense, audit and filing enforcement functions by measuring the cost of every audit and filing enforcement dollar assessed.		Approved	\$0.06	\$0.12	\$0.12
11. Employee Engagement - Percentage of employees considered actively engaged by a standardized survey.		Approved	55	55	55

**LFO Recommendation:**

The Legislative Fiscal Office recommends approval of the proposed Key Performance Measures and updated targets. Measure #11 was modified because DOR began using a new survey in 2020 that no longer included an

index.

**SubCommittee Action:**

The General Government Subcommittee approved the Legislative Fiscal Office recommendations.