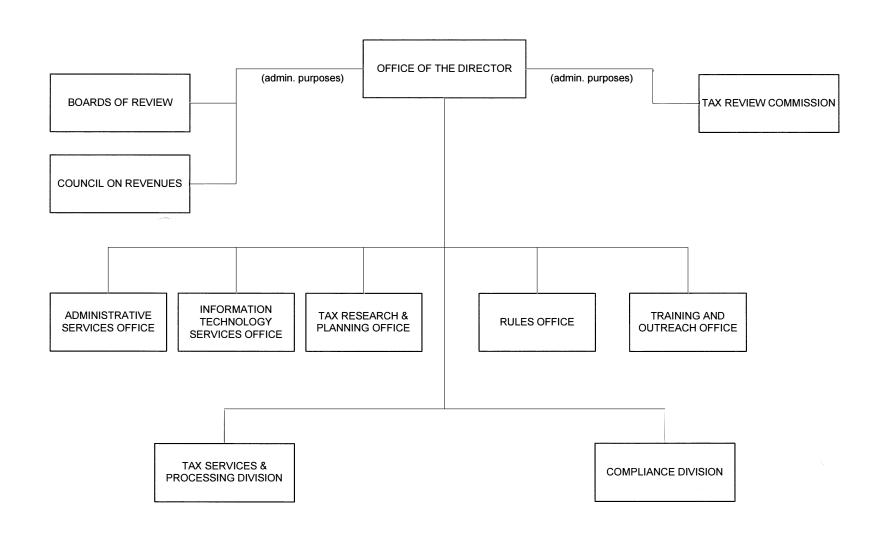


## **Department of Taxation**

## STATE OF HAWAII DEPARTMENT OF TAXATION ORGANIZATION CHART



# DEPARTMENT OF TAXATION Department Summary

#### Mission Statement

To administer the tax laws of the State of Hawaii in a consistent, uniform and fair manner.

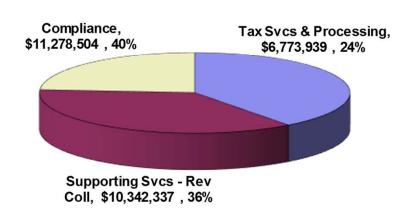
#### Department Goals

To provide complete customer service; to increase collection capabilities through efficient allocation of resources; to simplify taxpayer filings, provide a more user-friendly interface with the public, and expedite delinquent referrals; to automate tax filings, billings and collections; to expand capacity for research and revenue analysis; and to permit more flexibility in accommodating tax law changes and initiatives to improve tax administration.

# FY 2019 Supplemental Operating Budget Adjustments by Major Program

# Compliance \$130,398 \$26,478 \$(2,965)

# FY 2019 Supplemental Operating Budget



## DEPARTMENT OF TAXATION MAJOR FUNCTIONS

- Administers and enforces the tax laws of Hawaii and the collection of taxes and other payments.
- Coordinates a centralized system for receiving and processing of all tax returns, payments and documents.
- Provides complete customer service, assistance and information on all taxes administered by the department to customers who walk in, call-in, correspond or e-mail.
- Administers a comprehensive and uniform compliance program based on self-assessment and voluntary compliance.

- Conducts audits and investigations of all types of tax returns.
- Conducts and enforces collection of delinquent taxes by appropriate collection procedures.
- Plans, organizes and coordinates a tax research and tax planning program.
- Provides administrative and research support to the Council on Revenues which prepares revenue estimates for the State on a quarterly basis.

#### **MAJOR PROGRAM AREAS**

The Department of Taxation has a program in the following major program area:

#### **Government-Wide Support**

TAX 100	Compliance
TAX 105	Tax Services and Processing
TAX 107	Supporting Services – Revenue Collection

## Department of Taxation Operating Budget

			Act 49/2017 FY 2018	Act 49/2017 FY 2019	FY 2018 Adjustments	FY 2019 Adjustments	Total FY 2018	Total FY 2019
Funding Sources:	Positions	Perm	386.00	386.00	-	17.00	386.00	403.00
		Temp	137.00	137.00	· <b>-</b>	(13.00)	137.00	124.00
General Funds		\$	27,293,200	27,168,200	-	110,826	27,293,200	27,279,026
		Perm	-	_	-	-	-	-
		Temp	7.00	7.00	-	1.00	7.00	8.00
Special Funds		\$	1,072,669	1,072,669		43,085	1,072,669	1,115,754
		Perm	386.00	386.00	-	17.00	386.00	403.00
		Temp	144.00	144.00	-	(12.00)	144.00	132.00
<b>Total Requirements</b>		\$_	28,365,869	28,240,869	-	153,911	28,365,869	28,394,780

**Highlights:** (general funds and FY 19 unless otherwise noted)

- 1. Adds 3.00 positions and \$102,762 for various programs and reduces \$102,762 in other current expenses from Supporting Services Revenue Collection as a trade-off for the salary costs.
- 2. Increases funding by \$84,348 to fully fund 4.00 positions approved in FY 17 for Compliance.
- 3. Converts 13.00 positions from temporary to permanent for Tax Services and Processing.

## Department of Taxation Capital Improvements Budget

	Act 49/2017 FY 2018	Act 49/2017 FY 2019	FY 2018 Adjustments	FY 2019 Adjustments	Total FY 2018	Total FY 2019
Funding Sources:  General Funds	-	_	_	-	<u>-</u>	-
General Obligation Bonds	500,000		<u>-</u>	16,546,000	500,000	16,546,000
Total Requirements	500,000	_	_	16,546,000	500,000	16,546,000

**Highlights:** (general obligation bonds and FY 19 unless otherwise noted)

<sup>1.</sup> Increases funding for Tax System Modernization (TSM), Statewide, by \$16,546,000.



## **Operating Budget Details**

PROGRAM ID: PROGRAM STRUCTURE NO: PROGRAM TITLE:

TAX-11

(IN DOLLARS)

**GOVERNMENT-WIDE SUPPORT** 

		FY 2018 ·			FY 2019 —		BIENN	IIUM TOTALS	
	CURRENT		RECOMMEND	CURRENT		RECOMMEND	CURRENT		PERCENT
PROGRAM COSTS	APPRN	ADJUSTMENT	APPRN	APPRN	ADJUSTMENT	APPRN	BIENNIUM		CHANGE
FROGRAMICOSTS	AFFINI	ADJUGTIVILITI	AFFINI	AFFINI	ADJUSTIVILIVI	ALLIN	DILINION	DILITITION	OTIANOL
ODEDATINO	386.00*		200 00*	200.00*	47.00*	400.00*			
OPERATING			386.00*	386.00*	17.00*	403.00*			
	144.00**	**	* 144.00**	144.00**	-12.00**	132.00**	**	**	•
PERSONAL SERVICES	22,650,584		22,650,584	22,650,584	256,673	22,907,257	45,301,168	45,557,841	
OTH CURRENT EXPENSES	5,715,285		5,715,285	5,590,285	-102,762	5,487,523	11,305,570	11,202,808	
	-,,		-,,	-,,		-,,			
TOTAL OPERATING COST	28,365,869		28,365,869	28,240,869	153,911	28,394,780	56,606,738	56,760,649	0.27
TOTAL OF LIVATING COST	20,303,003		28,303,809	20,240,009		20,334,700	30,000,730	30,700,043	0.21
			1	1					
BY MEANS OF FINANCING									
	386.00*	*	386.00*	386.00*	17.00*	403.00*	*	*	
	137.00**	**		137.00**	-13.00**	124.00**	**	**	*
OFNEDAL FUND							E4 404 400		
GENERAL FUND	27,293,200		27,293,200	27,168,200	110,826	27,279,026	54,461,400	54,572,226	
	*	. *	*	*	*	*	*	*	
	7.00**	**	* 7.00**	7.00**	1.00**	8.00**	**	**	*
SPECIAL FUND	1,072,669		1,072,669	1,072,669	43,085	1,115,754	2,145,338	2,188,423	
	, ,				•				
CAPITAL INVESTMENT									
DESIGN	20,000		20,000				20,000	20,000	
CONSTRUCTION	360,000		360,000		16,546,000	16,546,000	360,000	16,906,000	
EQUIPMENT	120,000		120,000				120,000	120,000	
TOTAL CAPITAL COST	500,000		500,000		16,546,000	16,546,000	500,000	17,046,000	3 309 20
101712 0711 11712 0001			555,555			10,010,000		17,010,000	0,000:20
BY MEANS OF FINANCING				-					
G.O. BONDS	500,000		500,000		16,546,000	16,546,000	500,000	17,046,000	
	,		,		, ,	,,	,	, ,	
TOTAL PERM POSITIONS	386.00*	*	386.00*	386.00*	17.00*	403.00*	*	*	
TOTAL TEMP POSITIONS	144.00**	*	* 144.00**	144.00**	-12.00**	132.00**	**	*	*
TOTAL PROGRAM COST	28,865,869		28,865,869	28,240,869	16,699,911	44,940,780	57,106,738	73,806,649	29.24
10.7/12/1/100/10/10/1000/	20,000,000		20,000,000	20,240,000	10,000,011	11,515,700	37,133,700	, 5,555,646	

PROGRAM ID: PROGRAM STRUCTURE NO: 1102

TAX-

(IN DOLLARS)

FISCAL MANAGEMENT PROGRAM TITLE:

CURRENT	FY 2018 -							
APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	——— FY 2019 – ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	IIUM TOTALS RECOMMEND BIENNIUM	PERCENT CHANGE
386.00* 144.00**	*	386.00* 144.00**	386.00* 144.00**	17.00* -12.00**	403.00* 132.00**	*	*	*
22,650,584 5,715,285		22,650,584 5,715,285	22,650,584 5,590,285	256,673 -102,762	22,907,257 5,487,523	45,301,168 11,305,570	45,557,841 11,202,808	
28,365,869		28,365,869	28,240,869	153,911	28,394,780	56,606,738	56,760,649	0.27
					İ			
386.00* 137.00** 27,293,200	* **		137.00** 27,168,200	17.00* -13.00** 110,826		* ** 54,461,400	54,572,226	<b>*</b> **
7.00** 1,072,669	*	7.00** 1,072,669	7.00** 1,072,669	1.00** 43,085	* 8.00** 1,115,754	* ** 2,145,338	2,188,423	*
20,000		20,000				20,000	20,000	
360,000 120,000		360,000 120,000		16,546,000	16,546,000	360,000 120,000	16,906,000 120,000	
500,000		500,000		16,546,000	16,546,000	500,000	17,046,000	3,309.20
500,000		500,000		16,546,000	16,546,000	500,000	17,046,000	
386.00* 144.00** 28.865.869	*	144.00	386.00* 144.00** 28.240.869	17.00* -12.00**		* ** 57 106 738		29.24
	386.00* 144.00** 22,650,584 5,715,285 28,365,869 386.00* 137.00** 27,293,200 * 7.00** 1,072,669 20,000 360,000 120,000 500,000	386.00* 144.00**  22,650,584 5,715,285  28,365,869   386.00* 137.00** 27,293,200  * 7.00** 1,072,669  20,000 360,000 120,000 500,000  500,000  386.00* 144.00**  ***	386.00*	386.00*       *       386.00*       386.00*         144.00**       **       144.00**       144.00**         22,650,584       22,650,584       22,650,584       5,715,285       5,590,285         28,365,869       28,365,869       28,240,869         386.00*       *       386.00*       137.00**         27,293,200       27,293,200       27,168,200         *       *       *       7.00**         1,072,669       1,072,669       1,072,669         20,000       360,000       120,000         500,000       500,000         500,000       500,000         386.00*       *       386.00*         144.00**       *       386.00*       144.00**	386.00*       * 386.00*       17.00*         144.00**       ** 144.00**       144.00**       -12.00**         22,650,584       22,650,584       22,650,584       256,673         5,715,285       5,715,285       5,590,285       -102,762         28,365,869       28,365,869       28,240,869       153,911         386.00*       * 386.00*       137.00**       -13.00**         27,293,200       27,293,200       27,168,200       110,826         *       * 7.00**       7.00**       1.00**         1,072,669       1,072,669       1,072,669       43,085         20,000       360,000       16,546,000         500,000       500,000       16,546,000         500,000       500,000       16,546,000	386.00* * 386.00* 17.00* 403.00* 132.00** 22,650,584 22,650,584 22,650,584 22,650,584 22,650,584 22,650,584 256,673 22,907,257 5,715,285 5,715,285 5,715,285 5,590,285 -102,762 5,487,523 28,365,869 28,365,869 28,240,869 153,911 28,394,780 386.00* * 386.00* 137.00** 137.00** 137.00** 137.00** 137.00** 124.00** 27,293,200 27,168,200 110,826 27,279,026 * 7.00** 1,072,669 1,072,669 1,072,669 43,085 1,115,754 20,000 500,000 500,000 16,546,000 16,546,000 16,546,000 500,000 500,000 500,000 16,546,0	386.00*	386.00*

PROGRAM ID: PROGRAM STRUCTURE NO: PROGRAM TITLE: TAX-110201

REVENUE COLLECTION

(IN DOLLARS)

PROGRAM IIILE: REVEN	NUE COLLECTION	FY 2018 -			FY 2019 -		DIENN	IIUM TOTALS	
	CURRENT	FY 2018 -	RECOMMEND	CURRENT	FY 2019 -	RECOMMEND	CURRENT		PERCENT
PROGRAM COSTS	APPRN	ADJUSTMENT	APPRN	APPRN	ADJUSTMENT	APPRN	BIENNIUM		CHANGE
OPERATING	386.00*	*	386.00*	386.00*	17.00*	403.00*	*	*	
	144.00**	**	144.00**	144.00**	-12.00**	132.00**	**	**	
PERSONAL SERVICES	22,650,584		22,650,584	22,650,584	256,673	22,907,257	45,301,168	45,557,841	
OTH CURRENT EXPENSES	5,715,285		5,715,285	5,590,285	-102,762	5,487,523	11,305,570	11,202,808	
TOTAL OPERATING COST	28,365,869		28,365,869	28,240,869	153,911	28,394,780	56,606,738	56,760,649	0.27
BY MEANS OF FINANCING			1			I			
	386.00*	*	386.00*	386.00*	17.00*	403.00*	*	*	
	137.00**	**	137.00**	137.00**	-13.00**	124.00**	**	**	
GENERAL FUND	27,293,200		27,293,200	27,168,200	110,826	27,279,026	54,461,400	54,572,226	
	*	*	*	*	*	*	*	*	
	7.00**	**	7.00**	7.00**	1.00**	8.00**	**	**	
SPECIAL FUND	1,072,669		1,072,669	1,072,669	43,085	1,115,754	2,145,338	2,188,423	
CAPITAL INVESTMENT									
DESIGN	20,000		20,000				20,000	20,000	
CONSTRUCTION	360,000		360,000		16,546,000	16,546,000	360,000	16,906,000	
EQUIPMENT	120,000		120,000				120,000	120,000	
TOTAL CAPITAL COST	500,000		500,000		16,546,000	16,546,000	500,000	17,046,000	3,309.20
BY MEANS OF FINANCING									
G.O. BONDS	500,000		500,000		16,546,000	16,546,000	500,000	17,046,000	
			·				·		
TOTAL PERM POSITIONS	386.00*	*	386.00*	386.00*	17.00*	403.00*	*	*	
TOTAL TEMP POSITIONS	144.00**	**		144.00**	-12.00**	132.00**	**	**	
TOTAL PROGRAM COST	28,865,869		28,865,869	28,240,869	16,699,911	44,940,780	57,106,738	73,806,649	29.24
			,,	,_ :-,2	, , 3	,= .=,. ••	,,	,,• ••	

PROGRAM ID: PROGRAM STRUCTURE NO: PROGRAM TITLE: TAX-100 11020101 COMPLIANCE

(IN DOLLARS)

PROGRAM COSTS			FY 2018 -			FY 2019 -		RIFNI	NIUM TOTALS —	
OPERATING 194.00*	DROCDAM COSTS							CURRENT	RECOMMEND F	
PERSONAL SERVICES   10,189,872   10,189,872   10,189,872   10,189,872   10,189,872   10,189,872   10,189,872   10,189,872   958,234   10,320,270   20,379,744   20,510,142	PROGRAMI COSTS	APPRIN	ADJUSTIVIENT	APPRIN	APPRIN	ADJUSTMENT	APPRN	BIENNIUM	BIENNIUM	CHANGE
PERSONAL SERVICES 10,189,872 10,1	OPERATING	194.00*	*	194.00*	194.00*	1.00*	195.00*	*	*	
PERSONAL SERVICES 10,189,872 958,234 10,189,872 958,234 10,189,872 958,234 10,189,872 958,234 10,189,872 958,234 10,189,872 958,234 10,189,872 958,234 10,189,872 958,234 10,1916,468 10,1		5 00**	**	5 00**	5 00**			**	*	*
OTH CURRENT EXPENSES 958,234 958,234 958,234 958,234 1,916,468 1,916,468  TOTAL OPERATING COST 11,148,106 11,148,106 130,398 11,278,504 22,296,212 22,426,610 0.58  BY MEANS OF FINANCING  194.00* * 194.00* 1.00* 195.00* * * *  5.00** ** 5.00** ** 5.00** ** 5.00**  GENERAL FUND 11,148,106 11,148,106 130,398 11,278,504 22,296,212 22,426,610  TOTAL PERM POSITIONS 194.00* * 194.00* 1.00* 195.00* * * * *  TOTAL TEMP POSITIONS 5.00** ** 5.00** ** 5.00** ** 5.00** ** 5.00** ** ** 5.00** ** ** **	PERSONAL SERVICES					130 398		20 379 744	20 510 142	
TOTAL OPERATING COST 11,148,106 11,148,106 130,398 11,278,504 22,296,212 22,426,610 0.58  BY MEANS OF FINANCING  194.00* 5.00** 4** 194.00* 11,148,106 130,398 11,278,504  GENERAL FUND 11,148,106 11,148,106 11,148,106 130,398 11,278,504  TOTAL PERM POSITIONS 194.00* 5.00** 4** 194.00* 194.00* 11,148,106 130,398 11,278,504  195.00*  ***  ***  ***  ***  ***  ***  ***		, ,		, ,	, ,	100,000	' '	, ,		
BY MEANS OF FINANCING  194.00* 5.00** ** 194.00* 11,148,106  11,14	OTT CORREINT EXPENSES	930,234		936,234	930,234		956,254	1,910,400	1,910,400	
194.00*	. TOTAL OPERATING COST	11,148,106		11,148,106	11,148,106	130,398	11,278,504	22,296,212	22,426,610	0.58
194.00*										
GENERAL FUND         5.00**         **         5.00**         5.00**         **         5.00**         <	BY MEANS OF FINANCING									
GENERAL FUND         5.00**         **         5.00**         5.00**         **         5.00**         <		194 00*	*	194 00*	194 00*	1 00*	195 00*	*	*	
GENERAL FUND 11,148,106 11,148,106 130,398 11,278,504 22,296,212 22,426,610  TOTAL PERM POSITIONS 194.00* * 194.00* 194.00* 195.00* * * *  TOTAL TEMP POSITIONS 5.00** ** 5.00** ** 5.00** ** 5.00** ** **			**					**	*	*
TOTAL PERM POSITIONS 194.00*	CENEDAL ELIND					120 200		22 206 242	22 426 640	
TOTAL TEMP POSITIONS 5.00** ** 5.00** ** 5.00** ** 5.00**	GENERAL FUND	11,140,100		11,140,100	11,146,106	130,398	11,278,504	22,290,212	22,420,610	
TOTAL TEMP POSITIONS 5.00** ** 5.00** 5.00** ** 5.00**	TOTAL PERM POSITIONS	194.00*	*	194.00*	194.00*	1.00*	195.00*	*	*	
	TOTAL TEMP POSITIONS	5 00**	**	5 00**	5 00**			**	*	*
11,170,100 $11,170,100$ $11,270,000$ $11,270,000$ $12,200,212$ $22,220,212$ $22,720,010$ $0.00$						130 398		22 296 212	22 426 610	0.58
	1017 E 1 110010 WI 0001	. 1, 140, 100		11,140,100	11,140,100	130,330	11,210,304	22,230,212	22,720,010	0.50

## Narrative for Supplemental Budget Requests FY 2019

Program ID: TAX 100

Program Structure Level: 11 02 01 01 Program Title: COMPLIANCE

#### A. Program Objective

To promote and maintain a tax system based on self-assessment and voluntary compliance by taxpayers through the consistent and fair application of all State tax laws administered by the department. To reduce the amount of outstanding taxes owed to the State.

#### **B.** Description of Request

- Request 1.00 permanent Branch Chief position and \$46,050 to oversee a proposed new branch to be established (Revenue Protection Programs Branch).
- 2. Requests for \$84,348 for full-year funding for three Tax Return Examiner IV positions and one Tax Return Examiner III.

#### C. Reasons for Request

- The Branch Chief will oversee all areas that result in incremental tax revenue, including the Criminal Investigation Section, the Special Enforcement Section, the Tax Fraud Unit, and the Discovery Leads Section. The position will help to ensure these areas are communicating and coordinated in their efforts. All of these areas currently operate independently with no uniform oversight or management which results in mixed results.
- These four Tax Return Examiner positions were originally authorized in FY 17 by Act 124, SLH 2016, for 6-months' funding; however, they did not receive full-year funding in FY 18. The funds will help align budgeted salaries to the cost of keeping the positions filled all year round.

#### D. Significant Changes to Measures of Effectiveness and Program Size

None.

PROGRAM ID: PROGRAM STRUCTURE NO: TAX-105 11020103

(IN DOLLARS)

PROGRAM TITLE:

TAX SERVICES AND PROCESSING

* **	RECOMMEND APPRN  118.00* 120.00** 6,365,661 381,800  6,747,461	CURRENT APPRN / 118.00* 120.00** 6,365,661 381,800 6,747,461	FY 2019 FADJUSTMENT  14.00* -13.00** 26,478	132.00* 107.00** 6,392,139 381,800 6,773,939	* ** 12,731,322 763,600 13,494,922		ERCENT CHANGE
	120.00** 6,365,661 381,800	120.00** 6,365,661 381,800	-13.00** 26,478	107.00** 6,392,139 381,800	12,731,322 763,600	12,757,800 763,600	
	6,365,661 381,800	6,365,661 381,800	26,478	6,392,139 381,800	763,600	763,600	
-	6,747,461	6,747,461	26,478	6,773,939	13.494.922	13.521.400	
						. =,3= 1,100	0.20
				1			
*	118.00* 120.00** 6,747,461	118.00* 120.00** 6,747,461	14.00* -13.00** 26,478	132.00* 107.00** 6,773,939	* ** 13,494,922	* ** 13,521,400	
*	118.00* 120.00**	118.00* 120.00**	14.00* -13.00**	132.00* 107.00**	*	*	0.20
	*	* 118.00* ** 120.00**	* 118.00* 118.00* ** 120.00** 120.00**	* 118.00* 118.00* 14.00* ** 120.00** 120.00** -13.00**	* 118.00* 118.00* 14.00* 132.00* ** 120.00** 120.00** -13.00**	* 118.00* 118.00* 14.00* 132.00* *	* 118.00* 118.00* 14.00* 132.00* * * * ** 120.00** 120.00** -13.00** 107.00** ** **

## Narrative for Supplemental Budget Requests FY 2019

Program ID: TAX 105

Program Structure Level: 11 02 01 03

Program Title: TAX SERVICES AND PROCESSING

#### A. Program Objective

To process all tax documents received in the most efficient and expeditious manner possible; maintain accurate accounting records for all tax programs; and promote voluntary taxpayer compliance through timely delivery of information, forms, and responses to questions and inquiries.

#### **B.** Description of Request

- Request 1.00 permanent Management Analyst IV and \$26,478 in general funds to analyze and develop procedures for electronic filing options, including modernized electronic filing (MeF), and test paper scanning due to forms revisions.
- Request to transfer 7.00 temporary positions and \$222,180 in general funds from Tax 105BA to TAX 105BC to reflect current position utilization.
- Requests to convert 13.00 long-standing temporary positions to permanent positions.

#### C. Reasons for Request

- With the implementation of the new tax system, electronic filing has increased exponentially; however, the department is not well positioned to serve our taxpayers for MeF. Currently, one individual is handling eServices for Taxpayer Services part-time while handling other regular duties. The additional Management Analyst IV position will provide a dedicated worker to handling eServices.
- Transferring the positions and funds will help better align the program's budget details with how it is operating.
- These positions have been in their current forms for 10 years or longer. Converting the positions will help the department recruit and retain employees.

#### D. Significant Changes to Measures of Effectiveness and Program Size

None.

PROGRAM ID: PROGRAM STRUCTURE NO: 11020104

TAX-107

(IN DOLLARS)

PROGRAM TITLE:

SUPPORTING SERVICES - REVENUE COLLECTION

		FY 2018 ·			FY 2019 -		BIENN	NUM TOTALS	
	CURRENT	1 1 2010	RECOMMEND	CURRENT	1 1 2010	RECOMMEND	CURRENT		PERCENT
PROGRAM COSTS	APPRN	ADJUSTMENT	APPRN	APPRN	ADJUSTMENT	APPRN	BIENNIUM		CHANGE
110010 1111 00010	731133	7 IDUGG TIVILLIYT	741144	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	/ IDUCOTIVIETY	74114			
OPERATING	74.00*	*	74.00*	74.00*	2.00*	76.00*	*	*	
OI EIVIIIIO	19.00**	**		19.00**	1.00**	1	**	**	*
PERSONAL SERVICES							10 100 100	12,289,899	
	6,095,051		6,095,051	6,095,051	99,797	6,194,848	12,190,102		
OTH CURRENT EXPENSES	4,375,251		4,375,251	4,250,251	-102,762	4,147,489	8,625,502	8,522,740	
TOTAL OPERATING COST	10,470,302		10,470,302	10,345,302	-2,965	10,342,337	20,815,604	20,812,639	-0.01
TO THE OT ENVIRONMENT	10,170,002		10,170,002	10,010,002					
				_					
BY MEANS OF FINANCING									
	74.00*	*	74.00*	74.00*	2.00*	76,00*	*	*	
	12.00**	*	12.00**	12.00**	**	12.00**	**	*	*
GENERAL FUND	9,397,633		9,397,633	9,272,633	-46,050	9,226,583	18,670,266	18,624,216	
CENERAL FORD	*	*	*	*	*	*	*	**	
•	7.00**	*:	7.00**	7.00**	1.00**	8.00**	**	*	*
SPECIAL FUND	1,072,669		1,072,669	1,072,669	43,085	1,115,754	2,145,338	2,188,423	
SI ECIAL I CIND	1,072,009		1,072,009	1,072,009	43,003	1,110,704	2, 140,000	2,100,423	
CAPITAL INVESTMENT						•			
DESIGN	20,000		20,000				20,000	20,000	
CONSTRUCTION	360,000		360,000		16,546,000	16,546,000	360,000	16,906,000	
EQUIPMENT	120,000		120,000				120,000	120,000	
	,							<u> </u>	
TOTAL CAPITAL COST	500,000		500,000		16,546,000	16,546,000	500,000	17,046,000	3,309.20
			<del></del>						
BY MEANS OF FINANCING				4					
BY MEANS OF FINANCING				1			<b>500.000</b>	17.010.000	
G.O. BONDS	500,000		500,000		16,546,000	16,546,000	500,000	17,046,000	
TOTAL PERM POSITIONS	74.00*	*	74.00*	74.00*	2.00*	76.00*	*	*	
TOTAL TEMP POSITIONS	19.00**	*	19.00**	19.00**	1.00**	20.00**	. **	*	
TOTAL PROGRAM COST	10,970,302		10,970,302	10,345,302	16,543,035	26,888,337	21,315,604	37,858,639	77.61

## Narrative for Supplemental Budget Requests FY 2019

Program ID: TAX 107

Program Structure Level: 11 02 01 04

Program Title: SUPPORTING SERVICES - REVENUE COLLECTION

#### A. Program Objective

To enhance the department's effectiveness and efficiency in implementing tax programs for formulating policies, allocating resources and providing direction to operations; and to improve the State's policy and decision-making process by providing timely and accurate tax data and interpretive information.

#### **B.** Description of Request

- Request 1.00 temporary Investigator and \$43,085 in special funds for the Special Enforcement Section (SES).
- Request 1.00 permanent Information Technology (IT) Specialist Band C and \$32,238 in general funds to assist with electronic filing.
- Request 1.00 permanent Tax Information Specialist and \$24,474 in general funds to assist the Taxpayer Advocate, the Tax Priority Specialist, and the Administrative Appeals Officer.
- Requests to reduce \$102,762 in general funds as trade-offs to cover the salaries for the requested Branch Chief, IT Specialist Band C, and Tax Information Specialist.

#### C. Reasons for Request

- The Special Enforcement Section (SES) focuses on civil tax cases including Act 204 compliance relating to the General Excise Tax and the Transient Accommodations Tax. Adding another Investigator will boost SES's ability to investigate potential compliance violations and increase enforcement revenues.
- 2. With the implementation of the new tax system, electronic filing has increased exponentially; however, the department is not well positioned to serve our taxpayers for modernized electronic filing. Currently, one individual is handling the IT side of eServices on a part-time basis while handling other regular duties. The additional IT Specialist Band C position will address the need for a dedicated IT side eServices specialist.
- In the past two years, the department has introduced three additional services to taxpayers which have been very well received: Taxpayer

Advocate, Tax Practitioner Priority Specialist and Administrative Appeals Officer. Each of these services is operated by a single position and demand continues to grow. An additional position will help to address the growing demand for these services.

- 4. The department has determined that the funds identified for trade-off in other current expenses would be better utilized to fund the salaries of the three requested positions.
- D. Significant Changes to Measures of Effectiveness and Program Size

None.



## **Capital Budget Details**

#### REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT

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PROGRAM ID

TAX-107

PROGRAM STRUCTURE NO. 11020104

PROGRAM TITLE

SUPPORTING SERVICES - REVENUE COLLECTION

			FY 2018	!	FY 2019				
PROJECT Number	PRIORITY NUMBER	LOCATION	PROJECT TITLE	COST ELEMENT/MOF	CURRENT APPRN ADJUSTMENT	RECOM APPRN	CURRENT Apprn	ADJUSTMENT	RECOM APPRN
3	1		TAX SYSTEM	MODERNIZATION (TSM),	STATEWIDE	.			
				DESIGN		į			
				CONSTRUCTION		i		16,546	16,54
				TOTAL		1		16,546	16,546
				G.O. BONDS		1		16,546	16,546
6	2			TURE AND EQUIPMENT FO					
				DESIGN	20	20			
				CONSTRUCTION EQUIPMENT	360 120	360 120			
				TOTAL	500	500			
				G.O. BONDS	500	500 ¦			
			PROGRAM TO	OTALS					
				DESIGN	20	20			
				CONSTRUCTION	360	360		16,546	16,546
				EQUIPMENT	120	120			
				TOTAL	500	500 ¦		16,546	16,546
				G.O. BONDS	 500	500 ¦		16,546	16,546