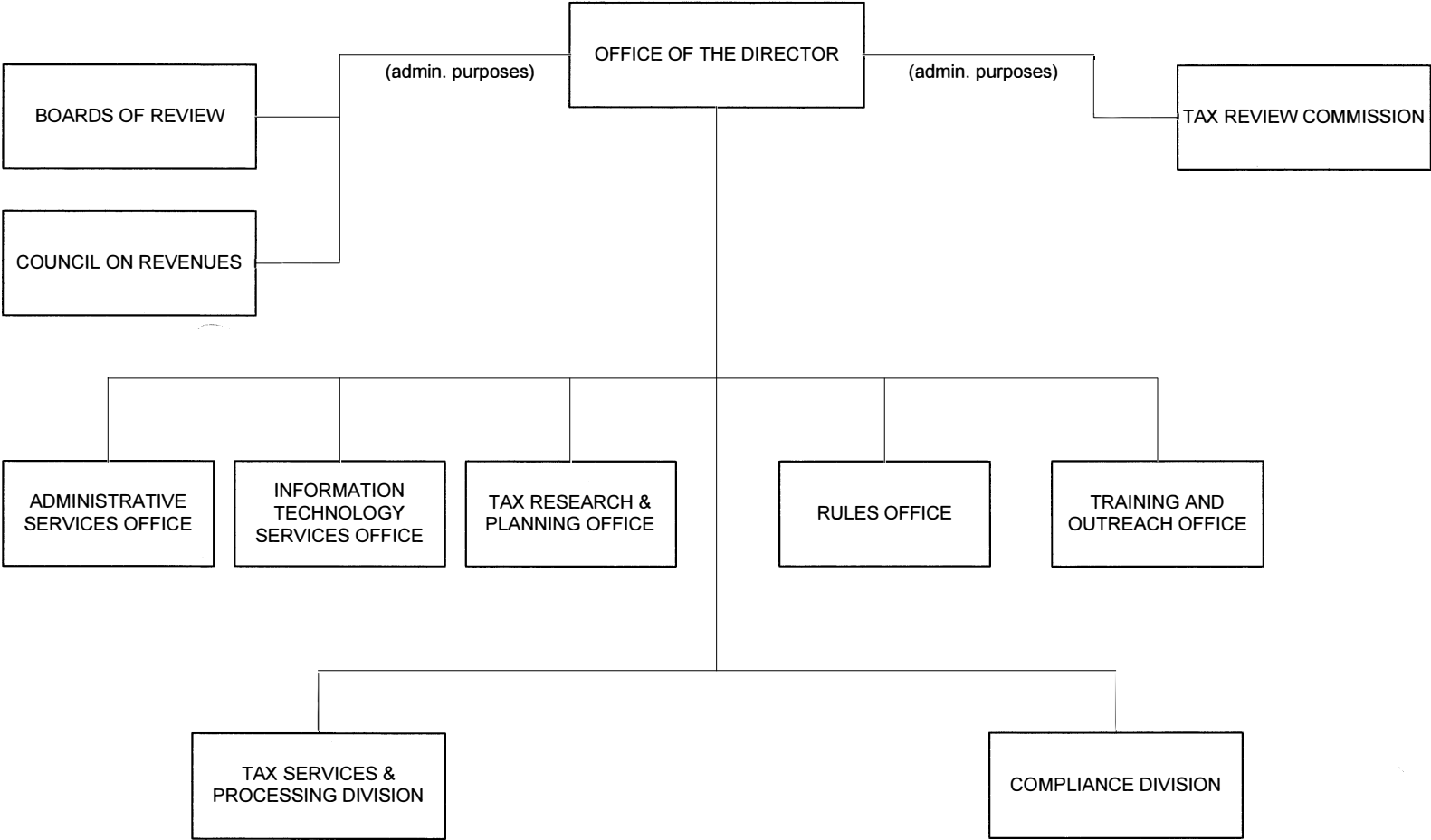


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## **Department of Taxation**

STATE OF HAWAII  
DEPARTMENT OF TAXATION  
ORGANIZATION CHART



# DEPARTMENT OF TAXATION

## Department Summary

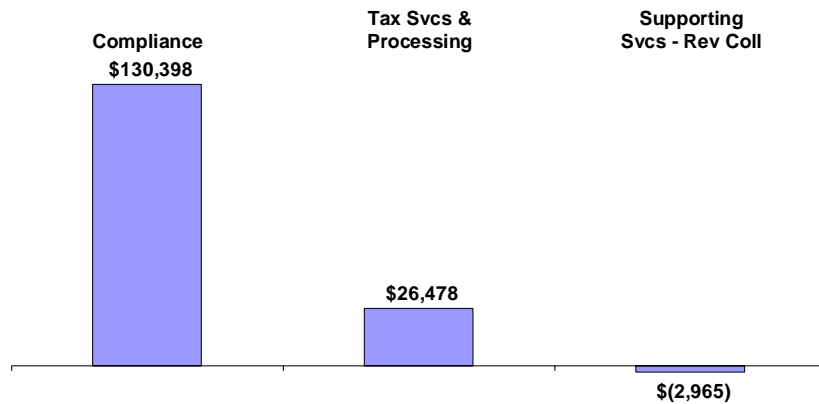
***Mission Statement***

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

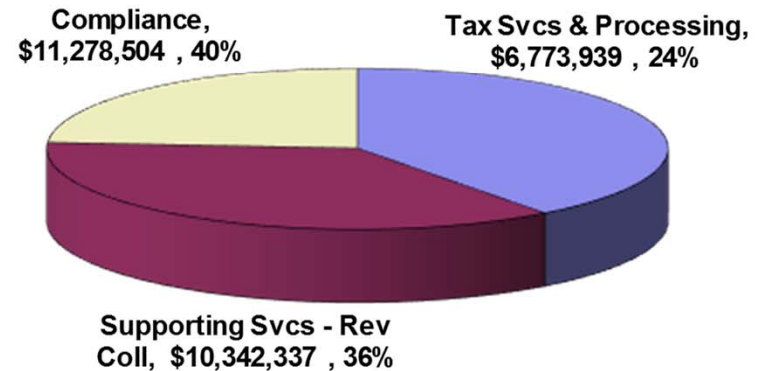
***Department Goals***

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



### 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**

			<b>Act 49/2017 FY 2018</b>	<b>Act 49/2017 FY 2019</b>	<b>FY 2018 Adjustments</b>	<b>FY 2019 Adjustments</b>	<b>Total FY 2018</b>	<b>Total FY 2019</b>
<b>Funding Sources:</b>	Positions	Perm	386.00	386.00	-	17.00	386.00	403.00
		Temp	137.00	137.00	-	(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**

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

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

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



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## **Operating Budget Details**

**EXECUTIVE SUPPLEMENTAL BUDGET  
(IN DOLLARS)**

REPORT: S61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

TAX-  
11  
GOVERNMENT-WIDE SUPPORT

PROGRAM COSTS	FY 2018			FY 2019			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT 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	
<b>TOTAL OPERATING COST</b>	<b>28,365,869</b>		<b>28,365,869</b>	<b>28,240,869</b>	<b>153,911</b>	<b>28,394,780</b>	<b>56,606,738</b>	<b>56,760,649</b>	<b>0.27</b>
<b>BY MEANS OF FINANCING</b>									
	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	
	*	*	*	*	*	*	*	*	
SPECIAL FUND	7.00**	**	7.00**	7.00**	1.00**	8.00**	**	**	
	1,072,669		1,072,669	1,072,669	43,085	1,115,754	2,145,338	2,188,423	
<b>CAPITAL INVESTMENT</b>									
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	
<b>TOTAL CAPITAL COST</b>	<b>500,000</b>		<b>500,000</b>		<b>16,546,000</b>	<b>16,546,000</b>	<b>500,000</b>	<b>17,046,000</b>	<b>3,309.20</b>
<b>BY MEANS OF FINANCING</b>									
G.O. BONDS	500,000		500,000		16,546,000	16,546,000	500,000	17,046,000	
<b>TOTAL PERM POSITIONS</b>	<b>386.00*</b>	<b>*</b>	<b>386.00*</b>	<b>386.00*</b>	<b>17.00*</b>	<b>403.00*</b>	<b>*</b>	<b>*</b>	
<b>TOTAL TEMP POSITIONS</b>	<b>144.00**</b>	<b>**</b>	<b>144.00**</b>	<b>144.00**</b>	<b>-12.00**</b>	<b>132.00**</b>	<b>**</b>	<b>**</b>	
<b>TOTAL PROGRAM COST</b>	<b>28,865,869</b>		<b>28,865,869</b>	<b>28,240,869</b>	<b>16,699,911</b>	<b>44,940,780</b>	<b>57,106,738</b>	<b>73,806,649</b>	<b>29.24</b>



**EXECUTIVE SUPPLEMENTAL BUDGET  
(IN DOLLARS)**

REPORT: S61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

TAX-  
1102  
FISCAL MANAGEMENT

PROGRAM COSTS	FY 2018			FY 2019			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT 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	
<b>TOTAL OPERATING COST</b>	<b>28,365,869</b>		<b>28,365,869</b>	<b>28,240,869</b>	<b>153,911</b>	<b>28,394,780</b>	<b>56,606,738</b>	<b>56,760,649</b>	<b>0.27</b>
BY MEANS OF FINANCING									
	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	
	*	*	*	*	*	*	*	*	
SPECIAL FUND	7.00**	**	7.00**	7.00**	1.00**	8.00**	**	**	
	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	
<b>TOTAL CAPITAL COST</b>	<b>500,000</b>		<b>500,000</b>		<b>16,546,000</b>	<b>16,546,000</b>	<b>500,000</b>	<b>17,046,000</b>	<b>3,309.20</b>
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**	**	**	
<b>TOTAL PROGRAM COST</b>	<b>28,865,869</b>		<b>28,865,869</b>	<b>28,240,869</b>	<b>16,699,911</b>	<b>44,940,780</b>	<b>57,106,738</b>	<b>73,806,649</b>	<b>29.24</b>

**EXECUTIVE SUPPLEMENTAL BUDGET  
(IN DOLLARS)**

REPORT: S61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

TAX-  
110201  
REVENUE COLLECTION

PROGRAM COSTS	FY 2018			FY 2019			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT 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	
<b>TOTAL OPERATING COST</b>	<b>28,365,869</b>		<b>28,365,869</b>	<b>28,240,869</b>	<b>153,911</b>	<b>28,394,780</b>	<b>56,606,738</b>	<b>56,760,649</b>	<b>0.27</b>
<b>BY MEANS OF FINANCING</b>									
	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	
	*	*	*	*	*	*	*	*	
SPECIAL FUND	7.00**	**	7.00**	7.00**	1.00**	8.00**	**	**	
	1,072,669		1,072,669	1,072,669	43,085	1,115,754	2,145,338	2,188,423	
<b>CAPITAL INVESTMENT</b>									
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	
<b>TOTAL CAPITAL COST</b>	<b>500,000</b>		<b>500,000</b>		<b>16,546,000</b>	<b>16,546,000</b>	<b>500,000</b>	<b>17,046,000</b>	<b>3,309.20</b>
<b>BY MEANS OF FINANCING</b>									
G.O. BONDS	500,000		500,000		16,546,000	16,546,000	500,000	17,046,000	
<b>TOTAL PERM POSITIONS</b>	<b>386.00*</b>	<b>*</b>	<b>386.00*</b>	<b>386.00*</b>	<b>17.00*</b>	<b>403.00*</b>	<b>*</b>	<b>*</b>	
<b>TOTAL TEMP POSITIONS</b>	<b>144.00**</b>	<b>**</b>	<b>144.00**</b>	<b>144.00**</b>	<b>-12.00**</b>	<b>132.00**</b>	<b>**</b>	<b>**</b>	
<b>TOTAL PROGRAM COST</b>	<b>28,865,869</b>		<b>28,865,869</b>	<b>28,240,869</b>	<b>16,699,911</b>	<b>44,940,780</b>	<b>57,106,738</b>	<b>73,806,649</b>	<b>29.24</b>

**EXECUTIVE SUPPLEMENTAL BUDGET  
(IN DOLLARS)**

REPORT: S61-A

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

PROGRAM COSTS	FY 2018			FY 2019			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	194.00*		194.00*	194.00*	1.00*	195.00*	*	*	
	5.00**		5.00**	5.00**		5.00**	**	**	
PERSONAL SERVICES	10,189,872		10,189,872	10,189,872	130,398	10,320,270	20,379,744	20,510,142	
OTH CURRENT EXPENSES	958,234		958,234	958,234		958,234	1,916,468	1,916,468	
<b>TOTAL OPERATING COST</b>	<b>11,148,106</b>		<b>11,148,106</b>	<b>11,148,106</b>	<b>130,398</b>	<b>11,278,504</b>	<b>22,296,212</b>	<b>22,426,610</b>	<b>0.58</b>
<b>BY MEANS OF FINANCING</b>									
	194.00*		194.00*	194.00*	1.00*	195.00*	*	*	
	5.00**		5.00**	5.00**		5.00**	**	**	
GENERAL FUND	11,148,106		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*	1.00*	195.00*	*	*	
TOTAL TEMP POSITIONS	5.00**		5.00**	5.00**		5.00**	**	**	
<b>TOTAL PROGRAM COST</b>	<b>11,148,106</b>		<b>11,148,106</b>	<b>11,148,106</b>	<b>130,398</b>	<b>11,278,504</b>	<b>22,296,212</b>	<b>22,426,610</b>	<b>0.58</b>

## 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

1. 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

1. 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.
2. 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.

**EXECUTIVE SUPPLEMENTAL BUDGET  
(IN DOLLARS)**

REPORT: S61-A

PROGRAM ID: TAX-105  
 PROGRAM STRUCTURE NO: 11020103  
 PROGRAM TITLE: TAX SERVICES AND PROCESSING

PROGRAM COSTS	FY 2018			FY 2019			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	118.00*	*	118.00*	118.00*	14.00*	132.00*	*	*	
	120.00**	**	120.00**	120.00**	-13.00**	107.00**	**	**	
PERSONAL SERVICES	6,365,661		6,365,661	6,365,661	26,478	6,392,139	12,731,322	12,757,800	
OTH CURRENT EXPENSES	381,800		381,800	381,800		381,800	763,600	763,600	
<b>TOTAL OPERATING COST</b>	<b>6,747,461</b>		<b>6,747,461</b>	<b>6,747,461</b>	<b>26,478</b>	<b>6,773,939</b>	<b>13,494,922</b>	<b>13,521,400</b>	<b>0.20</b>
<b>BY MEANS OF FINANCING</b>									
	118.00*	*	118.00*	118.00*	14.00*	132.00*	*	*	
	120.00**	**	120.00**	120.00**	-13.00**	107.00**	**	**	
GENERAL FUND	6,747,461		6,747,461	6,747,461	26,478	6,773,939	13,494,922	13,521,400	
TOTAL PERM POSITIONS	118.00*	*	118.00*	118.00*	14.00*	132.00*	*	*	
TOTAL TEMP POSITIONS	120.00**	**	120.00**	120.00**	-13.00**	107.00**	**	**	
<b>TOTAL PROGRAM COST</b>	<b>6,747,461</b>		<b>6,747,461</b>	<b>6,747,461</b>	<b>26,478</b>	<b>6,773,939</b>	<b>13,494,922</b>	<b>13,521,400</b>	<b>0.20</b>

## 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

1. 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.
2. Request to transfer 7.00 temporary positions and \$222,180 in general funds from Tax 105BA to TAX 105BC to reflect current position utilization.
3. Requests to convert 13.00 long-standing temporary positions to permanent positions.

### C. Reasons for Request

1. 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.
2. Transferring the positions and funds will help better align the program's budget details with how it is operating.
3. 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.

**EXECUTIVE SUPPLEMENTAL BUDGET**

REPORT: S61-A

PROGRAM ID:  
PROGRAM STRUCTURE NO:  
PROGRAM TITLE:

**TAX-107**  
**11020104**  
**SUPPORTING SERVICES - REVENUE COLLECTION**

**(IN DOLLARS)**

PROGRAM COSTS	FY 2018			FY 2019			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	74.00*		74.00*	74.00*	2.00*	76.00*	*	*	
	19.00**		19.00**	19.00**	1.00**	20.00**	**	**	**
PERSONAL SERVICES	6,095,051		6,095,051	6,095,051	99,797	6,194,848	12,190,102	12,289,899	
OTH CURRENT EXPENSES	4,375,251		4,375,251	4,250,251	-102,762	4,147,489	8,625,502	8,522,740	
<b>TOTAL OPERATING COST</b>	<b>10,470,302</b>		<b>10,470,302</b>	<b>10,345,302</b>	<b>-2,965</b>	<b>10,342,337</b>	<b>20,815,604</b>	<b>20,812,639</b>	<b>-0.01</b>
<b>BY MEANS OF FINANCING</b>									
	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	
	*		*	*	*	*	*	*	*
SPECIAL FUND	7.00**		7.00**	7.00**	1.00**	8.00**	**	**	**
	1,072,669		1,072,669	1,072,669	43,085	1,115,754	2,145,338	2,188,423	
<b>CAPITAL INVESTMENT</b>									
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	
<b>TOTAL CAPITAL COST</b>	<b>500,000</b>		<b>500,000</b>		<b>16,546,000</b>	<b>16,546,000</b>	<b>500,000</b>	<b>17,046,000</b>	<b>3,309.20</b>
<b>BY MEANS OF FINANCING</b>									
G.O. BONDS	500,000		500,000		16,546,000	16,546,000	500,000	17,046,000	
<b>TOTAL PERM POSITIONS</b>	<b>74.00*</b>		<b>74.00*</b>	<b>74.00*</b>	<b>2.00*</b>	<b>76.00*</b>	<b>*</b>	<b>*</b>	
<b>TOTAL TEMP POSITIONS</b>	<b>19.00**</b>		<b>19.00**</b>	<b>19.00**</b>	<b>1.00**</b>	<b>20.00**</b>	<b>**</b>	<b>**</b>	
<b>TOTAL PROGRAM COST</b>	<b>10,970,302</b>		<b>10,970,302</b>	<b>10,345,302</b>	<b>16,543,035</b>	<b>26,888,337</b>	<b>21,315,604</b>	<b>37,858,639</b>	<b>77.61</b>

## Narrative for Supplemental Budget Requests

FY 2019

Program ID: TAX 107

Program Structure Level: 11 02 01 04

Program Title: SUPPORTING SERVICES - REVENUE COLLECTION

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### 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

1. Request 1.00 temporary Investigator and \$43,085 in special funds for the Special Enforcement Section (SES).
2. Request 1.00 permanent Information Technology (IT) Specialist Band C and \$32,238 in general funds to assist with electronic filing.
3. 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.
4. 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

1. 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.
3. 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.





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## **Capital Budget Details**

**REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT**

REPORT S78  
PAGE 220

PROGRAM ID **TAX-107**  
 PROGRAM STRUCTURE NO. **11020104**  
 PROGRAM TITLE **SUPPORTING SERVICES - REVENUE COLLECTION**

PROJECT NUMBER	PRIORITY NUMBER	LOCATION	PROJECT TITLE	COST ELEMENT/MOF	FY 2018		FY 2019			
					CURRENT APPRN	ADJUSTMENT	CURRENT APPRN	ADJUSTMENT	RECOM APPRN	RECOM APPRN
3	1		TAX SYSTEM MODERNIZATION (TSM), STATEWIDE							
				DESIGN						
				CONSTRUCTION				16,546	16,546	
				TOTAL				16,546	16,546	
			G.O. BONDS				16,546	16,546		
6	2		INFRASTRUCTURE AND EQUIPMENT FOR THE SAFETY AND SECURITY OF DOTAX, STATEWIDE							
				DESIGN	20		20			
				CONSTRUCTION	360		360			
				EQUIPMENT	120		120			
				TOTAL	500		500			
			G.O. BONDS	500		500				
<b>PROGRAM TOTALS</b>										
			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	