

**FY21 Budget Performance Review**

**Tax Commission**

Lead Administrator: Jay Doyle

Lead Financial Officer: Carol McCullar

**Agency Mission**

To serve the people of Oklahoma by promoting tax compliance through quality service and fair administration.

**Division and Program Descriptions**

*Note: Please define any acronyms used in program descriptions.*

**Central Processing**

This activity includes the receipt and processing of all tax documents and remittances and mailout.

**Taxpayer Services**

This program includes the registration and licensing of business taxpayers, maintenance of taxpayer accounts, including problem resolution, business refunds, communication and taxpayer education.

**Motor Vehicle**

This program includes the issuance of title and registration information for vehicles, boats and motors, truck registration and prorations and the administration of motor fuel tax laws.

**Compliance**

This programs's primary functions include the collection of delinquent taxes and performing audits of the various tax types, including business and individual taxpayers. The program generates revenues for the state and assists in enhancing the compliance rate of taxpayers. Activities also include delinquency hearings, filing of liens and establishment of payment plans.

**Legal Services**

This program provides legal services to the various divisions in the administration and collection of tax revenues. Activities include: litigation protests, collections, bankruptcy, statutory/legislative reviews and the promulgation of rules.

**Ad Valorem Programs**

Program activity includes the monitoring of locally assessed and valuation of centrally assessed property in Oklahoma for ad valorem taxation purposes. Ad Valorem exemptions are also provided for certification.

**Tax Policy and Research**

This division is a centralized unit responsible for the development and review of tax policy and procedures, research, legal and administrative decision and legislation. Revenue estimates are also provided for certification.

**Headquarters/Administration**

This activity includes the Commissioners, administrative staff, law judges, the Executive Director's office and internal audit.

**Human Resources**

This activity includes all personnel functions including employee training.

**Support and Management Services**

This activity includes the agency's accounting functions, inventory management and computer services. Apportionment of revenues to state and local entities is a primary function.

**FY'20 Budgeted Department Funding By Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
01	Headquarters/Administration	2,472,793		360,292			\$2,833,085
02	Taxpayer Services	9,550,832		1,309,765			\$10,860,597
03	Ad Valorem	3,062,680		89,742			\$3,152,422
05	Central Processing	2,696,408		5,830,660			\$8,527,068
06	Tax Policy	173,836		1,470,668			\$1,644,504
08	Management Services	4,520,248		96,210			\$4,616,458
08	Human Resources	715,360		213,730			\$929,090
11	Legal	2,675,352		319,809			\$2,995,161
12	Compliance	1,228,033		33,179,495			\$34,407,528
13	Motor Vehicle	5,540,076		2,534,999			\$8,075,075
15	Film Rebate				8,000,000		\$8,000,000
88	Data Processing	14,042,509		8,996,380			\$23,038,889
							\$0
<b>Total</b>		<b>\$46,678,127</b>	<b>\$0</b>	<b>\$54,401,750</b>	<b>\$8,000,000</b>	<b>\$0</b>	<b>\$109,079,877</b>

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable for each department:

**FY'19 Carryover by Funding Source**

Carryover	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
	#VALUE!	#VALUE!	\$20,191,491	#VALUE!	#VALUE!	#VALUE!
	\$0					\$0

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable:

**FY21 Budget Performance Review**

**Tax Commission**

Lead Administrator: Jay Doyle

Lead Financial Officer: Carol McCullar

**What changes did the agency make between FY'19 and FY'20?**

**1.) Are there any services no longer provided because of budget cuts?**

The agency provides the primary revenue collection function for state government funding. All statutory tax and fee administration functions and services have been continued during the fiscal year. Savings from electronic filing initiatives have allowed the agency to absorb fixed cost increases during the year.

**2.) What services are provided at a higher cost to the user?**

All fees associated with tax administration are statutory. No statutory fee increases have been enacted for FY20.

**3.) What services are still provided but with a slower response rate?**

N/A

**4.) Did the agency provide any pay raises that were not legislatively/statutorily required?**

Yes. All pay raises were Cabinet approved.

**FY'21 Requested Funding By Department and Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Other <sup>1</sup>	Total	% Change
	Headquarters/Administration	\$2,472,793	\$0	\$360,292	\$0	\$2,833,085	0.00%
	Taxpayer Services	\$9,550,832	\$0	\$1,309,765	\$0	\$10,860,597	0.00%
	Ad Valorem	\$3,062,680	\$0	\$89,742	\$0	\$3,152,422	0.00%
	Central Processing	\$2,696,408	\$0	\$5,830,660	\$0	\$8,527,068	0.00%
	Tax Policy	\$173,836	\$0	\$1,470,668	\$0	\$1,644,504	0.00%
	Management Services	\$4,520,248	\$0	\$96,210	\$0	\$4,616,458	0.00%
	Human Resources	\$715,360	\$0	\$213,730	\$0	\$929,090	0.00%
	Legal	\$2,675,352	\$0	\$319,809	\$0	\$2,995,161	0.00%
	Compliance	\$1,228,033	\$0	\$33,179,495	\$0	\$34,407,528	0.00%
	Motor Vehicle	\$5,540,076	\$0	\$2,534,999	\$0	\$8,075,075	0.00%
	Film Rebate	\$0	\$0	\$0	\$8,000,000	\$8,000,000	0.00%
	Data Processing	\$14,042,509	\$0	\$8,996,380	\$0	\$23,038,889	0.00%
<b>Total</b>		<b>\$46,678,127</b>	<b>\$0</b>	<b>\$54,401,750</b>	<b>\$8,000,000</b>	<b>\$109,079,877</b>	<b>0.00%</b>

1. Please describe source(s) and % of total of "Other" funding for each department:

**FY'21 Top Five Operational Appropriation Funding Requests**

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	No new funding requests	
<b>Top Five Request Subtotal:</b>		<b>\$0</b>
<b>Total Increase above FY-20 Budget (including all requests)</b>		<b>\$ -</b>
Difference between Top Five requests and total requests:		\$0

**Does the agency have any costs associated with the Pathfinder retirement system and federal employees?**

The agency does have a budgetary impact associated with Pathfinder but not related to federal employees.

**How would the agency be affected by receiving the same appropriation for FY '21 as was received in FY '20? (Flat/ 0% change)**

No affect.

**How would the agency handle a 2% appropriation reduction in FY '21?**

A 2% appropriation reduction may result in the reduction of contract personnel used to process payments and returns. These actions may result in delays in opening and processing tax returns, delays in issuing individual income tax refunds, delays in issuing permits for new businesses and possible delays and reductions in the collection of state revenues.

**Is the agency seeking any fee increases for FY '21?**

	Fee Increase Request (\$)	Statutory change required? (Yes/No)
N/A		

**FY21 Budget Performance Review**

**Tax Commission**

Lead Administrator: Jay Doyle

Lead Financial Officer: Carol McCullar

**What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?**

Description of request in order of priority	Appropriated Amount (\$)	Submitted to LRCPC? (Yes/No)
N/A		

**Federal Funds**

CFDA	Federal Program Name	Agency Dept. #	FY 20 budgeted	FY 19	FY 18	FY 17	FY 16
	N/A						

**Federal Government Impact**

**1.) How much federal money received by the agency is tied to a mandate by the Federal Government?**  
 No federal funds are received by the agency. The agency is fully funded from appropriations and fees associated with tax administration.

**2.) Are any of those funds inadequate to pay for the federal mandate?**  
 N/A

**3.) What would the consequences be of ending all of the federal funded programs for your agency?**  
 N/A

**4.) How will your agency be affected by federal budget cuts in the coming fiscal year?**  
 N/A

**5.) Has the agency requested any additional federal earmarks or increases?**  
 N/A

**FY'20 Budgeted FTE**

Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
0100001	Headquarters	3	2	12	0	6	9
0100002	Administration	3	1	14	0	2	13
0200001	Taxpayer Assistance	8	48	7	13	41	1
0200003	Communications	1	0	10	0	9	1
0200004	Account Maintenance	14	57	9	12	53	1
0300001	Ad Valorem	9	16	11	1	25	1
0500002	Central Processing	12	47	12	23	34	1
0600001	Tax Policy	1	0	11	0	8	4
0800001	Management Services	7	6	24	4	22	4
0800002	Human Resources**	1	0	7	0	6	1
8800008	Information Technology	7	0	38	0	36	3
1100001	Legal	5	14	15	0	24	6
1200001	Compliance	38	188	67	76	172	5
1300001	Motor Vehicle	15	76	11	34	53	0
<b>Total</b>		<b>124</b>	<b>455</b>	<b>248</b>	<b>163</b>	<b>491</b>	<b>50</b>

**FTE History**

Division #	Division Name	2020 Budgeted	2019	2018	2016	2011
0100001	Headquarters	14	15	17	16	16
0100002	Administration	6	7	8	6	9
0200001	Taxpayer Assistance	65	55	59	69	76
0200003	Communications	9	9	10	10	10
0200004	Account Maintenance	70	67	72	70	64
0300001	Ad Valorem	31	32	33	30	33
0500002	Central Processing	44	40	36	37	54
0600001	Tax Policy	13	12	14	14	13
0800001	Management Services	34	31	36	39	32
0800002	Human Resources	8	6	0	5	8
8800008	Information Technology	57	55	56	54	97
1100001	Legal	33	33	35	29	28
1200001	Compliance	277	256	260	241	234
1300001	Motor Vehicle	89	83	85	80	78
<b>Total</b>		<b>750</b>	<b>701</b>	<b>721</b>	<b>700</b>	<b>752</b>

**FY21 Budget Performance Review**

**Tax Commission**

Lead Administrator: Jay Doyle

Lead Financial Officer: Carol McCullar

**Performance Measure Review**

		FY 19	FY 18	FY 17	FY 16	FY 15
<b>Central Processing</b>						
	Avg. Days Process Non-Peak Refund	6	8	2	2	8
	Avg. Days Process Non-Peak, Suspended Refund	25	72	60	34	79
	Avg. Days for Peak Refund Processed	6	6	3	5	9
	Avg. Days for Peak Suspended Processed	40	59	66	81	96
<b>Taxpayer Services</b>						
	Internet Filing Participants	1,636,394	1,592,429	1,569,557	1,595,604	1,543,320
	Electronic Filing Participants	956,388	938,138	937,272	975,836	975,459
	Direct Deposit Participants	888,142	886,320	888,819	931,941	884,232
	% of Business E-Filing	68.3%	65.3%	60.5%	50.6%	34.1%
<b>Compliance</b>						
	Sales & Use Tax Field/Office Audits	1,480	1,262	1,040	808	747
	Withholding Tax Field/Office Audits	290	243	223	370	195
<b>Motor Vehicle</b>						
	Additional & Delinquent Fees	1,463	1,430	843	873	68,395
	Total Registrations Processed (in millions)	4.2	4	4	4	4
	Vehicle Title Transactions (in millions)	1.5	2	1.6	2	2

**Revolving Funds (200 Series Funds)**

<i>Please provide fund number, fund name, description, and revenue source</i>	FY'17-19 Avg. Revenues	FY'17-19 Avg. Expenditures	June '19 Balance
<b>Fund 200 - Oklahoma Tax Commission Revolving Fund</b>			
Provides resources for general operation of the agency.	\$31,875,157	\$30,124,402	\$9,824,328
<b>Fund 210 - OTC &amp; OMES Joint Computer Enhancement Fund</b>			
Joint effort between the Tax Commission and OMES for the acquisition of an Integrated Tax System	\$7,088,179	\$1,834,626	\$3,802,596
<b>Fund 215 - Oklahoma Tax Commission Reimbursement Fund</b>			
Funds received by the OTC for data processing services or equipment rental and any miscellaneous funds received by the Commission	\$9,653,600	\$7,396,970	\$10,367,163
<b>Fund 220 - License Plate Special Program</b>			
Provides financial assistance to a state agency chosen by the applicant for a special license plate	\$57,840	\$22,853	\$105,760
<b>Fund 230 - Used Tire Recycling Indemnity Fund</b>			
Funds the provisions fo the Oklahoma Used Tire Recycling Act	\$9,802,716	\$10,118,570	\$62,030
<b>Fund 240 - County Government Education - Technical Revolving Fund</b>			
Funds the OSU Center for Local Government Technology and the Oklahoma Cooperative Extension Service Country Training Program for the purposes of education, training, etc	\$0	\$0	\$0
<b>Fund 250 - Oklahoma Film Enhancement Fund</b>			
Provides a rebate of a percentage of documented expenditures made in Oklahoma directly attributable to the production of a film, tv production or tv commercial	\$3,035,783	\$3,591,594	\$10,643,109
<b>Fund 285 - Ad Valorem Reimbursement Fund</b>			
Reimburses counties for loss of revenue due to exemptions of ad valorem taxes for new or expanded manufacturing or R&D facilities	\$34,268,367	\$108,003,964	\$1