

Oklahoma Tax Commission

Lead Administrator: Tony Mastin

Lead Financial Officer: Carol McCullar

FY'15 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Headquarters/Administrati	\$2,561,000	\$0	\$273,000	\$0	\$0	\$2,834,000
Taxpayer Assistance	\$6,887,000	\$0	\$3,583,000	\$0	\$0	\$10,470,000
Ad Valorem	\$2,787,000	\$0	\$4,108,000	\$0	\$0	\$6,895,000
Central Processing	\$3,694,000	\$0	\$1,848,000	\$0	\$0	\$5,542,000
Tax Policy	\$939,000	\$0	\$699,000	\$0	\$0	\$1,638,000
Management Services	\$4,627,000	\$0	\$903,000	\$0	\$0	\$5,530,000
Legal	\$2,634,000	\$0	\$137,000	\$0	\$0	\$2,771,000
Compliance	\$4,284,000	\$0	\$29,065,000	\$0	\$0	\$33,349,000
Motor Vehicle	\$4,413,000	\$0	\$4,066,000	\$0	\$0	\$8,479,000
Film Rebate	\$0	\$0	\$5,000,000	\$0	\$0	\$5,000,000
Data Processing	\$11,317,000	\$0	\$15,141,000	\$0	\$0	\$26,458,000
Total	\$44,143,000	\$0	\$64,823,000	\$0	\$0	\$108,966,000

*Source of "Other" and % of "Other" total for each.

FY'14 Carryover by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'14 Carryover	\$0	\$0	\$19,903,496	\$0	\$0	\$19,903,496

*Source of "Other" and % of "Other" total for each.

What Changes did the Agency Make between FY'14 and FY'15	
<p>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.</p> <p>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 Fiscal 2015.</p> <p>3.) What services are still provided but with a slower response rate? With declining resources some areas have experienced slower response times. Phone calls and inquiries from taxpayers have been delayed with lower staff available on the phone bank. Business refunds, registrations and oil and gas well registrations have also been delayed in some instances.</p> <p>4.) Did the agency provide any pay raises that were not legislatively/statutorily required? No</p>	

FY'16 Requested Division/Program Funding By Source							
	Appropriations	Federal	Revolving	Other	Total	% Change	
Headquarters/Administrati	\$2,561,000	\$0	\$273,000	\$0	\$2,834,000	0.00%	
Taxpayer Assistance	\$6,887,000	\$0	\$3,583,000	\$0	\$10,470,000	0.00%	
Ad Valorem	\$2,787,000	\$0	\$4,108,000	\$0	\$6,895,000	0.00%	
Central Processing	\$3,694,000	\$0	\$1,848,000	\$0	\$5,542,000	0.00%	
Tax Policy	\$939,000	\$0	\$699,000	\$0	\$1,638,000	0.00%	
Management Services	\$4,627,000	\$0	\$903,000	\$0	\$5,530,000	0.00%	
Legal	\$2,634,000	\$0	\$137,000	\$0	\$2,771,000	0.00%	
Compliance	\$4,284,000	\$0	\$29,065,000	\$0	\$33,349,000	0.00%	
Motor Vehicle	\$4,413,000	\$0	\$4,066,000	\$0	\$8,479,000	0.00%	
Film Rebate	\$0	\$0	\$5,000,000	\$0	\$5,000,000	0.00%	
Data Processing	\$11,317,000	\$0	\$15,141,000	\$0	\$26,458,000	0.00%	
Total	\$44,143,000	\$0	\$64,823,000	\$0	\$108,966,000		

*Source of "Other" and % of "Other" total for each.

FY'16 Top Five Appropriation Funding Requests	
	\$ Amount
No New Funding Requests	

Total Increase above FY-15 Request

0

How would the agency handle a 3% appropriation reduction in FY'16?

A 3% appropriation reduction totaling \$1,328,445 would require a reduction in contract labor for tax season peak processing. That would result in a shifting of full time divisional staff to the Central Processing section for opening and processing returns. This results in a delay in issuing permits for new businesses and other services provided to taxpayers.

How would the agency handle a 5% appropriation reduction in FY'16?

A 5% appropriation reduction would result in the reduction of all contract personnel used to process payments and returns. This would require the use of approximately 120 FTE from other divisions to open and process incoming returns. Significant losses of state and local revenues would occur as a result. With compliance staff each collecting over \$300,000 per year in additional state revenues, the loss in revenues would exceed the budget cuts to the agency.

Is the agency seeking any fee increases for FY'16?

	\$ Amount
No	
Increase 1	\$0
Increase 2	\$0
Increase 3	\$0

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

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 totally funded from state appropriations and fees associated with tax administration.

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

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

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

5.) Has the agency requested any additional federal earmarks or increases?

Division and Program Descriptions

Central Processing

This activity includes the receipt and processing of all tax documents and remittances. 3 million payments totaling \$11.2 billion are prepared for deposit with the State Treasurer and 1.7 million returns are processed annually.

Taxpayer Services

This program includes the registration and licensing of business taxpayers, maintenance of taxpayer's accounts, including problem resolution, business refunds, processing, 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 program's primary functions are 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 payout 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 property and the valuation of centrally assessed property in Oklahoma for ad valorem taxation purposes. Ad Valorem exemptions are also audited and reviewed.

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 decisions 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.

Support and Management Services

This activity includes the Agency's accounting functions, personnel functions, employee training, printing, inventory management, mail out and computer services. Apportionment of revenues to state and local entities is a primary function.

FY'16 Budgeted FTE						
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Headquarters	0	2	14	0	9	7
Administration	4	0	8	0	5	3
Taxpayer Assistance	9	74	10	61	21	2
Communications	2	2	9	1	9	1
Account Maintenance	10	53	10	45	16	2
Ad Valorem	7	22	8	9	19	2
Central Processing	11	46	10	45	9	2
Tax Policy	3	1	14	0	11	4
Management Services	7	21	15	16	17	3
Human Resources	1	1	6	0	6	1
Information Technology	9	1	42	0	40	3
Legal	7	15	22	13	19	5
Compliance	32	203	40	146	91	6
Motor Vehicle	16	74	7	54	25	2
Total	118	515	215	390	297	43

FTE History					
	2015 Budgeted	2014	2010	2009	2004
Headquarters	16	16	17	17	17
Administration	9	8	9	10	7
Taxpayer Assistance	86	83	91	99	106
Communications	10	10	11	11	9
Account Maintenance	65	65	74	81	53
Ad Valorem	29	30	34	34	30
Central Processing	62	37	59	61	71
Tax Policy	15	14	13	14	15
Management Services	40	37	38	40	42
Human Resources	6	7	9	11	10
Information Technology	42	64	102	107	104
Legal	34	34	28	32	33
Compliance	248	241	259	281	295
Motor Vehicle	80	80	92	99	145
Total	742	725	836	897	937

Performance Measure Review					
	FY'13	FY'12	FY'11	FY'10	FY'09
Central Processing					
Avg. Days Process Non-Peak Refund	2	4	2	3	6
Avg. Days Process Non-Peak, Suspend	43	48	37	38	32
Avg. Days for Peak Refund Processed	4	9	8	13	22
Avg. Days for Peak Suspended Process	39	34	49	53	49
Taxpayer Services					
Internet Filing Participants	438,790	401,298	368,826	335,148	309,949
Electronic Filing Participants	996,224	865,261	825,122	749,067	735,168
Direct Deposits Participants	1,123,985	1,012,932	622,788	580,352	584,532
% of Business E-Filing	76.8%	62.7%	N/A	N/A	N/A
Compliance					
Sales Tax Field Audits	716	576	556	353	334
Withholding Tax Field Audits	140	212	365	362	399
Motor Vehicles					
Additional & Delinquent Fees	75,584	78,639	76,068	88,343	89,013
Total Registration Processed (in million)	3.9	2.9	2.9	2.8	2.9
Vehicle Title Transactions (in millions)	1.5	1.5	1.3	1.3	1.33

Revolving Funds (200 Series Funds)			
	FY'12-14 Avg. Revenues	FY'12-14 Avg. Expenditures	June '14 Balance
Fund 200-Oklahoma Tax Commission Rev Fund Provides resources for general operations of the agency.	\$23,962,853	\$20,644,637	\$2,627,651
Fund 210-OTC & OMES Joint Computer Enhancement Joint effort between the Tax Commission and OMES for the acquisition of and Integrated Tax System.	\$25,815,536	\$27,905,231	\$10,436,332
Fund 215-Okla Tax Comm Reimbursement Fund Funds received by the OTC for data processing services or equip rental and any misc funds received by the Commission	\$10,968,203	\$9,300,614	\$509,147
Fund 220-License Plate Special Program Provides financial assistance to a state agency chosen by the applicant for a special license plate.	\$4,860	\$4,933	\$880
Fund 230-Used Tire Recycling Indemn Fund Funds the provisions of the Okla Used Tire Recycling Act.	\$8,877,558	\$7,197,599	\$5,085,047
Fund 250-Ok Film Enhancement Fund Provides a rebate of a percentage of documented expenditures made in OK directly attributable to the production of a film, tv production or tv commercial	\$4,593,686	\$4,170,740	\$1,268,838
Fund 285-Ad Valorem Reimbursement Fund Reimburses counties for loss of revenue due to exemptions of ad valorem taxes for new or expanded manufacturing or R&D facilities	\$33,314,265	\$48,654,590	\$0