

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	49.48	49.48	49.48	49.48	49.48	49.48	0.00	0.00%
Personal Services	3,795,101	3,834,541	3,149,512	3,223,130	7,629,642	6,372,642	(1,257,000)	(16.48%)
Operating Expenses	1,916,159	1,715,098	1,830,912	1,667,705	3,631,257	3,498,617	(132,640)	(3.65%)
Total Costs	\$5,711,260	\$5,549,639	\$4,980,424	\$4,890,835	\$11,260,899	\$9,871,259	(\$1,389,640)	(12.34%)
General Fund	5,490,203	5,326,317	4,798,009	4,708,337	10,816,520	9,506,346	(1,310,174)	(12.11%)
State Special	106,257	107,607	105,554	105,384	213,864	210,938	(2,926)	(1.37%)
Federal Special	1,000	1,000	1,000	0	2,000	1,000	(1,000)	(50.00%)
Other	113,800	114,715	75,861	77,114	228,515	152,975	(75,540)	(33.06%)
Total Funds	\$5,711,260	\$5,549,639	\$4,980,424	\$4,890,835	\$11,260,899	\$9,871,259	(\$1,389,640)	(12.34%)

Program Description

The Director's Office is responsible for overall efficient and effective management of the department to support and ensure success of the revenue collections and property valuation responsibilities of the operating divisions. To achieve this, the Director's Office is composed of four primary sections.

The Executive Office is responsible for the general guidance and management of the agency. This office assists the director with administrative functions and communication to the public, other agencies, and elected officials and includes the Office of Taxpayer Assistance established by law.

The Legal Services Office is responsible for the overall legal efforts of the department including legal representation before various courts, legislation development and review, filing bankruptcy claims, and developing policy and administrative rules. This office oversees the Security and Disclosure Office that is responsible for ensuring that all taxpayer information is secure. The office also oversees the Office of Dispute Resolution, established by law, which reviews, facilitates, and resolves taxpayer disputes internally through a variety of means including hearings and mediation.

Tax Policy and Research provides accurate and timely information for the director to advise the Governor, the legislature, and Montana citizens including the compilation of basic tax data and the publication of the Biennial Report and other documents; conducts tax, economic and compliance studies; prepares legislative fiscal notes that affect revenue; provides analysis of legislative proposals affecting the department; and provides department economic and compliance data analysis.

Human Resources and Organizational Development is responsible for the human resources, payroll and benefits, and education and training functions of the department.

Program Highlights

Directors Office Major Budget Highlights	
<ul style="list-style-type: none"> ◆ The budget for the Directors Office budget is decreased by \$1.4 million primarily due to two factors: <ul style="list-style-type: none"> • An additional 2% vacancy savings of \$1.5 million, with language that allows the division to allocate the vacancy savings across all divisions • A reduction that the legislature intended to support a pilot project in the Property Assessment Division, but was subsequently line-item vetoed by the Governor ◆ The added vacancy savings is partially offset by personal services statewide present law adjustment increases resulting from raises provided in FY 2012 	

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Department Of Revenue Funding by Source of Authority 2015 Biennium Budget - Directors Office							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$9,506,346	\$0	\$234,511,665	\$244,018,011	99.9%	15-1-121 15-1-218	Pass Thru Direct
State Special Total	\$210,938	\$0	\$0	\$210,938	0.1%		
02790 6901-statewide Tobacco Sttlmnt	\$210,938	\$0	\$0	\$210,938	0.1%		
Federal Special Total	\$1,000	\$0	\$0	\$1,000	0.0%		
03928 Royalty Audit - Nrct	\$1,000	\$0	\$0	\$1,000	0.0%		
Proprietary Total	\$152,975	\$0	\$0	\$152,975	0.1%		
06005 Liquor Division	\$152,975	\$0	\$0	\$152,975	0.1%		
Total All Funds	\$9,871,259	\$0	\$234,511,665	\$244,382,924	100.0%		
Percent - Total All Sources	4.0%	0.0%	96.0%				

Funding for the program comes primarily from the general fund. State special revenue from tobacco settlement funds supports the dedicated attorney that supports tobacco tax compliance activities. Federal mineral royalty audit special revenue funds a portion of the legislative audit fixed cost allocation for the agency. The proprietary funding is from a direct appropriation of the Liquor Control Division proprietary fund and is for the Liquor Control Division share of Director's Office support costs. The allocation is calculated as a percentage of the program's budget. Liquor Control Division proprietary funds are an indirect use of general fund since net liquor revenues are deposited in the general fund after operating costs are deducted.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	5,490,203	5,490,203	10,980,406	115.51%	5,711,260	5,711,260	11,422,520	115.71%
Statewide PL Adjustments	201,553	24,230	225,783	2.38%	210,016	32,807	242,823	2.46%
Other PL Adjustments	(111,000)	(41,000)	(152,000)	(1.60%)	(111,000)	(41,000)	(152,000)	(1.54%)
New Proposals	(782,747)	(765,096)	(1,547,843)	(16.28%)	(829,852)	(812,232)	(1,642,084)	(16.64%)
Total Budget	\$4,798,009	\$4,708,337	\$9,506,346		\$4,980,424	\$4,890,835	\$9,871,259	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					285,135					289,511
Vacancy Savings					(163,213)					(163,381)
Inflation/Deflation					(5)					86
Fixed Costs					88,099					(93,409)
Total Statewide Present Law Adjustments		\$201,553	\$7,879	\$0	\$210,016*		\$24,230	\$7,714	(\$1,000)	\$32,807*
DP 50 - Initial Motion to FY 2012 Base	0.00	(201,553)	(7,879)	0	(210,016)*	0.00	(24,230)	(7,714)	1,000	(32,807)*
DP 51 - Adjustment for Statewide Personal Services	0.00	117,204	2,268	21	121,922*	0.00	121,248	2,347	22	126,130*
DP 52 - Adjustment for Statewide Operations	0.00	84,685	1,639	15	88,094*	0.00	(89,711)	(1,736)	(16)	(93,323)*
DP 53 - Base Funding Switch	0.00	(336)	3,972	(36)	0*	0.00	(7,307)	7,103	(1,006)	0*
DP 102 - Overtime Pay for Timely Fiscal Notes (OTO/RST)	0.00	0	0	0	0	0.00	70,000	0	0	70,000
DP 103 - Adjust for Operating Plan Change	0.00	(111,000)	0	0	(111,000)	0.00	(111,000)	0	0	(111,000)
Total Other Present Law Adjustments	0.00	(\$111,000)	\$0	\$0	(\$111,000)*	0.00	(\$41,000)	\$0	\$0	(\$41,000)*
Grand Total All Present Law Adjustments	0.00	\$90,553	\$7,879	\$0	\$99,016*	0.00	(\$16,770)	\$7,714	(\$1,000)	(\$8,193)*

* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 102 - Overtime Pay for Timely Fiscal Notes (OTO/RST) - The legislature approved a general fund appropriation for overtime in the Tax Policy and Research Office (TPR) to prepare fiscal notes for the 2015 Legislature. Funding is one-time-only and is restricted only for this purpose.

DP 103 - Adjust for Operating Plan Change - The legislature approved a reduction of general fund in the base budget. In the base year, the department moved personal services budget authority into the Director's Office operating expense budget to pay department expenditures. To maintain the base budget at the level appropriated by the last legislature, this amount was removed from the division's base budget.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 54 - Additional Vacancy Savings										
01	0.00	(720,406)	(8,582)	0	(767,511)*	0.00	(720,965)	(8,587)	0	(768,101)*
DP 104 - Review of Exempt Property Records (OTO/RST)										
01	0.00	(62,341)	0	0	(62,341)	0.00	(44,131)	0	0	(44,131)
Total	0.00	(\$782,747)	(\$8,582)	\$0	(\$829,852)*	0.00	(\$765,096)	(\$8,587)	\$0	(\$812,232)*

* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs. The federal funds portion of this additional vacancy savings is in DP 54 in the Business and Income Taxes Division.

DP 104 - Review of Exempt Property Records (OTO/RST) – This reduction in appropriations was included to partially fund a pilot project in the Property Assessment Division for the review of active exempt property records. The Governor made a line-item veto of the project in the Property Assessment Division, leaving only the reduction in this division.