Montana State Legislature

Exhibit Number: 3

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Montana Department of
REVENUE

2006-2007 Budget Presentation
Department Overview

General Government &
Transportation Appropriations Subcommittee

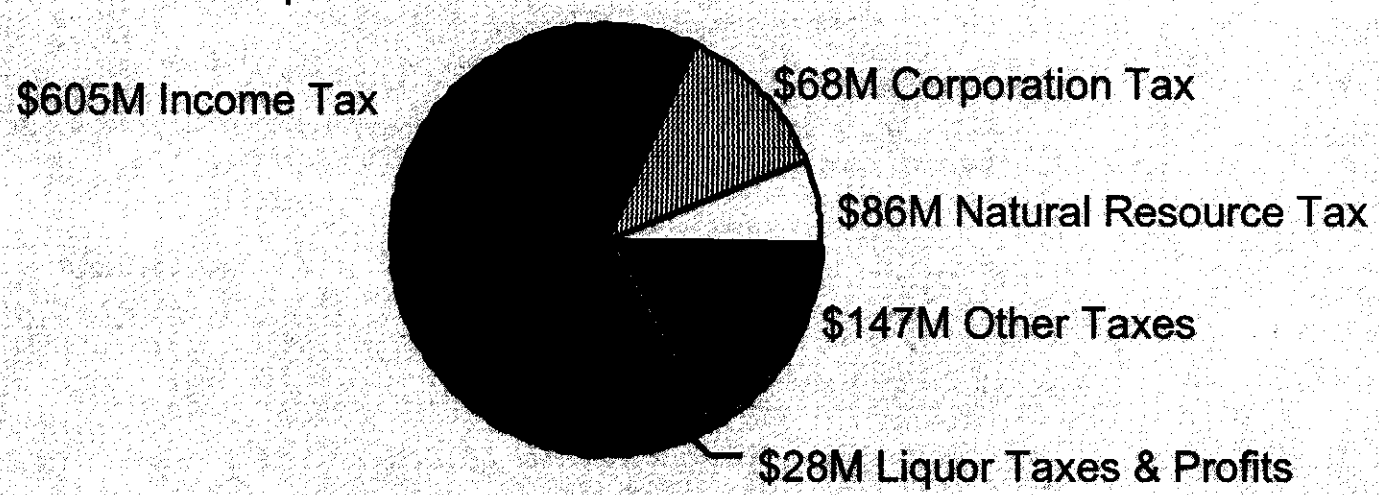
2005 Legislative Session

EXHIBIT 3
DATE 2/3/05
HB 2

Department Overview

The Montana Department of Revenue:

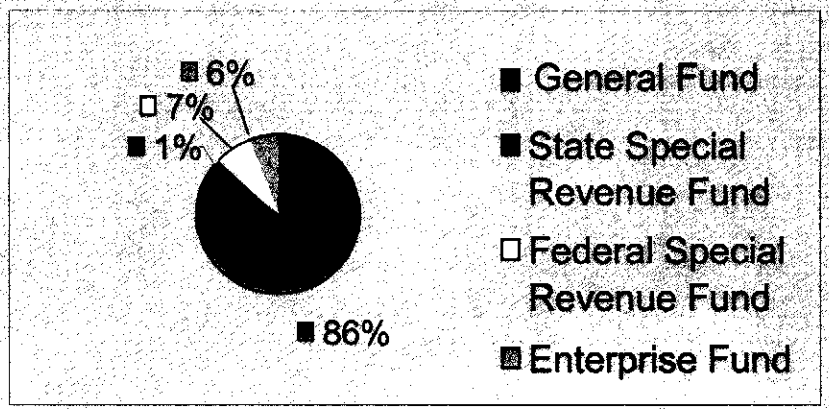
- Serves more than 500,000 customers
- Administers more than 30 different tax types
- Determines and maintains values on 800,000 taxable parcels and improvements
- Collects taxes ($934M collected in FY 2004, not including property taxes collected at local level)
- Collects approximately $70 million in annual liquor sales
- Administers more than 3,300 beer, wine and distilled spirit licenses for both on and off premises



$934 Million Total

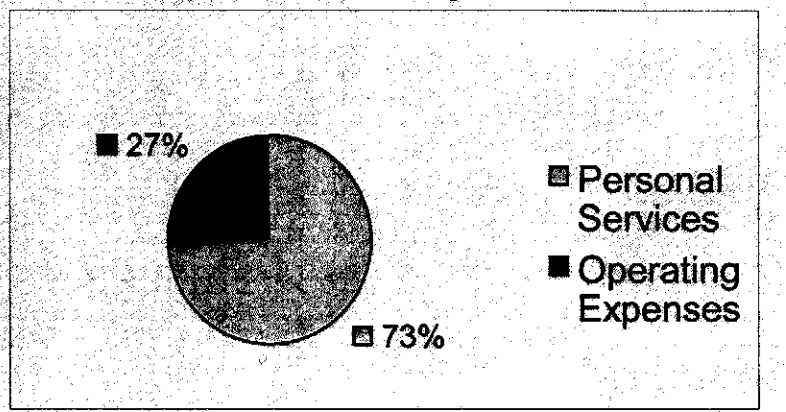
Department Overview

Funding Sources



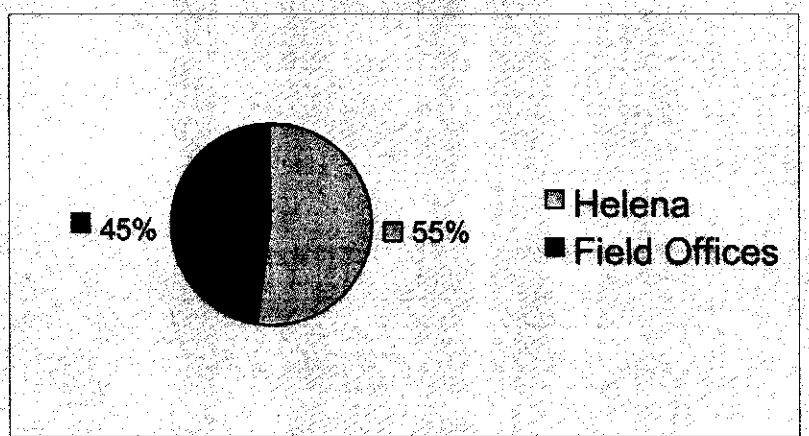
FY2004

Expenditure Categories



FY2004

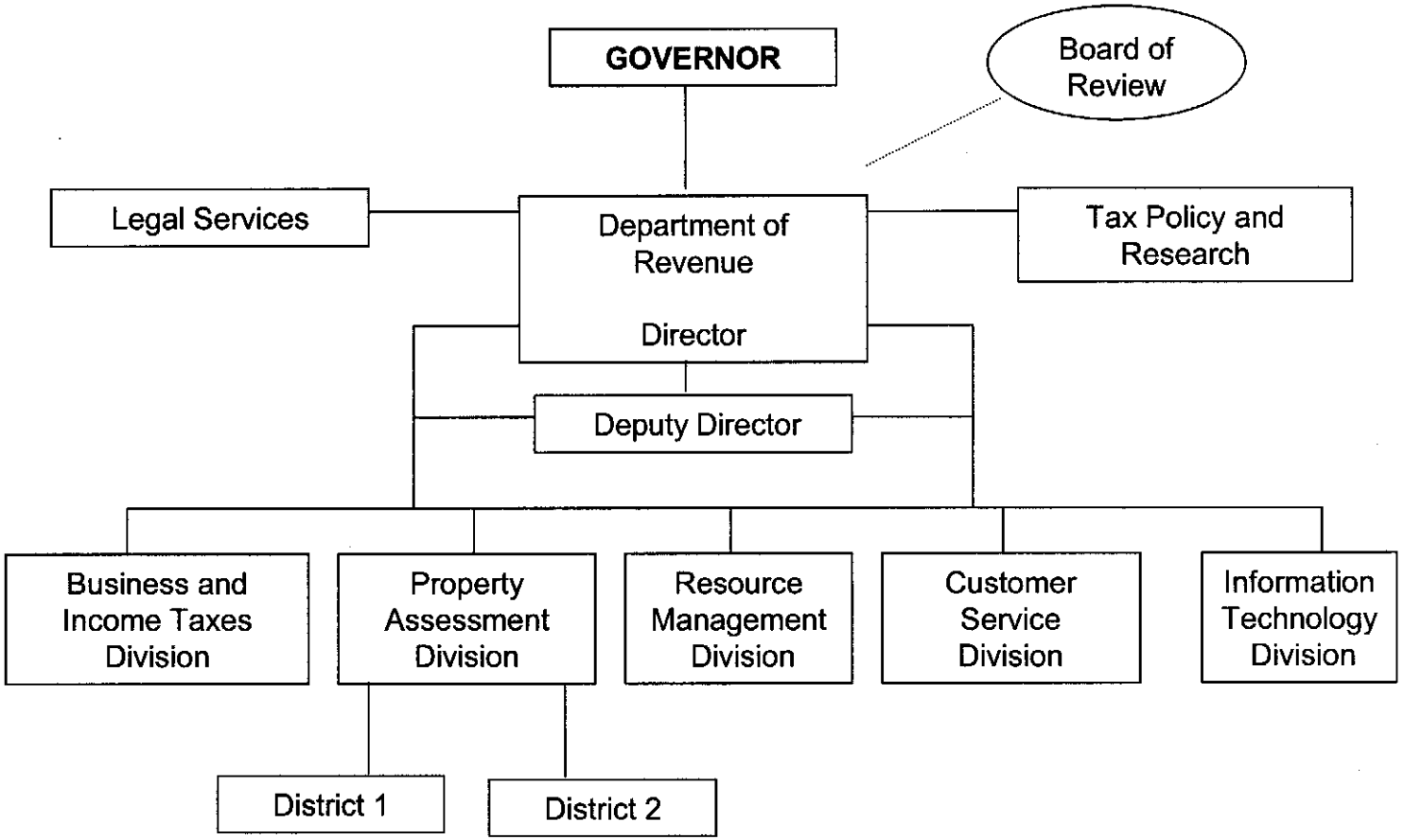
FTE Location



FY2004

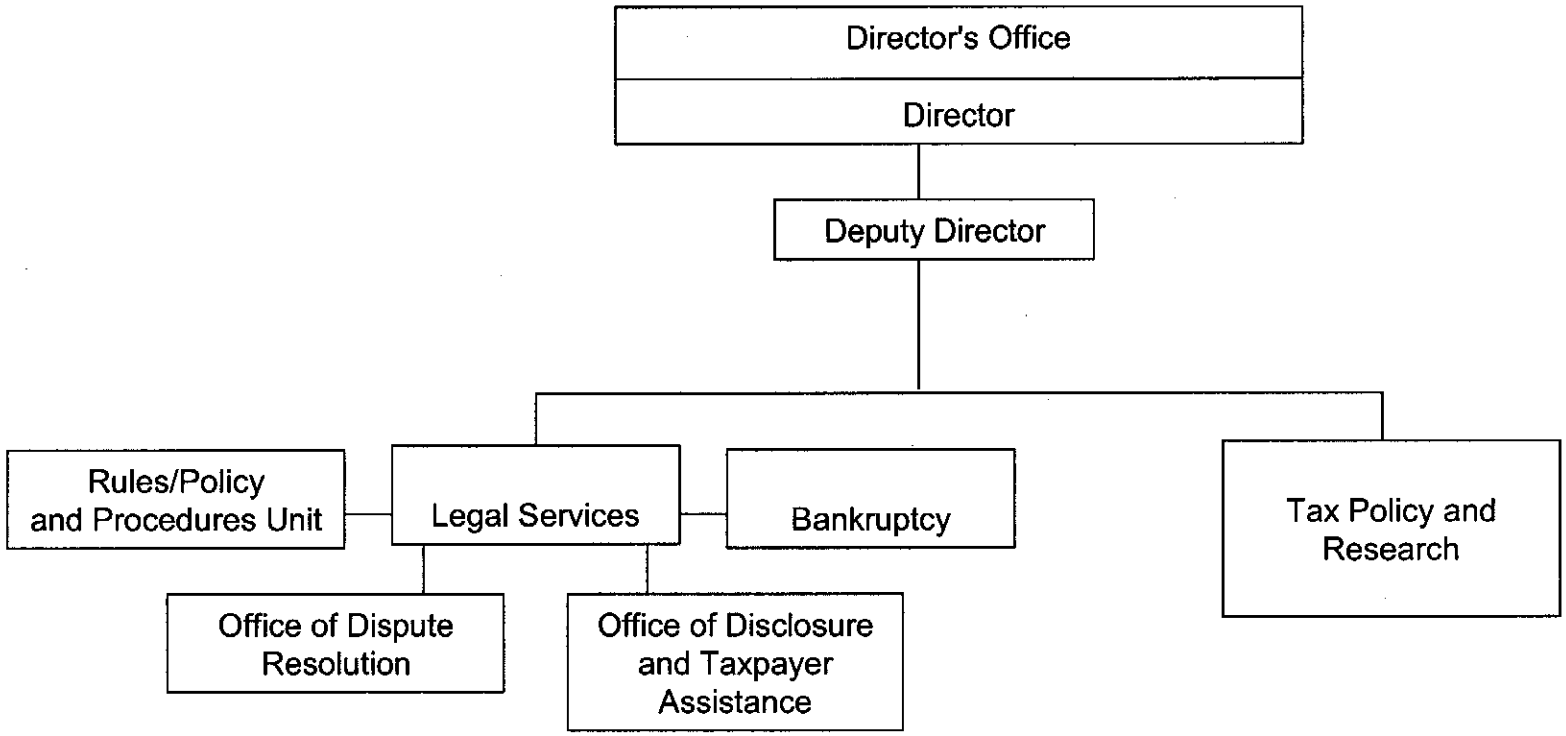
Montana Department of
REVENUE

DOR Organizational Chart



Montana Department of
REVENUE

Director's Office



Montana Department of
REVENUE

Director's Office

Legal Services

- Provides legal advice to all agency programs
- Represents the department in tax appeals and litigation before State Tax Appeal Board, State and Federal District Courts, Federal Appeals Court, Montana Supreme Court and U.S. Supreme Court
- Responsible for adopting and amending administrative rules and department policies and procedures
  - ✓ The legal unit opened 275 legal files and closed 307 files, which is comparable to 2003

Bankruptcy

- Files proof of claims in Bankruptcy Court to collect Revenue from debtors
  - ✓ The bankruptcy unit filed 305 proof of claims and collected $190,000 in revenue

Office of Disclosure and Taxpayer Assistance

- Created the Office of Disclosure and Taxpayer Assistance to manage confidential information and respond to taxpayer grievances

Montana Department of
REVENUE

Director's Office

Office of Dispute Resolution

- Arbitrates and mediates disputes between taxpayers and the agency
- Conducts administrative hearings and issues administrative decisions involving disputes between taxpayers and the agency
- Office established during the 1999 Legislative Session
  - ✓ Office of Dispute Resolution opened 83 files and closed 78

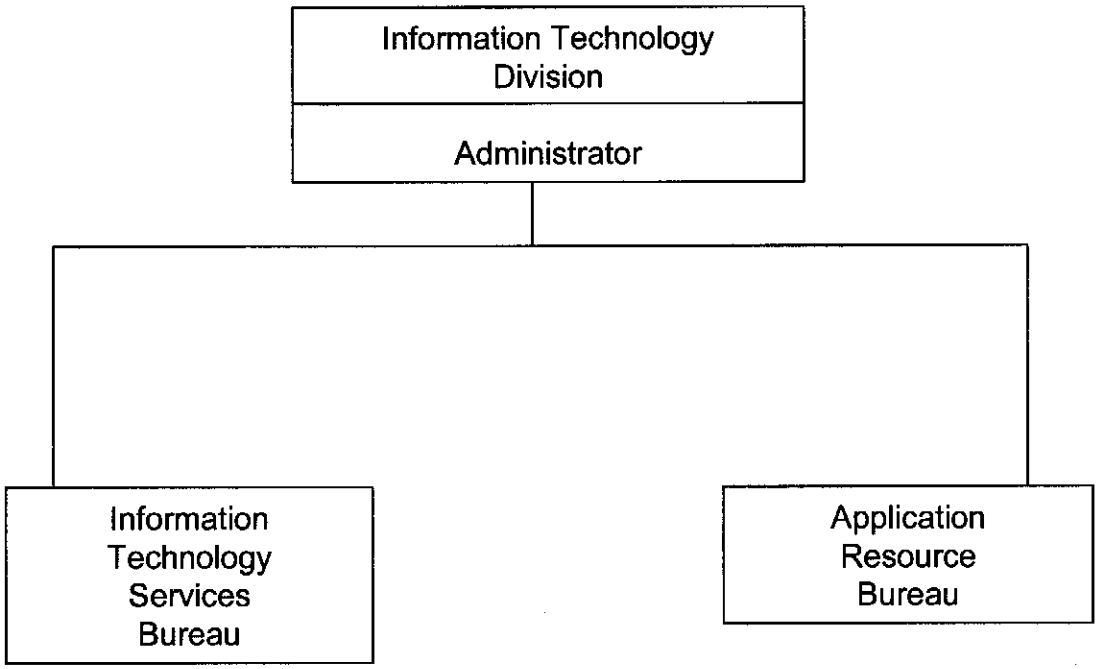
Tax Policy & Research

- Prepares fiscal notes
  - ✓ 2003 Session 392 fiscal notes
  - ✓ 2001 Session 332 fiscal notes
- Conducts revenue and tax related research
- Support staff for Interim Tax Reform Study Committee and Interim Property Tax Reappraisal Committee

Montana Department of
REVENUE

Information Technology Division

The Information Technology Division provides service in the area of data support, applications support, technology support, and first line user assistance that enables the department to meet its business objectives.



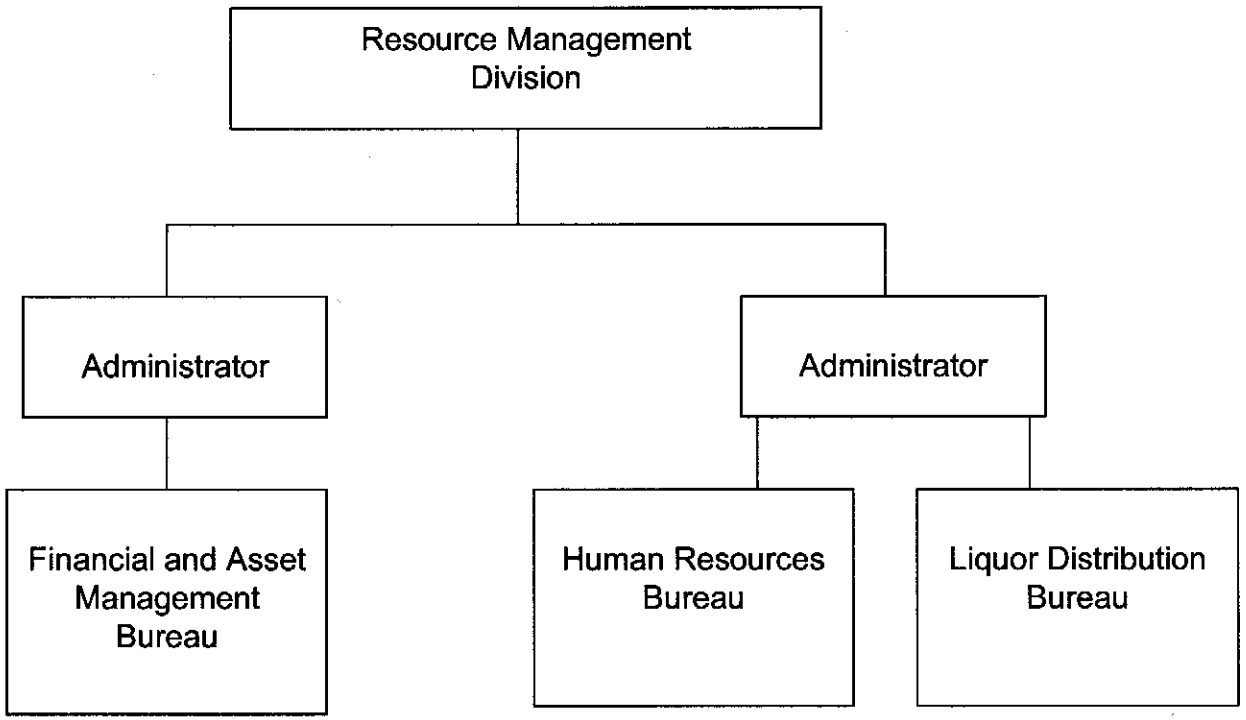
Montana Department of
REVENUE

Information Technology Division

- IT Services Bureau deployed 256 PCs, 33 servers, and 64 printers, marking the first time that all department employees had access to computers that meet or exceed state standard -- new technology also allows the IT Services Bureau staff to remotely access PCs and servers statewide -- providing better service and troubleshooting capabilities while minimizing the need to travel

- Installed safeguards in the computing environment resulting in immediate eradication of two major virus infections prior to any data damage or loss of employee productivity

Montana Department of
REVENUE

Resource Management Division

The Resource Management Division provides service and support to the department by integrating financial and asset management, human resources, payroll/ benefits and education/training. The liquor distribution unit is also managed from within this program and is funded with enterprise funds.