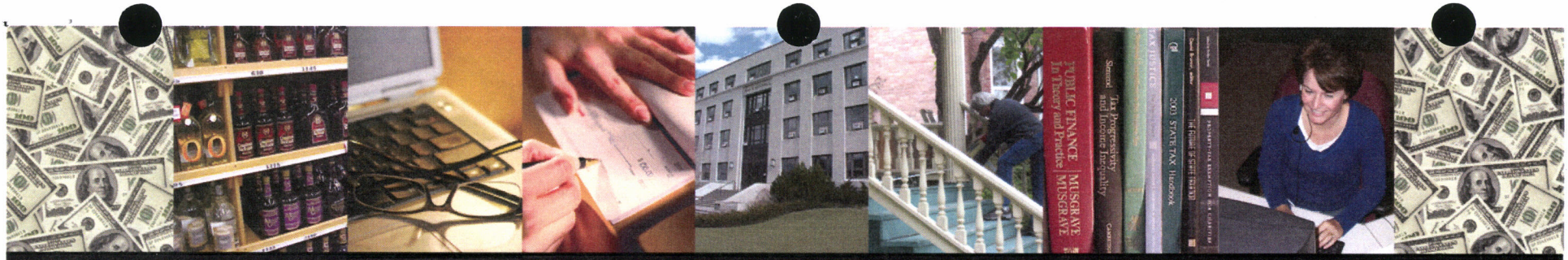


Montana Department of Revenue

Budget Presentation
2015 Biennium

EXHIBIT 1
DATE 02/06/13
HB 2

Montana Department of Revenue

Mission Statement

The quality of life for all Montanans is better because we excel at public service and effective administration of the tax and liquor laws of Montana. We do this by:

- Ensuring that revenues intended by the legislature to be raised are collected to serve Montanans,
- Advancing equity and integrity in taxation,
- Providing innovative and respectful service,
- Protecting the public health and safety, and achieving efficiency in liquor administration, and
- Improving public understanding of Montana's revenue system.

Core Values

Our core values are rooted in the Montana Constitution and in fundamental values proven by human experience to lead an organization or community forward in a continuous positive manner. These core values include the following:

- Respect for all persons
- Integrity and justice
- Productivity and effectiveness
- Teamwork and community

Department Goals

1. To serve Montana's citizens by respecting their legal rights, recognizing their dignity as individuals, and advancing public understanding of the tax system.

2. To advance equity and integrity in taxation by reducing gaps between taxes paid and taxes owed, and properly classifying and equalizing the value of all taxable property in the state.

3. To execute the timely and accurate distribution of funds, financial information and valuation data to support the orderly operation and administration of Montana's complex intergovernmental tax and fiscal system.

4. To continually strengthen working relationships and understandings with other state agencies, local governments and school districts, tribal governments, the federal government, and the general public.

5. To protect the public health and safety in the consumption of alcohol by properly licensing alcoholic beverage entities, and efficiently distributing alcoholic beverages through a state controlled system.

6. To position the department to be prepared to manage various types of disasters.

7. To continually improve productivity, effectiveness, and quality of department services by developing competent staff, achieving management excellence, fostering teamwork, applying innovative practices and technology, responding to changing circumstances and fulfilling the department's core values.

Pay Plan 020 – In accordance with 2-18-201, MCA

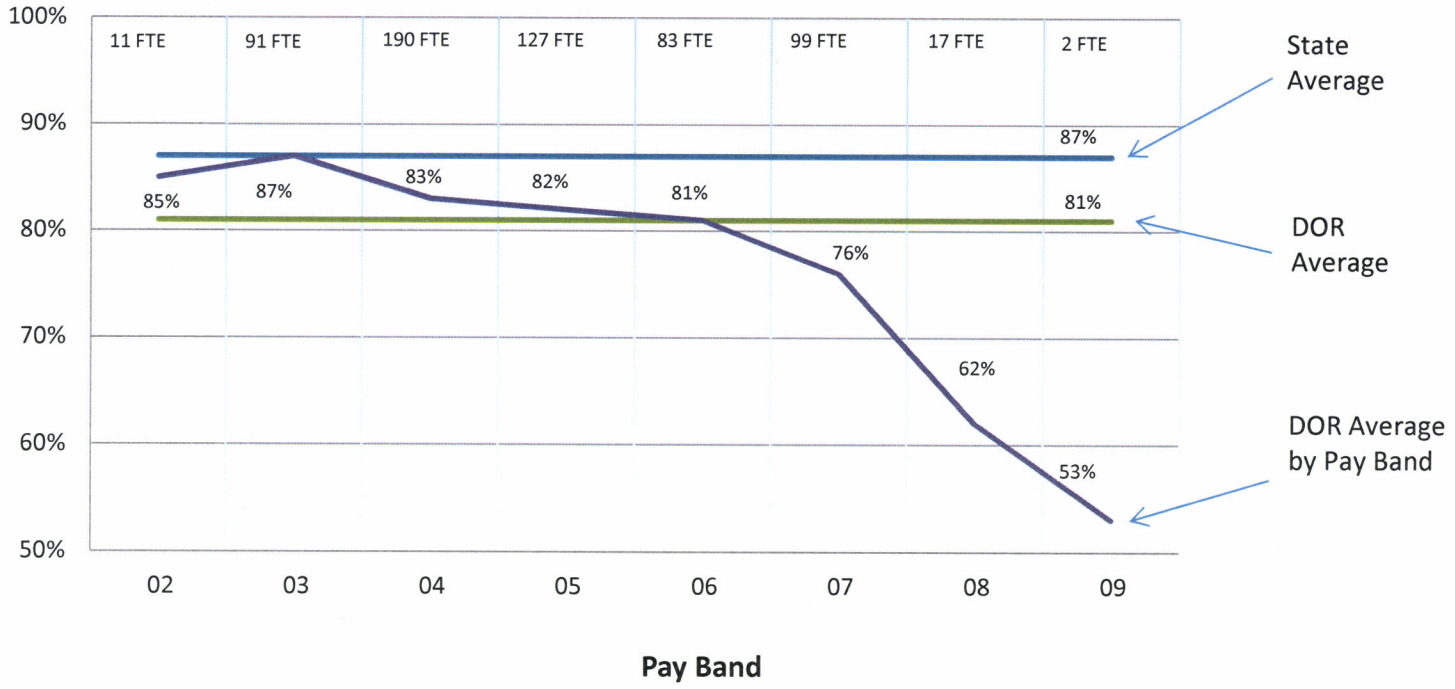
- Market Rate established for each job classification based on **2008** market data.
- Pay range established for each job classification based on **80% - 95%** of Market Rate.
- Employees progress from 80% to 95% of market over a maximum of **5 years** by advancing 1 increment per year.
- Employees continued to advance by 1 increment per year through the 2011 biennium; however employee **pay was not adjusted** during these years.
- Pay adjustments provided in **FY2012** adjusted pay for each employee to where he/she belonged on the pay matrix.
- As a result, approximately **one-third** of Department of Revenue employees received pay adjustments in FY2012; **two-thirds** of the Department of Revenue employees did not receive pay adjustments.

Excerpt from pay matrix:

Job Code	Title Place	Working/Occupational Title	Band	IBP 1 (80%)	IBP 2	IBP 3	IBP 4	IBP 5 (95%)
132116	1	Accountant	6	$19.739077	$20.726031	$21.712985	$22.699938	$23.440154
132117	2	Senior Accountant I	7	$23.686892	$24.871237	$26.055582	$27.239926	$28.128185
433312	3	Accounting Clerk	2	$9.185769	$9.616352	$10.046935	$10.477518	$10.908101
433313	4	Accounting Technician	3	$11.023077	$11.539784	$12.056490	$12.573197	$13.089904
433314	5	Accounting Technician	4	$13.227692	$13.847740	$14.467788	$15.087837	$15.707885

Average Employee Salary as compared to 2012 Market Midpoint

Department of Revenue



Impact of removal of Personal Services adjustments

Personal Services budget for existing FTE is now less than the Executive Budget request.

Personal Services	Expenditure Impact FY2014	Expenditure Impact FY2015	Revenue Impact FY2014	Revenue Impact FY2015
Total Shortage - DOR	($793,094)	($822,139)	**($5,024,947)** **6.3:1**	**($5,158,424)** **6.3:1**

Personal Services Shortage by Division	Expenditure Impact FY2014	Expenditure Impact FY2015	Revenue Impact FY2014	Revenue Impact FY2015
Director's Office	($121,922)	($126,130)	**($609,610)** **5:1**	**($630,650)** **5:1**
Information Management & Technology	($191,009)	($197,923)	**($955,045)** **5:1**	**($989,615)** **5:1**
Liquor Control	($66,649)	($67,812)	**NA**	**NA**
Citizen Services & Resource Management	($107,767)	($107,678)	**($538,835)** **5:1**	**($538,390)** **5:1**
Business & Income Taxes	$143,708	$138,907	**NA**	**NA**
Property Assessment	($449,455)	($461,503)	**($2,921,457)** **6.5:1**	**($2,999,769)** **6.5:1**

Director's Office

Information Management and Technology Division

Information Management Bureau

Mailroom and Records Management Unit

Data Capture Unit

Account Maintenance and Cashiering Unit

E-Services Unit

Information Technology Bureau

Network Services Unit

Applications Services Unit

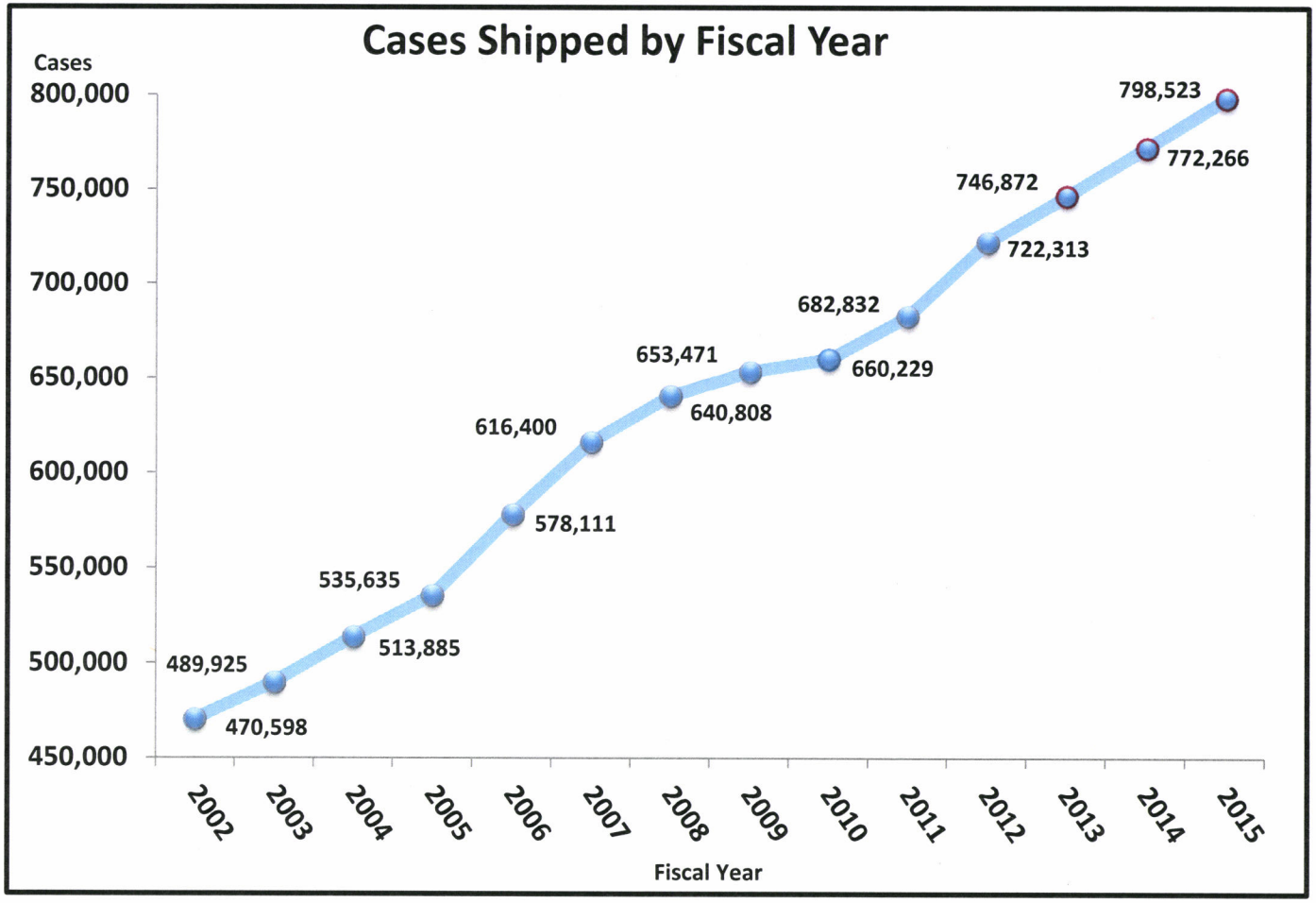
Quality Assurance Unit

Liquor Control Division

Liquor Licensing Bureau

Liquor Distribution Bureau

Liquor Control Division



Citizen Services and Resource Management Division

Financial and Asset Management Bureau

Accounting

Purchasing

Statewide Facilities, Safety and Security

Citizen Services Bureau

Call Center

Forms Design and Distribution

One-Stop Business Licensing

Unclaimed Property Distribution

Collections Bureau

Delinquent Collections

Bankruptcy

Bad Debt Collections

Revenue Distribution Highlights
Fiscal Year 2012

We ensure revenues are distributed properly to the state general fund, special revenue funds, proprietary funds, debt service funds, permanent trust funds, local governments and Indian tribal governments.

- Accounted for 32 different tax types, licenses and fees totaling $1.7 billion in revenues
- Processed and distributed $128.3 million in quarterly combined oil and natural gas production taxes to cities and counties.
- Accrued $147.4 million in revenues for 26 different tax types during the June fiscal year end closing period. Our estimates were within 3.6% of actual revenues collected.
- Processed and distributed $99.2 million in entitlement share payments to 54 counties, 2 consolidated governments and 100+ cities and towns. The total is distributed in quarterly installments.
- Distributed over $760,000 in Urban Tax Increment Financing District payments to four cities and two consolidated governments.
- Distributed over $1.7 million in bentonite tax payments to Carter and Carbon counties.
- Processed and distributed $4.9 million in quarterly cigarette, tobacco and alcohol taxes to Indian tribal governments through revenue sharing agreements.

Department of Revenue Call Center Statistics
Fiscal Year 2012

- Calls answered in fiscal year 2012 (July 2011-June 2012)

  124,109

- Calls answered during the last income tax season (January-April)

  58,571

- Calls answered during the final days of the income tax filing season (April 9-April 17)

  7,060

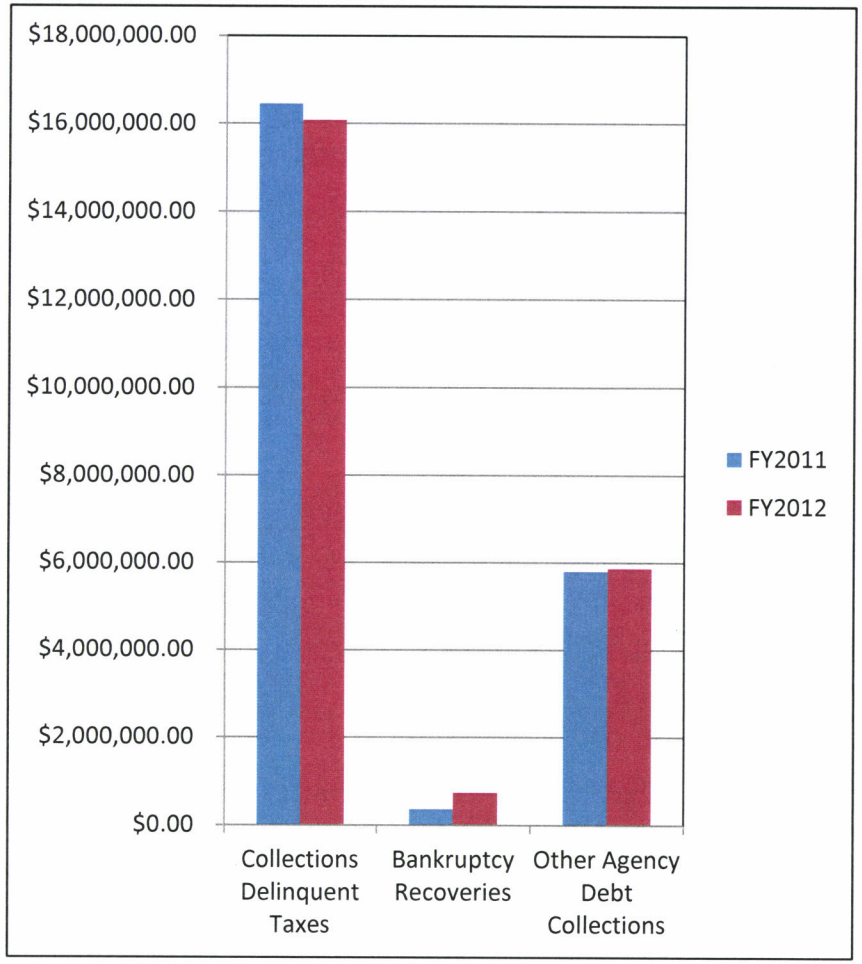
- Emails answered in fiscal year 2012

  Over 4,000

Call Center Phone Numbers
In Helena (406) 444-6900
Toll-Free (866) 859-2254
TDD (406) 444-2830

Collections Bureau

Collections for FY 2011 and FY 2012



Customer Service Survey

1. Do you feel the collector listened to you and considered your concerns or questions that were raised during the telephone call?

   99% Yes

2. Did the collector treat you with courtesy and respect throughout the telephone call?

   99% Yes

3. Did the collector provide you with clear and understandable answers to your questions?

   99% Yes

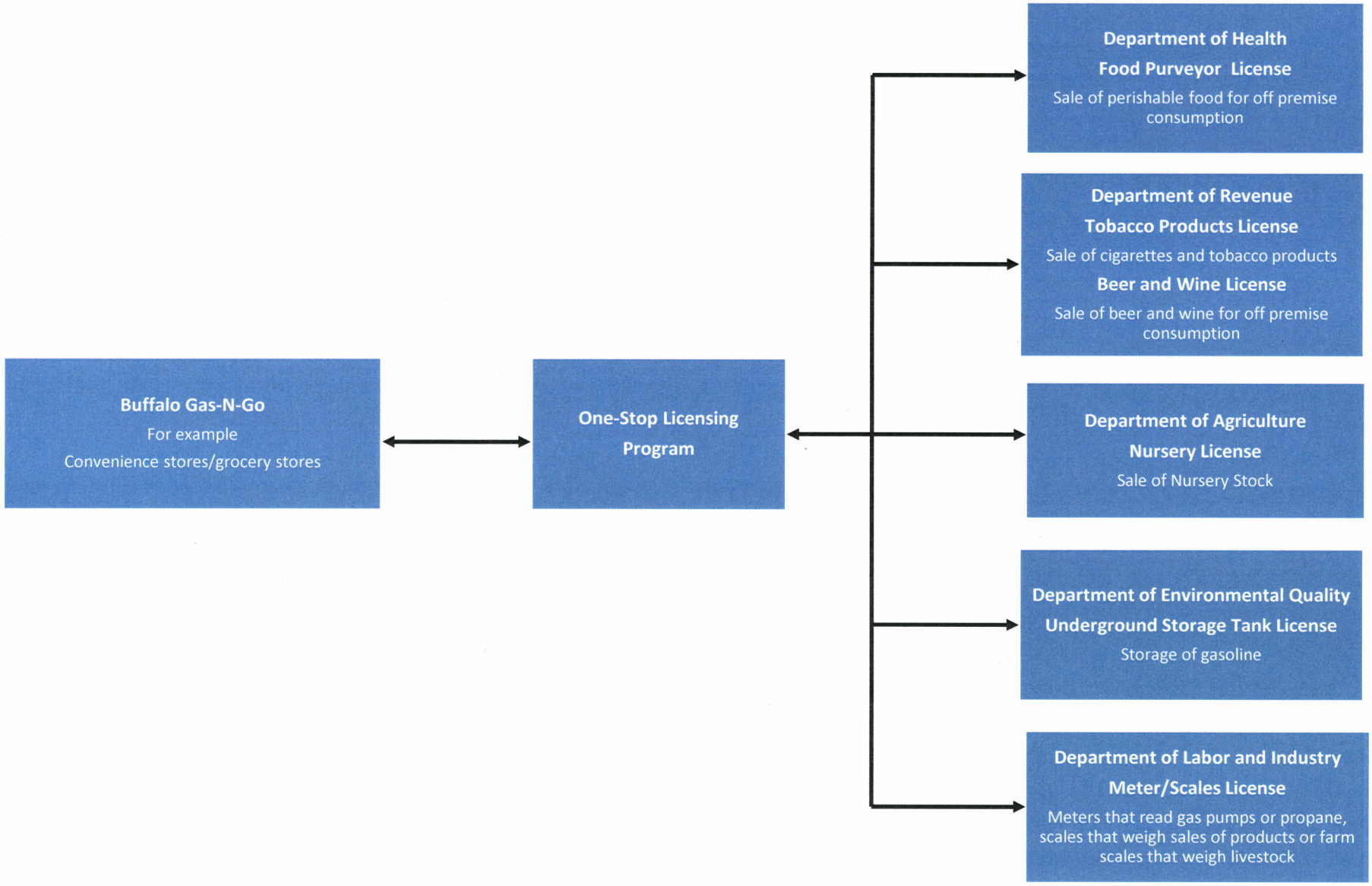
4. Did the collector provide you with helpful and accurate information pertaining to your liability so you have an understanding of what you owe?

   99% Yes

5. As a result of your telephone conversation, do you feel that the collector helped you reach a resolution to your outstanding tax liability?

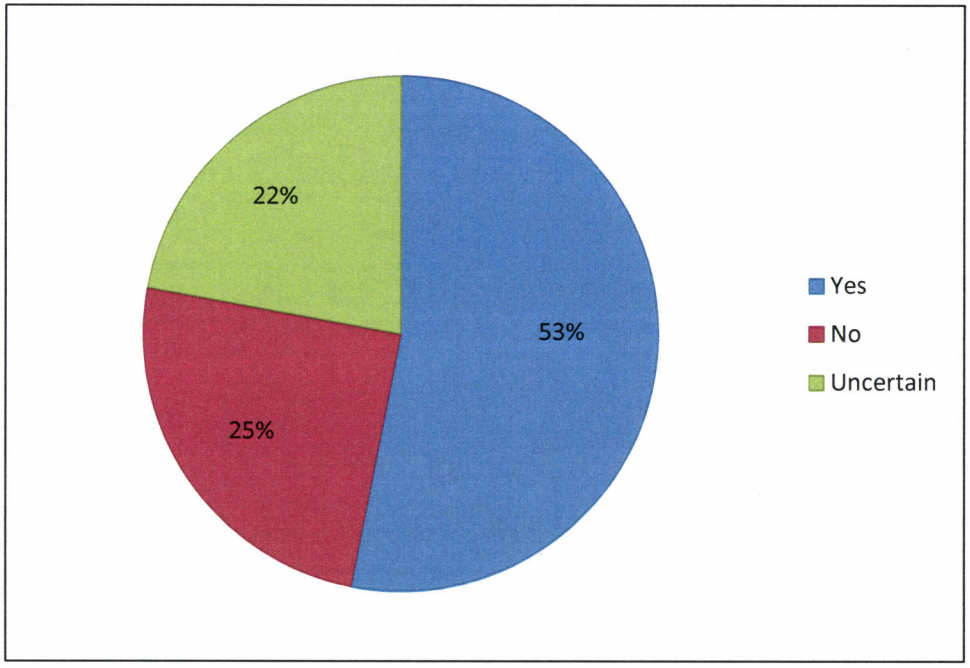
   98% Yes

One Stop Licensing



One Stop Licensing
Decision Package 501

Would you use an online service if it was available?



Business and Income Taxes Division

Income and Withholding Tax Bureau

Withholding Unit

Compliance Unit

Pass Through Unit

Field Audit Unit

Taxpayer Accounting Unit

Business Tax and Valuation Bureau

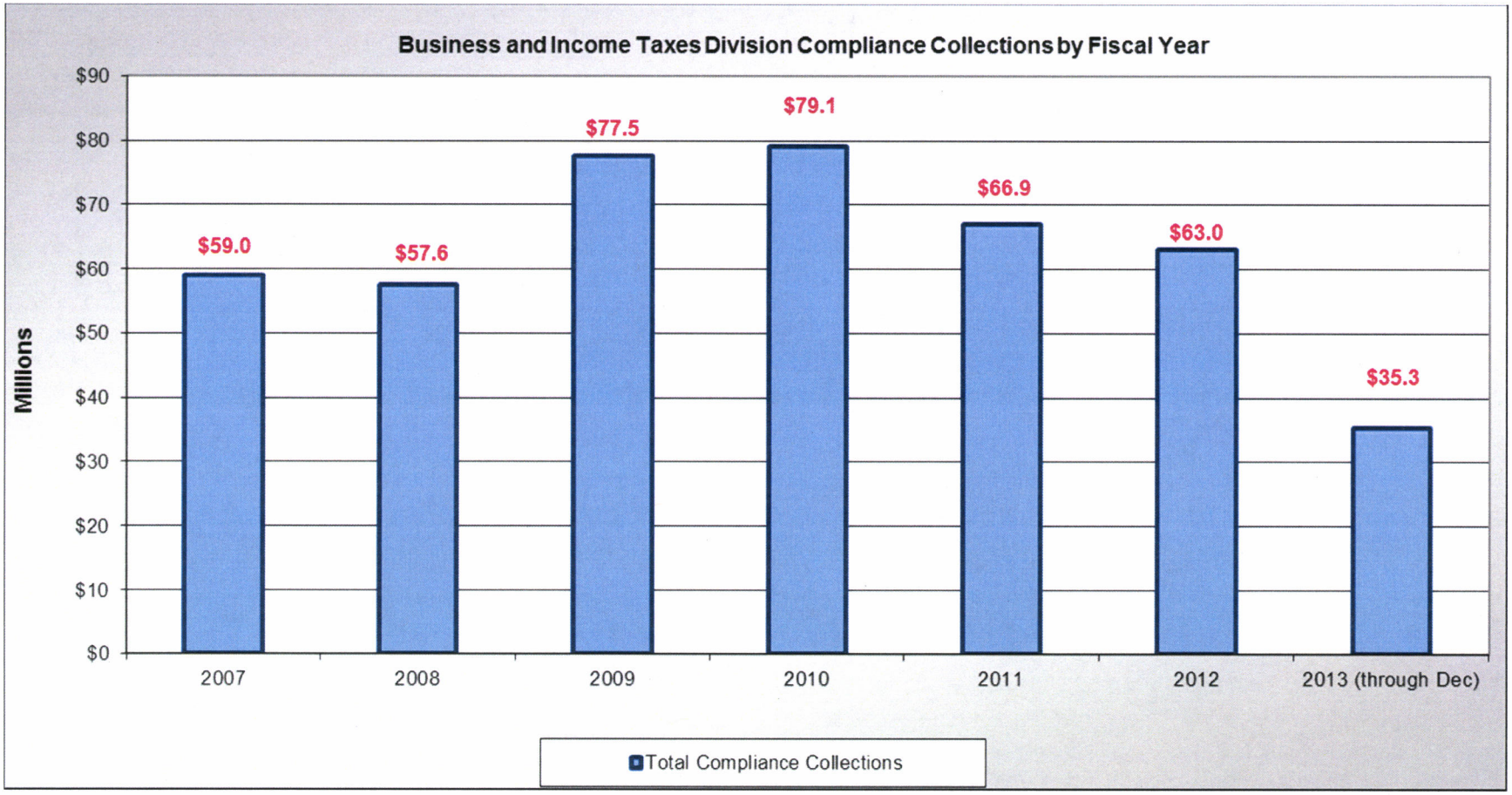
Corporation Tax Unit

Natural Resource Unit

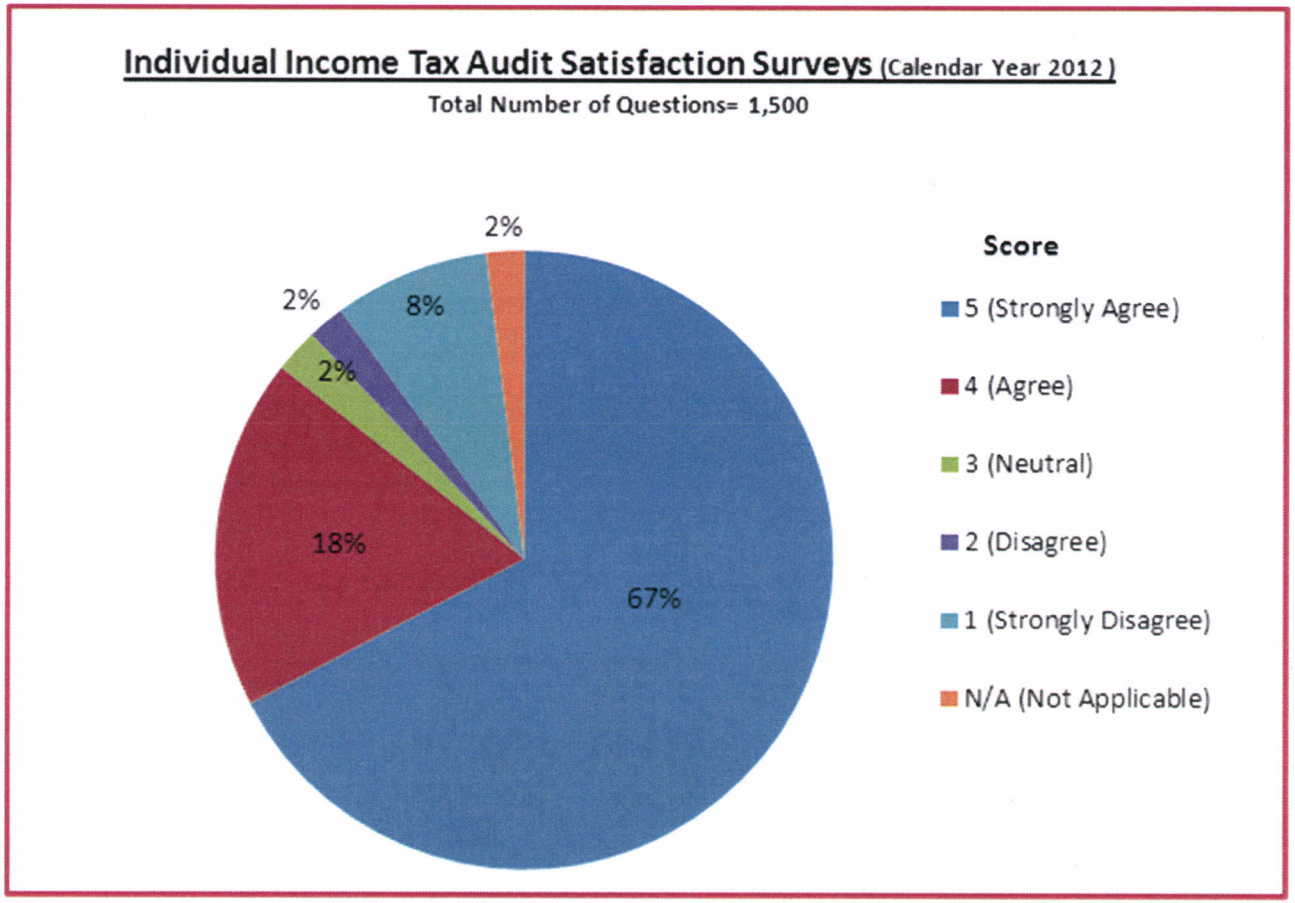
Miscellaneous Tax Unit

Utility and Industrial Unit

Business and Income Taxes Division



Business and Income Taxes Division



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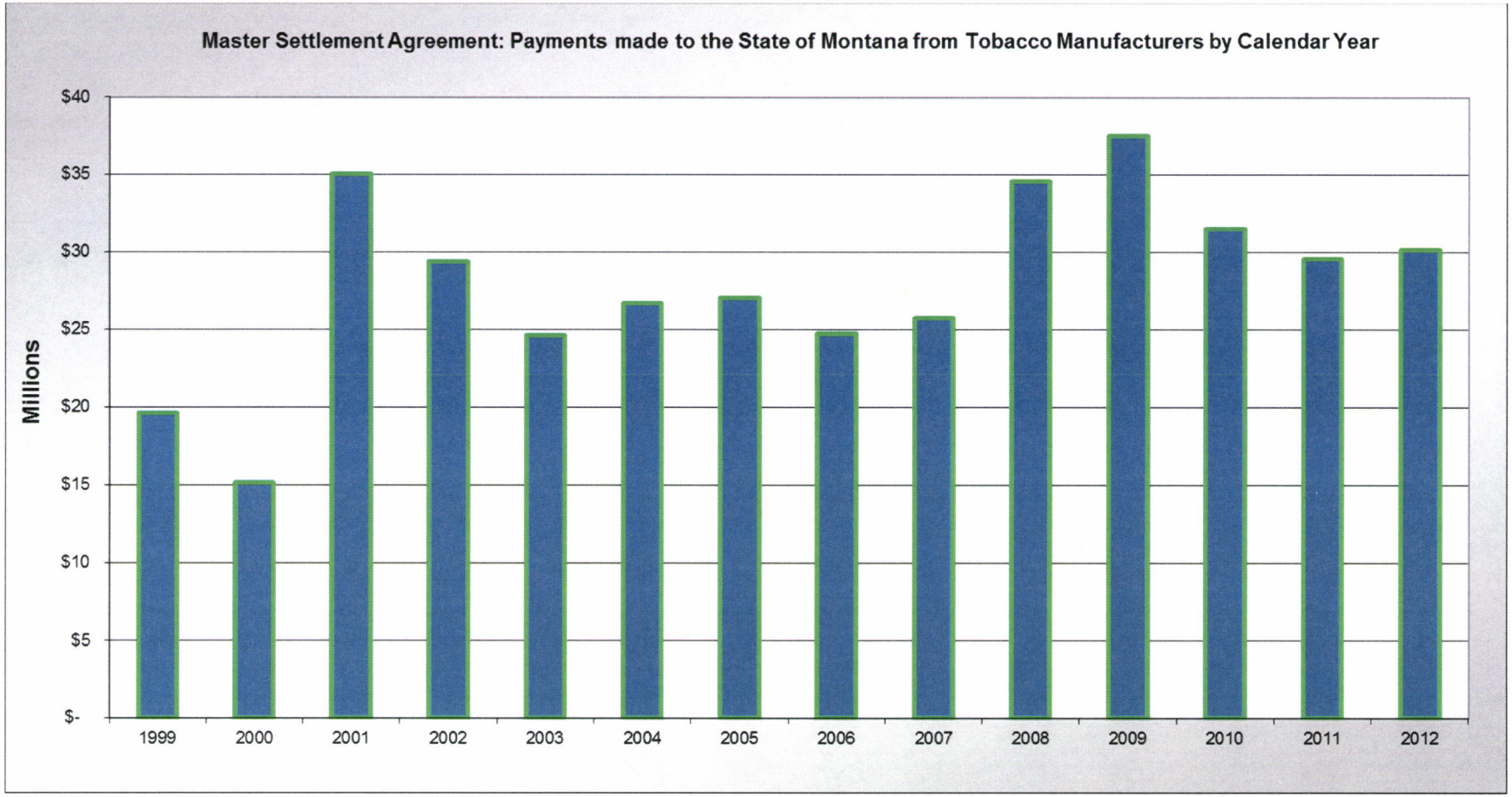
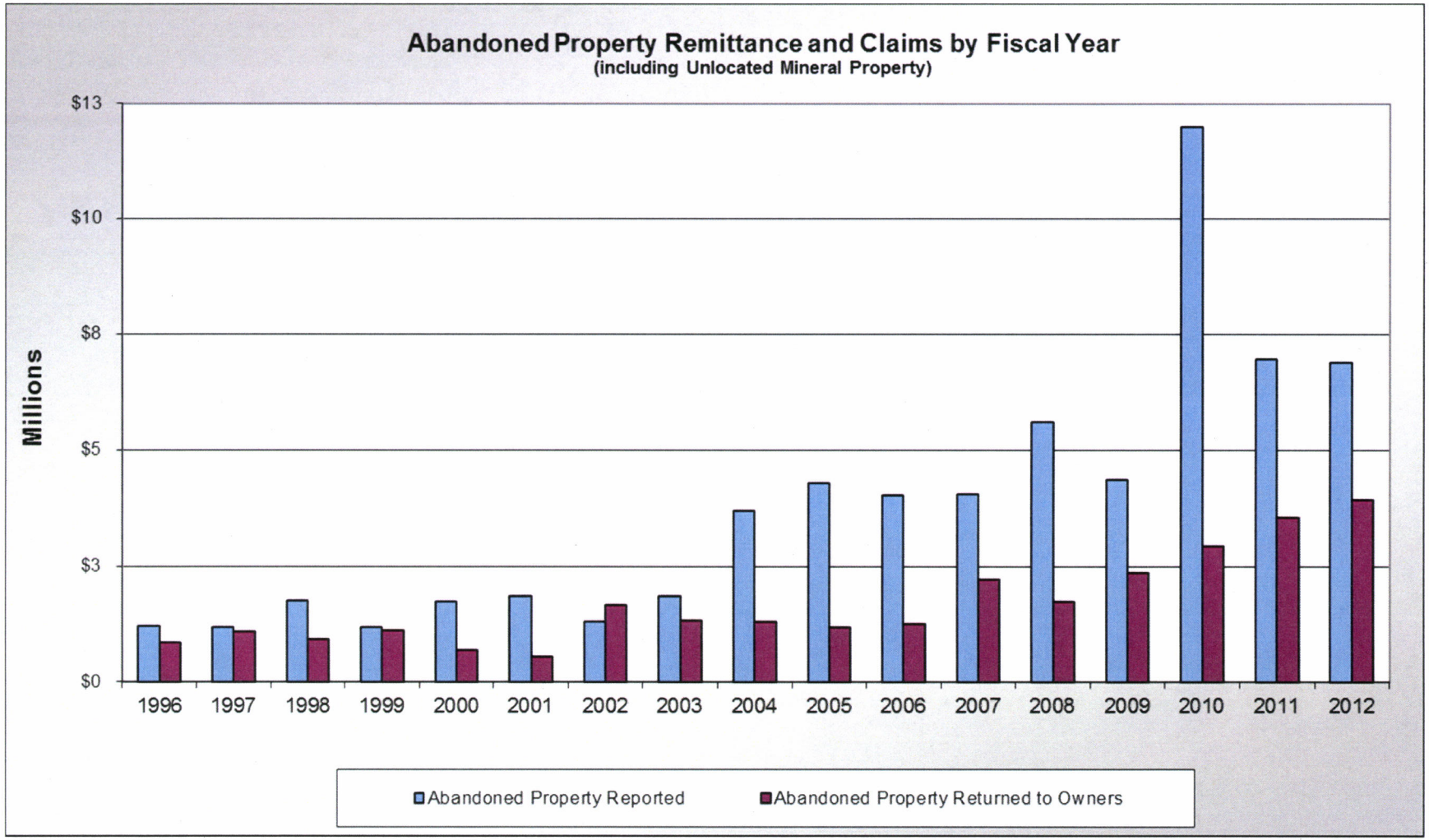
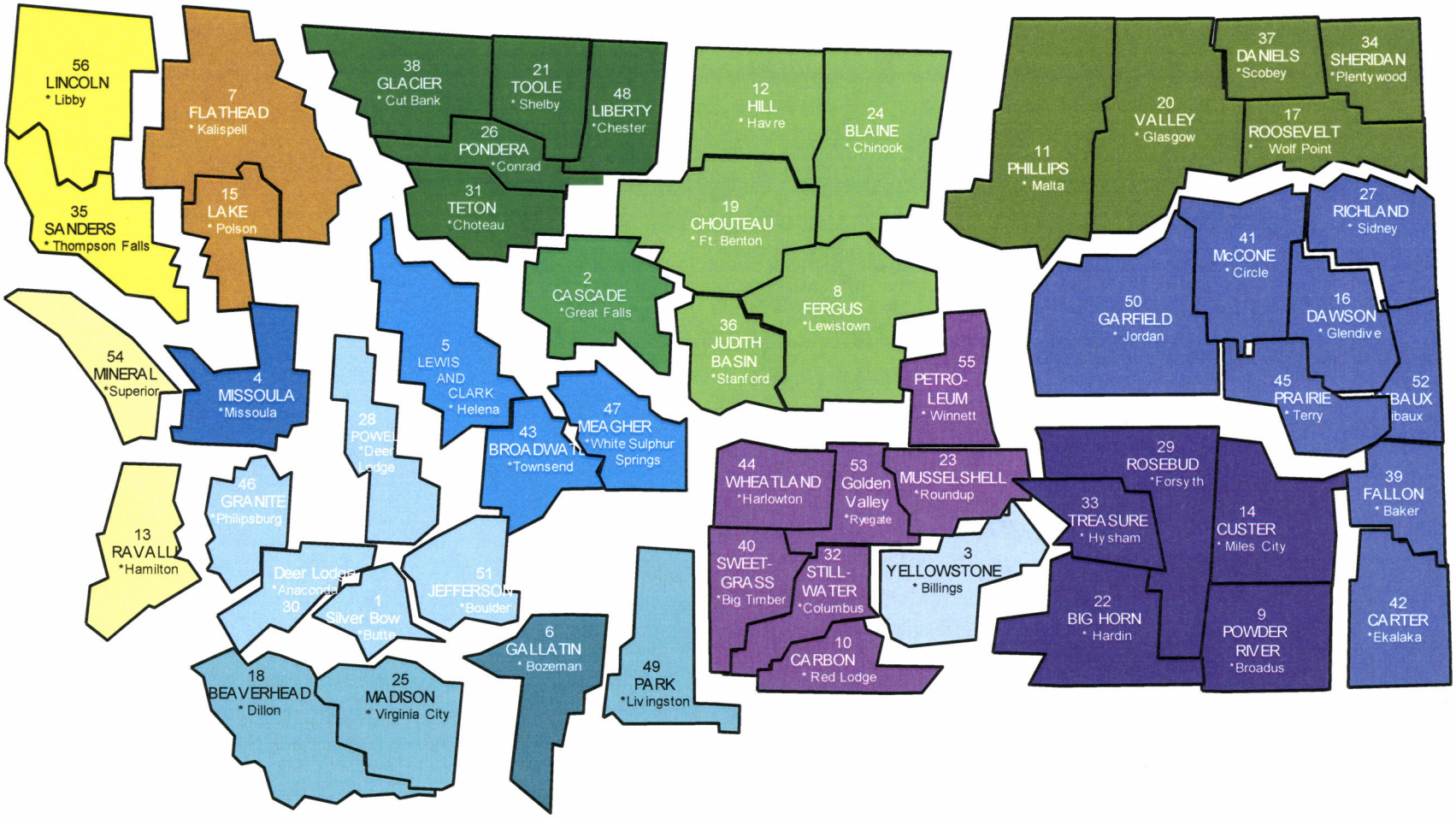
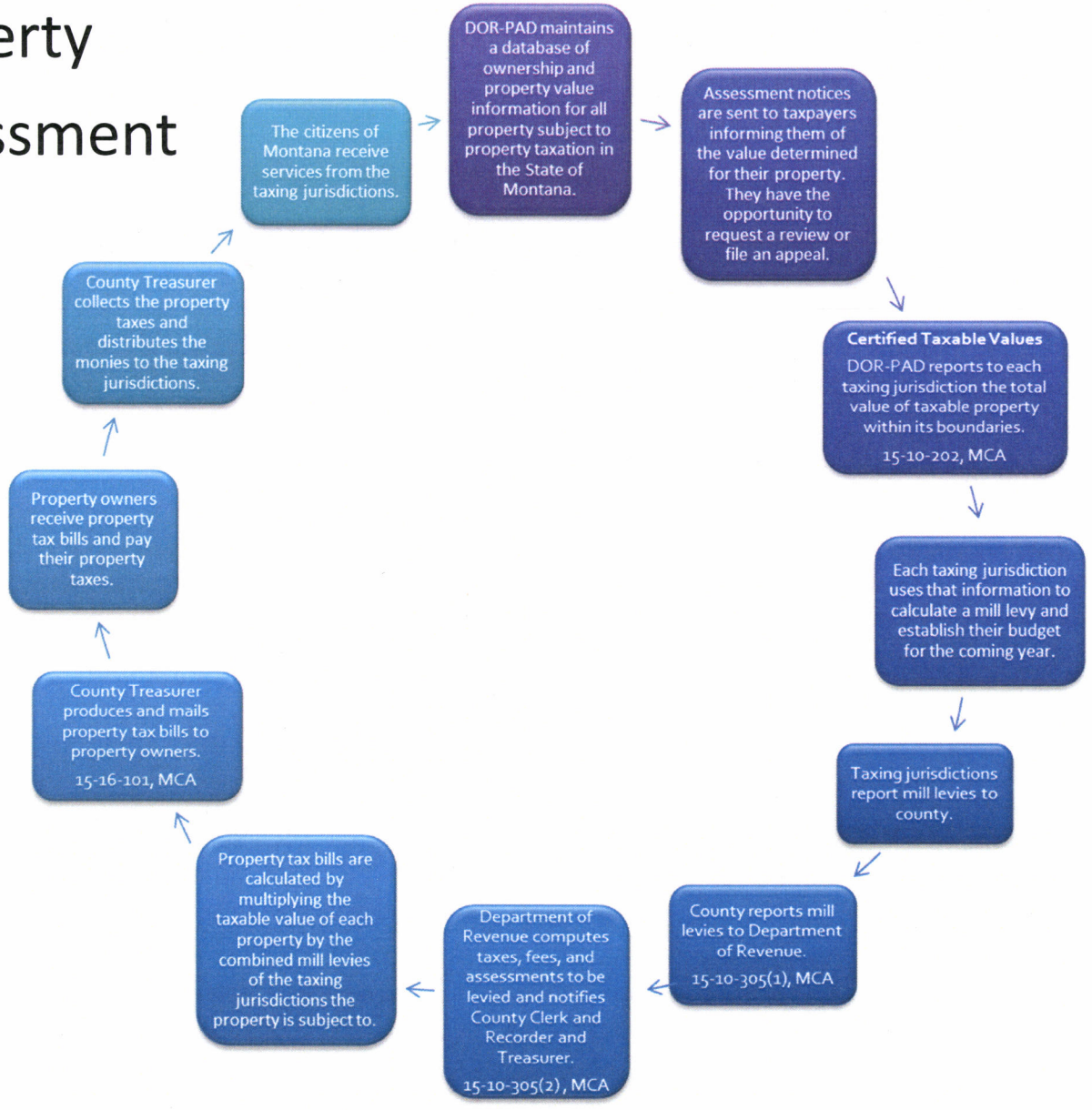


Business and Income Taxes Division



Property Assessment Division

Property Assessment Division



Property Assessment Cycle