

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	138.45	138.45	133.45	133.45	138.45	133.45	(5.00)	(3.61)%
Personal Services	8,655,954	8,807,655	9,048,138	9,073,202	17,463,609	18,121,340	657,731	3.77 %
Operating Expenses	1,508,704	1,472,324	1,401,373	1,487,319	2,981,028	2,888,692	(92,336)	(3.10)%
Equipment & Intangible Assets	0	0	0	0	0	0	0	0.00 %
Total Costs	\$10,164,658	\$10,279,979	\$10,449,511	\$10,560,521	\$20,444,637	\$21,010,032	\$565,395	2.77 %
General Fund	9,254,776	9,339,739	9,499,531	9,610,541	18,594,515	19,110,072	515,557	2.77 %
State/Other Special Rev. Funds	660,828	672,145	677,718	677,718	1,332,973	1,355,436	22,463	1.69 %
Federal Spec. Rev. Funds	249,054	268,095	272,262	272,262	517,149	544,524	27,375	5.29 %
Proprietary Funds	0	0	0	0	0	0	0	0.00 %
Total Funds	\$10,164,658	\$10,279,979	\$10,449,511	\$10,560,521	\$20,444,637	\$21,010,032	\$565,395	2.77 %

Program Description

The Business and Income Taxes Division is responsible for the administration of and collection of over \$1.5 billion annually for 38 Montana taxes and fees including but not limited to corporation license, natural resource, withholding, individual income, lodging facilities, cigarette and tobacco products, contractor's gross receipts, and telecommunications taxes. The division also values all industrial and centrally assessed property in the state which generates \$250 million in state and local revenue annually. Some of the duties associated with administration include: tax type expertise, taxpayer education, auditing, identification of non-filers, delinquent account collection, and overall tax compliance. The Accounts Receivable and Collections Bureau, the Business Tax and Valuation Bureau, and the Income and Withholding Tax Bureau handle these functions for the department.

Program Highlights

Business and Income Taxes Division Major Budget Highlights	
<ul style="list-style-type: none"> The increased budget in the Business and Income Taxes Division was due to increases in: <ul style="list-style-type: none"> Personal services present law adjustments Fixed costs 	

Funding

The following table shows program funding by source from all sources of authority.

Department of Revenue, 07-Business and Income Taxes Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	19,110,072	0	0	19,110,072	90.96 %	
02025 Unclaimed Property	650,622	0	0	650,622	48.00 %	
02110 Accommodation Tax Admin	295,642	0	0	295,642	21.81 %	
02260 Cigarette Tax Revenue	0	0	0	0	0.00 %	
02293 Film Production Credit	0	0	0	0	0.00 %	
02790 6901-Statewide Tobacco Sttlmnt	409,172	0	0	409,172	30.19 %	
02259 Cigarette Tax Administration	0	0	0	0	0.00 %	
State Special Total	\$1,355,436	\$0	\$0	\$1,355,436	6.45 %	
03928 Royalty Audit - NRCT	544,524	0	0	544,524	100.00 %	
Federal Special Total	\$544,524	\$0	\$0	\$544,524	2.59 %	
06005 Liquor Division	0	0	0	0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$21,010,032	\$0	\$0	\$21,010,032		

The Business and Income Taxes Division is primarily funded with general fund, with some state special revenue and federal special revenue. State special revenue comes from the unclaimed property fund for program support and tobacco settlement funds that supports tobacco tax compliance activities. Other state special revenue includes the accommodations tax, funds expenses for administering the tax, and cigarette tax administration. Federal special revenue comes from reimbursements for performing mineral royalty audits.

Additionally, the Business and Income Taxes Division administers a statutory appropriation for the administrative costs of the film production credit. In the 2017 biennium, the statutory appropriation is estimated to provide \$11,000 toward the administrative costs.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
-----General Fund-----					-----Total Funds-----			
Budget Item	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	9,339,739	9,339,739	18,679,478	97.75 %	10,279,979	10,279,979	20,559,958	97.86 %
PL Adjustments	134,092	245,102	379,194	1.98 %	143,832	254,842	398,674	1.90 %
New Proposals	25,700	25,700	51,400	0.27 %	25,700	25,700	51,400	0.24 %
Total Budget	\$9,499,531	\$9,610,541	\$19,110,072		\$10,449,511	\$10,560,521	\$21,010,032	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments										
-----Fiscal 2016-----						-----Fiscal 2017-----				
FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance	0.00	64,857	0	0	64,857	0.00	64,857	0	0	64,857
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	160,103	5,573	0	169,843	0.00	160,103	5,573	0	169,843
DP 525 - Fixed Cost Adjustments	0.00	(56,219)	0	0	(56,219)	0.00	29,599	0	0	29,599
DP 527 - Inflation/Deflation Adjustments	0.00	(34,907)	0	0	(34,907)	0.00	(34,739)	0	0	(34,739)
DP 532 - General Liability Insurance Rate Adjustment	0.00	(2,606)	0	0	(2,606)	0.00	(2,606)	0	0	(2,606)
DP 550 - Motor Pool Rate Adjustment	0.00	(2,919)	0	0	(2,919)	0.00	(2,959)	0	0	(2,959)
DP 700444 - Statewide 4% Reduction-Program 7	(5.00)	0	0	0	0	(5.00)	0	0	0	0
DP 700703 - Longevity and Other Adjustments	0.00	5,783	0	0	5,783	0.00	30,847	0	0	30,847
DP 700704 - Remove proprietary authority	0.00	0	0	4,167	0	0.00	0	0	4,167	0
Grand Total All Present Law Adjustments	(5.00)	\$134,092	\$5,573	\$4,167	\$143,832	(5.00)	\$245,102	\$5,573	\$4,167	\$254,842

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

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 525 - Fixed Cost Adjustments -

The legislature adopted fixed cost adjustments.

DP 527 - Inflation/Deflation Adjustments -

The legislature adopted inflation/deflation adjustments.

DP 532 - General Liability Insurance Rate Adjustment -

The legislature reduced the rate assessed to state agencies for general liability insurance provided by the Risk Management and Tort Defense Division.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 700444 - Statewide 4% Reduction-Program 7 -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 700444 includes a reduction of 5.00 FTE each year.

DP 700703 - Longevity and Other Adjustments -

The legislature adopted personal services adjustments for longevity, retirement, unemployment insurance, and workers compensation.

DP 700704 - Remove proprietary authority -

This replaced proprietary authority with federal special authority as this program did not have the authority to spend proprietary funds.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals										
-----Fiscal 2016-----						-----Fiscal 2017-----				
FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
DP 700701 - Funding for Cigarette Tax Stamps - Biennial										
0.00	25,700	0	0	25,700		0.00	25,700	0	0	25,700
Total	0.00	\$25,700	\$0	\$0	\$25,700	0.00	\$25,700	\$0	\$0	\$25,700

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

DP 700701 - Funding for Cigarette Tax Stamps - Biennial -

The legislature adopted a \$51,400 biennial appropriation for the purchase of cigarette stamps. Montana law requires all cigarettes sold in the state to be taxed. Like all states, Montana enforces this taxation through affixing a tax stamp to each pack of cigarettes sold. The tax stamp informs customers, retailers, and the department that the appropriate amount of tax was collected on the cigarettes sold.