

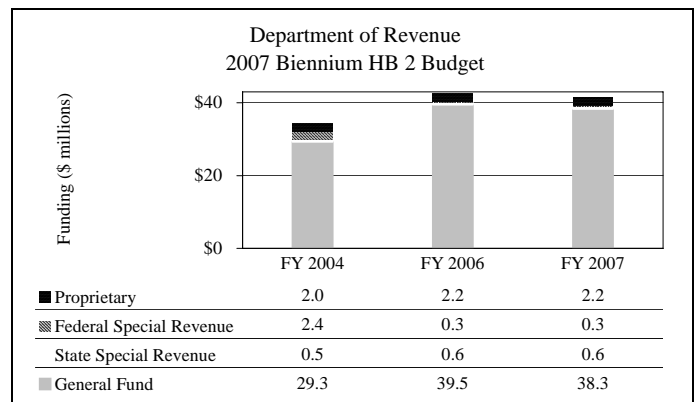
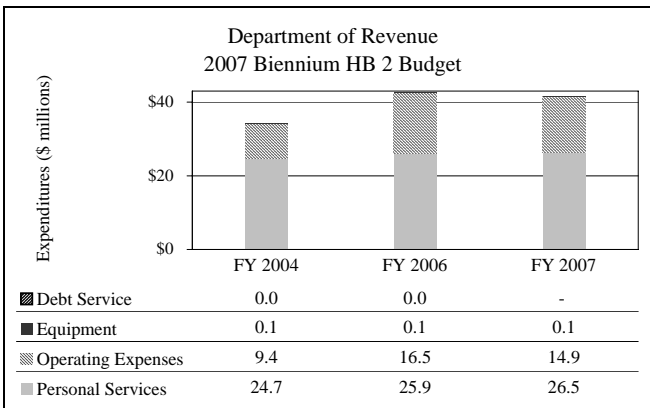
DEPARTMENT OF REVENUE

WHAT THE AGENCY DOES

The Department of Revenue has general supervision over the administration of the assessment and tax laws of the state except for gasoline and motor fuel taxes, which are administered by the Department of Transportation. The department collects and distributes revenue from and enforces regulations for over 30 state taxes and fees. The department also regulates the sale and distribution of alcoholic beverages in the state. In doing so, the department buys, imports, stores, sells, and delivers liquors to agency liquor stores.

2007 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2007 biennium.



HOW SERVICES ARE PROVIDED

In order to administer the state taxes under its purview, the department is organized into a Director's Office and five divisions with the following functions (615.53 FTE total for the agency in HB 2):

- Director's Office (40.03 FTE), Dan Bucks (director), 444-1900, Dbucks@mt.gov; David Hunter (deputy), 444-3717, davidhunter@mt.gov
- Information Technology (99.45 FTE), Margaret Kausta, 444-9535, mkauska@mt.gov
- Citizens Services and Resource Management (25.00 FTE), Steve Austin, 444-1479, saustin@mt.gov
- Liquor Control, Shauna Helfert (25.00 FTE), 444-1464, shelfert@mt.gov
- Business and Income Taxes, Gene Walborn (123.70 FTE), 444-0908, gwalborn@mt.gov
- Property Assessment, Randy Wilke (302.35 FTE), 841-2562, rwilke@mt.gov

BUDGET AND POLICY ISSUES

The following budget or policy issues were identified in the analysis of the department budget request:

- General fund would backfill federal funds lost for functions still needed in the department after the unemployment insurance tax collections function was transferred to the Department of Labor and Industry
- More appropriate language for funding of POINTS replacement costs
- Reduction in seasonal returns processing staff could impact state revenues due to delays in processing tax returns and could have an impact of tax revenue trending and forecasting
- Reduction of tax examiner FTE could have an adverse impact on tax auditing activity and tax collections
- System development costs for a new property tax system are not on going and should be designated as one time only
- A new system would be developed to assess and value agricultural and forest lands based on productive capacity of the land