

## Oklahoma Tax Commission (695)

Lead Administrator: Tony Mastin, Executive Director

Lead Financial Officer: Carol McCullar

FY'19 Projected Division/Program Funding By Source						
Dept	Appropriations	Federal	Revolving	Local	Other*	Total
Headquarters/Administration	\$2,670,840	\$0	\$205,503	\$0		\$2,876,343
Taxpayer Services	\$9,366,535	\$0	\$1,300,059	\$0		\$10,666,594
Ad Valorem	\$3,070,549	\$0	\$33,295	\$0		\$3,103,844
Central Processing	\$2,655,508	\$0	\$5,344,316	\$0		\$7,999,824
Tax Policy	\$202,500	\$0	\$1,320,822	\$0		\$1,523,322
Management Services	\$4,527,770	\$0	\$44,869	\$0		\$4,572,639
Human Resources	\$621,910	\$0	\$193,500	\$0		\$815,410
Legal	\$3,021,848	\$0	\$278,685	\$0		\$3,300,533
Compliance	\$1,121,749	\$0	\$33,636,551	\$0		\$34,758,300
Motor Vehicle	\$5,406,027	\$0	\$4,479,904	\$0		\$9,885,931
Film Rebate		\$0		\$0	\$4,000,000	\$4,000,000
Data Processing	\$12,859,821	\$0	\$11,518,760	\$0		\$24,378,581
<b>Total</b>	<b>\$45,525,057</b>	<b>\$0</b>	<b>\$58,356,264</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>\$107,881,321</b>

\*Source of "Other" and % of "Other" total for each.

FY'18 Carryover and Refund by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'18 Carryover	\$0		\$16,780,320			
	\$0					\$0

\*Source of "Other" and % of "Other" total for each.

### What Changes did the Agency Make between FY'18 and FY'19?

**1.) Are there any services no longer provided because of budget cuts?**

The agency provides the primary revenue collection function for state government funding. All statutory tax and fee administration functions and services have been continued during the fiscal year. Savings from electronic filing initiatives have allowed the agency to absorb fixed cost increases during the year.

**2.) What services are provided at a higher cost to the user?**

All fees associated with tax administration are statutory. No statutory fee increases have been enacted for FY18.

**3.) What services are still provided but with a slower response rate?**

N/A

**4.) Did the agency provide any pay raises that were not legislatively/statutorily required?**

Yes. All pay raises were Cabinet approved.

FY'20 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
Headquarters/Administration	\$2,670,840	\$0	\$205,503		\$2,876,343	0.00%
Taxpayer Services	\$9,366,535	\$0	\$1,300,059		\$10,666,594	0.00%
Ad Valorem	\$3,070,549	\$0	\$33,295		\$3,103,844	0.00%
Central Processing	\$2,655,508	\$0	\$5,344,316		\$7,999,824	0.00%
Tax Policy	\$202,500	\$0	\$1,320,822		\$1,523,322	0.00%
Management Services	\$4,527,770	\$0	\$44,869		\$4,572,639	0.00%
Human Resources	\$621,910	\$0	\$193,500		\$815,410	0.00%
Legal	\$3,021,848	\$0	\$278,685		\$3,300,533	0.00%
Compliance	\$1,121,749	\$0	\$33,636,551		\$34,758,300	0.00%
Motor Vehicle	\$5,406,027	\$0	\$4,479,904		\$9,885,931	0.00%
Film Rebate		\$0		\$4,000,000	\$4,000,000	0.00%
Data Processing	\$12,859,821	\$0	\$11,518,760		\$24,378,581	0.00%
<b>Total</b>	<b>\$45,525,057</b>	<b>\$0</b>	<b>\$58,356,264</b>	<b>\$4,000,000</b>	<b>\$107,881,321</b>	<b>0.00%</b>

\*Source of "Other" and % of "Other" total for each.

### FY'20 Top Five Appropriation Funding Requests

	\$ Amount
No new funding requests	
<b>Total Increase above FY-19 Request</b>	<b>\$ -</b>

### Does the agency have any costs associated with the Pathfinder retirement system and federal employees?

(If so, please describe the costs and provide an estimate for FY '20, FY '21, and FY '22.)

The agency does have a budgetary impact associated with Pathfinder but not related to federal employees.

**How would the agency be affected by receiving the same appropriation for FY '20 as was received in FY '19? (Flat/ 0% change)**

No affect.

**How would the agency handle a 2% appropriation reduction in FY '20?**

A 2% appropriation reduction may result in the reduction of contract personnel used to process payments and returns. These actions may result in delays in opening and processing tax returns, delays in issuing individual income tax refunds, delays in issuing permits for new businesses and possible delays and reductions in the collection of state revenues.

**Is the agency seeking any fee increases for FY '20?**

		\$ Amount
Increase 1	N/A	\$0

**What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?**

N/A

**Federal Funds**

	FY 19 projected	FY 18	FY 17	FY 16	FY 15
<b>Federal Funding I</b> (Brief Description with CFDA number)	N/A				

**Federal Government Impact**

- 1.) How much federal money received by the agency is tied to a mandate by the Federal Government?**  
No federal funds are received by the agency. The agency is totally funded from appropriations and fees associated with tax administration.
- 2.) Are any of those funds inadequate to pay for the federal mandate?**  
N/A
- 3.) What would the consequences be of ending all of the federal funded programs for your agency?**  
N/A
- 4.) How will your agency be affected by federal budget cuts in the coming fiscal year?**  
N/A
- 5.) Has the agency requested any additional federal earmarks or increases?**  
N/A

**Division and Program Descriptions**

- Central Processing**  
This activity includes the receipt and processing of all tax documents and remittances and mailout.
- Taxpayer Services**  
This program includes the registration and licensing of business taxpayers, maintenance of taxpayer accounts, including problem resolution, business refunds, communication and taxpayer education.
- Motor Vehicle**  
This program includes the issuance of title and registration information for vehicles, boats and motors, truck registration and prorations and the administration of motor fuel tax laws.
- Compliance**  
This program's primary functions include the collection of delinquent taxes and performing audits of the various tax types, including business and individual taxpayers. The program generates revenues for the state and assists in enhancing the compliance rate of taxpayers. Activities also include delinquency hearings, filing of liens and establishment of payment plans.

<b>Legal Services</b> This program provides legal services to the various divisions in the administration and collection of tax revenues. Activities include: litigation protests, collections, bankruptcy, statutory/legislative reviews, and the promulgation of rules.
<b>Ad Valorem Programs</b> Program activity includes the monitoring of locally assessed property and valuation of centrally assessed property in Oklahoma for ad valorem taxation purposes. Ad Valorem exemptions are also audited and reviewed.
<b>Tax Policy and Research</b> This division is a centralized unit responsible for the development and review of tax policy and procedures, research, legal and administrative decisions and legislation. Revenue estimates are also provided for certification.
<b>Headquarters/Administration</b> This activity includes the Commissioners, administrative staff, law judges, the Executive Director's office and internal audit.
<b>Human Resources</b> The activity includes all personnel functions including employee training.
<b>Support and Management Services</b> This activity includes the agency's accounting functions, inventory management and computer services. Apportionment of revenues to state and local entities is a primary function.

FY'19 Budgeted FTE							
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$	
Headquarters	1	2	14	0	8	8	
Administration	3	2	15	2	2	13	
Taxpayer Assistance	8	50	7	32	24	1	
Communications	1	1	8	0	8	1	
Account Maintenance	14	56	10	18	47	1	
Ad Valorem	10	21	11	4	27	1	
Central Processing	11	47	11	37	20	1	
Tax Policy	2	0	12	0	8	4	
Management Services	7	7	24	7	21	3	
Human Resources**	1	0	6	0	5	1	
Information Technology	7	0	37	0	34	3	
Legal	7	16	19	2	29	4	
Compliance	36	193	64	112	143	3	
Motor Vehicle	15	75	9	44	40	0	
<b>Total</b>	<b>123</b>	<b>470</b>	<b>247</b>	<b>258</b>	<b>416</b>	<b>44</b>	

FTE History					
	2019 Budgeted	2018	2017	2015	2010
Headquarters	17	18	16	16	17
Administration	9	7	6	9	10
Taxpayer Assistance	66	57	68	86	94
Communications	10	10	10	10	11
Account Maintenance	72	76	78	65	78
Ad Valorem	33	31	32	29	35
Central Processing	46	57	54	62	57
Tax Policy	15	16	16	14	15
Management Services	38	38	41	39	41
Human Resources	8	0	6	6	9
Information Technology	58	42	39	42	101
Legal	37	48	37	33	35
Compliance	290	285	289	247	280
Motor Vehicle	90	91	85	80	96
<b>Total</b>	<b>789</b>	<b>776</b>	<b>777</b>	<b>738</b>	<b>879</b>

Performance Measure Review					
	FY 18	FY 17	FY 16	FY 15	FY 14
<b>Central Processing</b>					
Avg. Days Process Non-Peak Refund	2	2	2	8	10
Avg. Days Process Non-Peak, Suspended Refund	60	60	34	79	43
Avg. Days for Peak Refund Processed	3	3	5	9	17
Avg. Days for Peak Suspended Processed	66	66	81	96	29
<b>Taxpayer Services</b>					
Internet Filing Participants	1,592,429	1,569,557	1,595,604	1,543,320	1,388,351
Electronic Filing Participants	938,138	937,272	975,836	975,459	883,033
Direct Deposit Participants	886,320	888,819	931,941	884,232	862,018
% of Business E-Filing	65.3%	60.5%	50.6%	34.1%	23.3%
<b>Compliance</b>					

Sales & Use Tax Field/Office Audits	1262	1040	808	747	786
Withholding Tax Field/Office Audits	243	223	370	195	58
<b>Motor Vehicles</b>					
Additional & Delinquent Fees	1,430	843	873	68,395	75,071
Total Registrations Processed (in millions)	4.2	4.3	4.1	4.2	4.1
Vehicle Title Transactions (in millions)	1.5	1.6	1.6	1.5	1.5

<b>Revolving Funds (200 Series Funds)</b>			
	<b>FY'16-18 Avg. Revenues</b>	<b>FY'16-18 Avg. Expenditures</b>	<b>June '18 Balance</b>
<b>Fund 200-Oklahoma Tax Commission Rev Fund</b> Provides resources for general operations of the agency.	\$29,770,388	\$29,059,661	\$10,219,442
<b>Fund 210-OTC &amp; OMES Joint Computer Enhancement</b> Joint effort between the Tax Commission and OMES for the acquisition of and Integrated Tax System.	\$7,476,640	\$3,962,073	\$159,187
<b>Fund 215-Okla Tax Comm Reimbursement Fund</b> Funds received by the OTC for data processing services or equip rental and any misc funds received by the Commission	\$8,790,093	\$6,827,861	\$6,560,878