

FY22 Budget Performance Review

Oklahoma Tax Commission - 695

Lead Administrator: Jay Doyle

Lead Financial Officer: Patricia Garcia

Agency Mission

To serve the people of Oklahoma by promoting tax compliance through quality service and fair administration.

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

Central Processing

This activity includes the receipt and processing of all tax documents and remittances and mailout.

Business Tax 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.

Audit Services/Collections

This programs'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.

Legal Services

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.

Ad Valorem Programs

Program activity includes the monitoring of locally assessed and valuation of centrally assessed property in Oklahoma for ad valorem taxation purposes. Ad Valorem exemptions are also provided for certification.

Tax Policy and Research

This division is a centralized unit responsible for the development and review of tax policy and procedures, research, legal and administrative decision and legislation. Revenue estimates are also provided for certification.

Headquarters/Administration

This activity includes the Commissioners, administrative staff, law judges, the Executive Director's office and internal audit.

Human Resources

This activity includes all personnel functions including employee training.

Business Operations

This activity includes the agency's accounting functions, inventory management and computer services.

Revenue & Apportionment

The primary function of this activity is the apportionment of revenues to state and local entities.

FY'21 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
01	Headquarters/Administration	3,471,851		376,233		-	\$3,848,084
02	Business Tax Services	9,086,645		1,302,598		-	\$10,389,243
03	Ad Valorem	2,165,461		332,237		-	\$2,497,698
05	Central Processing	2,883,945		5,121,236		-	\$8,005,181
06	Tax Policy	172,471		1,341,148		-	\$1,513,619
08	Business Operations	4,626,921		6,084,203		-	\$10,711,124
08	Human Resources	782,107		195,530		-	\$977,637
08	Revenue & Apportionment	347,582		-		-	\$347,582
11	Legal	2,735,986		272,052		-	\$3,008,038
12	Audit Services/Collections	274,500		21,486,203		11,093,862	\$32,854,565
13	Motor Vehicle	4,406,123		330,112		106,987	\$4,843,222
15	Film Rebate	-		-		8,000,000	\$8,000,000
88	Data Processing	12,223,676		11,327,307		-	\$23,550,982
							\$0
							\$0
Total		\$43,177,267	\$0	\$48,168,859	\$0	\$19,200,849	\$110,546,975

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable for each department:

FY'20 Carryover by Funding Source

Carryover	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
	#VALUE!	#VALUE!	\$25,308,303	#VALUE!	#VALUE!	#VALUE!
	\$0					\$0

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable:

What changes did the agency make between FY'20 and FY'21?

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 FY21.

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'22 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
01	Headquarters/Administration	\$3,471,851	\$0	\$376,233	\$0	\$3,848,084	0.00%
02	Business Tax Services	\$9,086,645	\$0	\$1,302,598	\$0	\$10,389,243	0.00%
03	Ad Valorem	\$2,165,461	\$0	\$332,237	\$0	\$2,497,698	0.00%
05	Central Processing	\$2,883,945	\$0	\$5,121,236	\$0	\$8,005,181	0.00%
06	Tax Policy	\$172,471	\$0	\$1,341,148	\$0	\$1,513,619	0.00%
08	Business Operations	\$4,626,921	\$0	\$6,084,203	\$0	\$10,711,124	0.00%
08	Human Resources	\$782,107	\$0	\$195,530	\$0	\$977,637	0.00%
08	Revenue & Apportionment	\$347,582	\$0	\$0	\$0	\$347,582	0.00%
11	Legal	\$2,735,986	\$0	\$272,052	\$0	\$3,008,038	0.00%
12	Audit Services/Collections	\$274,500	\$0	\$21,486,203	\$11,093,862	\$32,854,565	0.00%
13	Motor Vehicle	\$4,406,123	\$0	\$330,112	\$106,987	\$4,843,222	0.00%
15	Film Rebate	\$0	\$0	\$0	\$8,000,000	\$8,000,000	0.00%
88	Data Processing	\$12,223,676	\$0	\$11,327,307	\$0	\$23,550,982	0.00%
Total		\$43,177,267	\$0	\$48,168,859	\$19,200,849	\$110,546,975	0.00%

1. Please describe source(s) and % of total of "Other" funding for each department:

FY'22 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	No new funding requests.	
Request 2:		
Request 3:		
Request 4:		
Request 5:		
Top Five Request Subtotal:		\$0
Total Increase above FY-21 Budget (including all requests)		\$ -
Difference between Top Five requests and total requests:		\$0

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

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 '22 as was received in FY '21? (Flat/ 0% change)

No affect.

How would the agency handle a 2% appropriation reduction in FY '22?

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 '22?

Increase #	Description	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1	N/A		
Increase 2			
Increase 3			

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

Description of request in order of priority	Appropriated Amount (\$)	Submitted to LRCP? (Yes/No)
Priority 1	N/A	
Priority 2		
Priority 3		

Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 21 budgeted	FY 20	FY 19	FY 18	FY 17
	Cares Act	0100002	50,884				
	Cares Act	0200003	5,531				
	Cares Act	0500002	1,059				
	Cares Act	0800001	5,680				
	Cares Act	0800002	8,354				
	Cares Act	8800008	45,178				

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?

All money received from the Coronavirus Relief Fund is tied to the CARES Act.

2.) Are any of those funds inadequate to pay for the federal mandate?

No.

3.) What would the consequences be of ending all of the federal funded programs for your agency?

No effect.

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?

No.

FY'21 Budgeted FTE								
Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$	
0100001	Headquarters	4	2	13	0	6		9
0100002	Administration	7	1	11	0	4		8
0200001	Business Tax Services	9	45	11	13	41		2
0200003	Digital Communications & Marketing	2	0	10	2	5		3
0200004	Income Tax Accounts	13	52	9	9	50		2
0300001	Ad Valorem	8	15	13	2	24		2
0500002	Central Processing	9	45	11	26	29		1
0600001	Tax Policy	2	0	13	0	8		5
0800001	Business Operations	7	16	23	10	26		3
0800002	Human Resources	2	0	8	0	6		2
0800003	Revenue & Apportionment	1	0	3	0	1		2
8800008	Information Technology	7	0	38	0	36		2
1100001	Legal	5	14	13	0	24		3
1200001	Audit Services	22	79	57	14	119		3
1200003	Collections	16	87	7	55	39		0
1300001	Motor Vehicle	11	58	10	27	40		1
Total		125	414	250	158	458		48

FTE History								
Division #	Division Name	2021 Budgeted	2020	2019	2017	2012		
0100001	Headquarters	16	16	15	17	15		15
0100002	Administration	12	8	7	8	10		10
0200001	Business Tax Services	64	57	55	59	82		82
0200003	Digital Communications & Marketing	7	9	9	10	11		11
0200004	Income Tax Accounts	66	65	67	72	60		60
0300001	Ad Valorem	29	27	32	33	34		34
0500002	Central Processing	48	41	40	36	49		49
0600001	Tax Policy	13	12	12	14	13		13
0800001	Business Operations	42	31	31	36	34		34
0800002	Human Resources	8	8	6	0	7		7
0800003	Revenue & Apportionment	3	0	0	0	0		0
8800008	Information Technology	58	54	54	56	87		87
1100001	Legal	32	29	33	35	35		35
1200001	Audit Services	150	246	256	260	233		233
1200003	Collections	103	0	0	0	0		0
1300001	Motor Vehicle	74	83	83	85	80		80
Total		725.0	686.0	700.0	721.0	750.0		750.0

Performance Measure Review					
	FY 20	FY 19	FY 18	FY 17	FY 16
Central Processing					
Avg. Days Process Non-Peak Refund	6	6	8	2	2
Avg. Days Process Non-Peak, Suspended Refund	23	25	72	60	34
Avg. Days for Peak Refund Processed	6	6	6	3	5
Avg. Days for Peak Suspended Processed	47	40	59	66	81
Taxpayer Services					
Internet Filing Participants	1,592,136	1,636,394	1,592,429	1,569,557	1,595,604
Electronic Filing Participants	892,225	956,388	938,138	937,272	975,836
Direct Deposit Participants	879,740	888,142	886,320	888,819	931,941
% of Business E-Filing	74.2%	68.3%	65.3%	60.5%	50.6%
Compliance					
Sales & Use Tax Field/Office Audits	975	1,480	1,262	1,040	808
Withholding Tax Field/Office Audits	647	290	243	223	370
Motor Vehicle					
Additional & Delinquent Fees	1,346	1,463	1,430	843	873
Total Registrations Processed (in millions)	4.5	4.2	4	4	4
Vehicle Title Transactions (in millions)	1.5	1.5	2	1.6	2

Revolving Funds (200 Series Funds)			
Please provide fund number, fund name, description, and revenue source	FY'18-20 Avg. Revenues	FY'18-20 Avg. Expenditures	June '20 Balance
Fund 200 - Oklahoma Tax Commission Revolving Fund			
	\$32,730,020	\$32,015,165	\$10,968,714
Provides resources for general operation of the agency.			
Fund 210 - OTC & OMES Joint Computer Enhancement Fund			
Joint effort between the Tax Commission and OMES for the acquisition of an Integrated Tax System	\$8,171,277	\$1,937,979	\$6,475,375
Fund 215 - Oklahoma Tax Commission Reimbursement Fund			
Funds received by the OTC for data processing services or equipment rental and any miscellaneous funds received by the Commission	\$10,324,865	\$6,736,444	\$14,339,590
Fund 220 - License Plate Special Program			

Provides financial assistance to a state agency chosen by the applicant for a special license plate	\$94,147	\$78,373	\$48,500
Fund 230 - Used Tire Recycling Indemnity Fund			
Funds the provisions fo the Oklahoma Used Tire Recycling Act	\$10,938,498	\$7,124,868	\$500,000
Fund 240 - County Government Education - Technical Revolving Fund			
Funds the OSU Center for Local Government Technology and the Oklahoma Cooperative Extension Service Country Training Program for the purposes of education, training, etc	\$1,978,212	\$1,948,538	\$89,020
Fund 250 - Oklahoma Film Enhancement Fund			
Provides a rebate of a percentage of documented expenditures made in Oklahoma directly attributable to the production of a film, tv production or tv commercial	\$5,333,333	\$4,286,504	\$17,573,227
Fund 285 - Ad Valorem Reimbursement Fund			
Reimburses counties for loss of revenue due to exemptions of ad valorem taxes for new or expanded manufacturing or R&D facilities	\$36,584,910	\$127,592,174	\$0