

FY 2025 Budget Performance Review

695 - Tax Commission

Version Revision 01
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Date submitted
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XX/XX/XXXX

Agency Mission

Promote tax compliance through serving taxpayers with transparency and fairness in administration of the tax code and unparalleled customer service.

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

Headquarters/Administration

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

Business Tax Services

The program includes the registration and licensing of business taxpayers, maintenance of taxpayer accounts, including problem resolution, business refunds, communication and taxpayer education.

Income Tax Accounts

Responsible for individual and corporate income tax return and payment processing, fraud prevention, tax warrant file and release, and preparing and presenting tax waivers requests.

Digital Communications & Marketing

Manages the digital channels and social platforms, websites and e-communications to ensure current and engaging content, strategic alignment and brand compliance.

Taxpayer Resources

This division is focused on providing taxpayer services, including call center staff.

Innovation

This division is primarily focused on the oversight of legislative and statutory technological implementations.

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.

Central Processing

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

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.

Business Operations

This activity includes the agency's accounting functions, inventory management, procurement, and apportionment of revenues to state and local entities.

Human Resources

This activity includes all personnel functions including employee training.

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.

Motor Vehicle

This program moved to Service Oklahoma as of 1/1/2023.

Audit Services/Collections

The 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.

Information Technology

This activity includes computer service support for all departments.

FY'24 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
0100001	Headquarters	\$2,742,786		\$178,886			\$2,921,672
0100002	Administration	\$3,497,806		\$2,067,624			\$5,565,430
0100003	Innovation	\$1,564,434		\$87,411			\$1,651,845
0200001	Business Tax Services	\$5,620,082		\$307,862			\$5,927,944
0200003	Digital Communications & Marketing	\$798,122		\$78,211			\$876,333
0200004	Income Tax Accounts	\$5,915,170		\$2,917,142			\$8,832,312
0200005	Taxpayer Resources	\$4,018,532		\$505,544			\$4,524,076
0300001	Ad Valorem	\$0		\$3,088,545			\$3,088,545
0500002	Central Processing	\$834,968		\$5,972,413			\$6,807,381
0600001	Tax Policy	\$1,501,785		\$220,408			\$1,722,193
0800001	Business Operations	\$3,561,843		\$778,015			\$4,339,858
0800002	Human Resources	\$2,067,915		\$89,969			\$2,157,884
0800003	Revenue & Apportionment	\$381,625		\$25,843			\$407,468
1100001	Legal	\$0		\$5,513,815			\$5,513,815
1200001	Audit Services	\$0		\$7,889,880		\$13,740,310	\$21,630,190
1200003	Collections	\$0		\$17,565,954			\$17,565,954
1300001	Motor Vehicle	\$0		\$0		\$0	\$0
1500001	Film Rebate	\$0		\$0		\$46,396,807	\$46,396,807
8800008	Data Processing	\$4,669,349		\$15,784,949			\$20,454,298
	Total	\$37,174,417	\$0	\$63,072,471	\$0	\$60,137,117	\$160,384,005

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: Funds are pass-through and not a part of the general operations of the agency.

FY'23 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
							\$0
							\$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'23 and FY'24?

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 FY24.

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'25 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
0100001	Headquarters	\$2,742,786	\$0	\$178,886	\$0	\$2,921,672	0.00%
0100002	Administration	\$3,497,806	\$0	\$2,067,624	\$0	\$5,565,430	0.00%
0100003	Innovation	\$1,564,434	\$0	\$87,411	\$0	\$1,651,845	0.00%
0200001	Business Tax Services	\$5,620,082	\$0	\$307,862	\$0	\$5,927,944	0.00%
0200003	Digital Communications & Marketing	\$798,122	\$0	\$78,211	\$0	\$876,333	0.00%
0200004	Income Tax Accounts	\$5,915,170	\$0	\$2,917,142	\$0	\$8,832,312	0.00%
0200005	Taxpayer Resources	\$4,018,532	\$0	\$505,544	\$0	\$4,524,076	0.00%
0300001	Ad Valorem	\$0	\$0	\$3,088,545	\$0	\$3,088,545	0.00%
0500002	Central Processing	\$834,968	\$0	\$5,972,413	\$0	\$6,807,381	0.00%
0600001	Tax Policy	\$1,501,785	\$0	\$220,408	\$0	\$1,722,193	0.00%
0800001	Business Operations	\$2,494,343	\$0	\$778,015	\$0	\$3,272,358	-24.60%
0800002	Human Resources	\$2,067,915	\$0	\$89,969	\$0	\$2,157,884	0.00%
0800003	Revenue & Apportionment	\$381,625	\$0	\$25,843	\$0	\$407,468	0.00%
1100001	Legal	\$0	\$0	\$5,513,815	\$0	\$5,513,815	0.00%
1200001	Audit Services	\$0	\$0	\$7,889,880	\$13,740,310	\$21,630,190	0.00%
1200003	Collections	\$0	\$0	\$17,565,954	\$0	\$17,565,954	0.00%
1500001	Film Rebate	\$0	\$0	\$0	\$46,396,807	\$46,396,807	0.00%
8800008	Data Processing	\$3,736,849	\$0	\$15,784,949	\$0	\$19,521,798	-4.56%
Total		\$35,174,417	\$0	\$63,072,471	\$60,137,117	\$158,384,005	-1.25%

1. Please describe source(s) and % of total of "Other" funding for each department: Funds are pass-through and not a part of the general operations of the agency.

FY'25 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Reduction in Funds	-\$2,000,000
Request 2:		
Request 3:		
Request 4:		
Request 5:		
Top Five Request Subtotal:		-\$2,000,000
Total Increase above FY-24 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 '25 as was received in FY '24? (Flat/ 0% change)

No affect.

How would the agency handle a 2% appropriation reduction in FY '25?

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 '25?

	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1		
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 LRCPC? (Yes/No)
Priority 1		
Priority 2		
Priority 3		

Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 24 budgeted	FY 23	FY 22	FY 21	FY 20
97.067	Homeland Security Grant Program	0100002	0	14,000			

Federal Government Impact

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

N/A

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

FY 2024 Budgeted FTE							
Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
0101	Headquarters	7	12	0	4	1	14
0102	Administration	6	0	0	0	1	5
0103	Innovation	2	12	0	6	7	1
0201	Business Tax Services	14	54	0	64	3	1
0203	Digital Communications & Marketing	1	7	0	7	0	1
0204	Income Tax Accounts	11	52	0	62	0	1
0205	Taxpayer Resources	6	45	0	50	0	1
0301	Ad Valorem	9	18	0	26	0	1
0502	Central Processing	12	36	0	45	2	1
0601	Tax Policy	2	11	2	4	4	3
0801	Business Operations	9	15	0	18	5	1
0802	Human Resources	2	22	0	21	2	1
0803	Revenue & Apportionment	1	2	0	1	1	1
8808	Information Technology	7	32	0	31	8	0
1101	Legal	3	33	0	18	14	4
1201	Audit Services	25	60	0	80	4	1
1203	Collections	22	58	0	77	2	1
Total		139	469	2	514	54	38

FTE History by Fiscal Year							
Division #	Division Name	FY 2024 Budgeted	FY 2024 YTD	FY 2023	FY 2022	FY 2021	FY 2016
0101	Headquarters	19.0	20.0	20.5	16.0	16.0	16.0
0102	Administration	6.0	4.0	6.0	8.0	12.0	6.0
0103	Innovation	14.0	13.0	7.0	7.0	0.0	0.0
0201	Business Tax Services	67.0	62.0	49.0	50.0	64.0	69.0
0203	Digital Communications & Marketing	8.0	8.0	8.0	9.0	7.0	10.0
0204	Income Tax Accounts	64.0	59.0	60.0	57.0	66.0	70.0
0205	Taxpayer Resources	51.0	36.0	40.0	30.0	0.0	0.0
0301	Ad Valorem	27.0	27.0	28.0	29.0	29.0	30.0
0502	Central Processing	48.0	41.0	43.0	42.0	48.0	37.0
0601	Tax Policy	13.0	12.0	12.0	12.0	13.0	14.0
0801	Business Operations	24.0	23.0	25.0	35.0	42.0	39.0
0802	Human Resources	24.0	17.0	19.5	8.0	8.0	5.0
0803	Revenue & Apportionment (now part of 0801 BOP)	3.0	3.0	3.0	3.0	3.0	0.0
8808	Information Technology	39.0	30.0	48.0	49.0	58.0	54.0
1101	Legal	36.0	26.0	36.0	32.0	32.0	29.0
1201	Audit Services	85.0	82.0	117.0	127.0	150.0	241.0
1203	Collections	80.0	77.0	80.0	92.0	103.0	0.0
1301	Motor Vehicle	0.0	0.0	75.0	71.0	74.0	80.0
Total		608.0	540.0	677.0	677.0	725.0	700.0

Performance Measure Review					
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Central Processing					
Avg. Days Process Non-Peak Refund	6	6	6	6	6
Avg. Days Process Non-Peak, Suspended Refund	22	16	26	23	25
Avg. Days for Peak Refund Processed	5	6	8	6	6
Avg. Days for Peak Suspended Processed	31	22	50	47	40
Taxpayer Services					
Internet Filing Participants	1,804,647	1,777,283	1,924,361	1,592,136	1,636,394
Electronic Filing Participants	1,010,236	980,626	1,058,315	892,225	956,388
Direct Deposit Participants	1,016,076	1,020,344	1,067,954	879,740	888,142
% of Business E-Filing	90%	85%	80%	74%	68%
Compliance					
Sales & Use Tax Field/Office Audits	1,720	2,328	1,491	975	1,480
Withholding Tax Field/Office Audits	1,243	1,457	993	647	290
Motor Vehicle					
Additional & Delinquent Fees	N/A	1,281	1,638	1,346	1,463
Total Registrations Processed (in millions)	N/A	4.5	4	5	4
Vehicle Title Transactions (in millions)	N/A	1.5	2	2	1.5

Revolving Funds (200 Series Funds)			
Please provide fund number, fund name, description, and revenue source	FY'21-23 Avg. Revenues	FY'21-23 Avg. Expenditures	June '23 Balance
Fund 200 - Oklahoma Tax Commission Revolving Fund			
Provides resources for general operation of the agency.	\$39,399,640	\$31,405,315	\$32,618,353
Fund 210 - OTC & OMES Joint Computer Enhancement Fund			
Joint effort between the Tax Commission and OMES for the acquisition of an Integrated Tax System	\$15,175,550	\$6,987,398	\$7,317,444
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	\$14,440,934	\$10,226,035	\$27,144,365
Fund 220 - License Plate Special Program			
Provides financial assistance to a state agency chosen by the applicant for a special license plate	\$130,807	\$146,973	\$0
Fund 230 - Used Tire Recycling Indemnity Fund			
Funds the provision to the Oklahoma Used Tire Recycling Act	\$13,636,577	\$13,507,020	\$888,671
Fund 236 - The Perform Fund			
Funds the investment rebate provision of the Perform Act administered by the Oklahoma Department of Commerce and the Tax Commission	\$60,000,000	\$0	\$180,000,000
Fund 240 - County Government Education - Technical Revolving Fund			
Funds the OSU Center for Local Government Technology and the Oklahoma Cooperative Extension Service Country	\$2,968,273	\$2,245,247	\$0

Training Program for the purposes of education, training, etc			
Fund 245 - Capital Account Revolving Fund			
Maintain the value of purchased property of the Strata Tower at Oklahoma Commons.	\$720,549	\$29,223	\$4,918,316
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	\$8,000,000	\$11,058,806	\$8,396,809
Fund 260 - Filmed in Oklahoma Program Revolving 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	\$20,000,000	\$2,524,377	\$52,426,870
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	\$46,996,332	\$144,324,057	\$0

FY 2024 Current Employee Telework Summary						
List each agency location, then report the number of employees associated with that location in the teleworking categories indicated. Use "No specified location" to account for remote employees not associated with a site. Use actual current employees (headcount), not budgeted or actual FTE.			Full-time and Part-time Employees (#)			
Agency Location / Address	City	County	Onsite (5 days onsite, rarely remote)	Hybrid (2-4 days onsite weekly)	Remote (1 day or less weekly onsite)	Total Employees
Strata Tower	Oklahoma City	Oklahoma	89	71	316	476
511 NE 31st Street	Oklahoma City	Oklahoma	4	0	0	4
300 N. Broadway	Oklahoma City	Oklahoma	19	0	23	42
201 W. 5th Street, Suite 400	Tulsa	Tulsa	3	1	3	7
3700 N. Classen, Suite 260	Oklahoma City	Oklahoma	2	3	3	8
Total Agency Employees						537