

# Commissioner of Revenue

## Proposed FY 2018 Budget Highlights

March 3, 2017

# Office Budget at a Glance

- Proposed budget totals \$5.8 M
  - A 4% increase from FY 2017 due to standard personnel increases & additional FTE
- Total FTEs: 53.00
  - A net increase of 1.0 FTE from FY 2017
    - Adding a limited-term Tax Auditor II position to the Business Tax Division, offset by additional tax audit revenue. This position will focus on the restaurant industry.

## **Additional Business Tax Auditor**

### **Challenges:**

- Increase in restaurants going out of business
- Difficulty keeping track of tax returns not filed or not timely filed
- Increase in statutory assessments after the business ceases to exist which creates collection challenges

### **This position will:**

- Monitor compliance and delinquencies year round
- Audit up to 35 restaurants annually
- Assist businesses to correct their filings
- Increase compliance
- Increase revenue up \$250,000 annually due to additional business tax audits completed by other auditors
- May help to avoid business failures

- **Business Tax Division:**
  - Outreach to small businesses with an emphasis on restaurants
  - Improve communication with food truck owners and other street vendors
  - Automate Business License registration at the counter
  - Create improved record of electronically filed returns
  - Improve communication with new business customers regarding tax returns
- **Vehicle Personal Property Tax Division**
  - Automation of assessment process (leasing companies, trucks)
- **Compliance Division**
  - Improved automation of the vehicle personal property enforcement program using GIS technology

- **System upgrade**
  - Current version of our Assessment and Collection Enterprise (ACE) software is obsolete which will result in lack of vendor support
- **Business Tax Division**
  - Automate 70% of business tangible tax returns that are currently manually processed
- **Vehicle Personal Property Tax Division**
  - System upgrade will improve customer relations and process efficiencies (CAPP)
- **Compliance Division**
  - Further automation to improve customer communication and process efficiency (annual lists)
  - Customer service survey regarding our enforcement program