

Oklahoma Tax Commission

Lead Administrator: Tony Mastin, Executive Director

FY'18 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Headquarters/Administrati	\$2,642,279	\$0	\$177,824	\$0	\$0	\$2,820,103
Taxpayer Assistance	\$8,902,684	\$0	\$1,284,637	\$0	\$0	\$10,187,321
Ad Valorem	\$2,431,509	\$0	\$70,581	\$0	\$0	\$2,502,089
Central Processing	\$2,073,257	\$0	\$2,796,599	\$0	\$0	\$4,869,856
Tax Policy	\$230,600	\$0	\$1,438,623	\$0	\$0	\$1,669,223
Management Services	\$5,603,572	\$0	\$454,009	\$0	\$0	\$6,057,581
Legal	\$3,347,107	\$0	\$479,149	\$0	\$0	\$3,826,256
Compliance	\$2,152,226	\$0	\$33,518,448	\$0	\$0	\$35,670,674
Motor Vehicle	\$5,241,444	\$0	\$6,127,274	\$0	\$0	\$11,368,718
Film Rebate	\$0	\$0	\$0	\$0	\$4,000,000	\$4,000,000
Data Processing	\$10,400,971	\$0	\$14,200,647	\$0	\$0	\$24,601,618
Total	\$43,025,648	\$0	\$60,547,791	\$0	\$4,000,000	\$107,573,439

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

FY'17 Carryover and Refund by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'16 Carryover			\$12,376,319			\$12,376,319

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

What Changes did the Agency Make between FY'17 and FY'18?

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 Fiscal FY17.

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? If so, please provide a detailed description in a separate document.

Yes. All pay raises were Cabinet Secretary approved.
FY17 - 332 totaling \$146,731/month.

FY'19 Requested Division/Program Funding By Source							
	Appropriations	Federal	Revolving	Other	Total	% Change	
Headquarters/Administrati	\$2,642,279	\$0	\$177,824	\$0	\$2,820,103		0.00%
Taxpayer Assistance	\$8,902,684	\$0	\$1,284,637	\$0	\$10,187,321		0.00%
Ad Valorem	\$2,431,509	\$0	\$70,581	\$0	\$2,502,089		0.00%
Central Processing	\$2,073,257	\$0	\$2,796,599	\$0	\$4,869,856		0.00%
Tax Policy	\$230,600	\$0	\$1,438,623	\$0	\$1,669,223		0.00%
Management Services	\$5,603,572	\$0	\$454,009	\$0	\$6,057,581		0.00%
Legal	\$3,347,107	\$0	\$479,149	\$0	\$3,826,256		0.00%
Compliance	\$2,152,226	\$0	\$33,518,448	\$0	\$35,670,674		0.00%
Motor Vehicle	\$5,241,444	\$0	\$6,127,274	\$0	\$11,368,718		0.00%
Film Rebate	\$0	\$0	\$0	\$4,000,000	\$4,000,000		0.00%
Data Processing	\$10,400,971	\$0	\$14,200,647	\$0	\$24,601,618		0.00%
Total	\$43,025,648	\$0	\$60,547,791	\$4,000,000	\$107,573,439		0.00%

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

FY'19 Top Five Appropriation Funding Requests

No new funding requests.	\$ Amount

Top Five FY'19 Requests \$ -

How would the agency handle a 2% appropriation reduction in FY'19?

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.

How would the agency handle a 4% appropriation reduction in FY'19?

A 4% 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. The reduction may also prevent the filling of positions that become vacant during the fiscal year.

A 6% 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. The reduction may also prevent the filling of positions that become vacant during the fiscal year.

Is the agency seeking any fee increases for FY'18?

N/A	\$ Amount

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

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 state 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. 692,005 payments totaling \$11.1 billion are prepared for deposit with the State Treasurer and 1.3 million returns are processed annually.

Taxpayer Services
This program includes the registration and licensing of business taxpayers, maintenance of taxpayers' 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 are 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 payout 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 property and the valuation of centrally assessed property in Oklahoma for ad valorem taxation purposes. Ad Valorem exemptions are also audited and reviewed.

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 decisions 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.

Support and Management Services

This activity includes the Agency's accounting functions, personnel functions, employee training, printing, 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	6	2	15	0	9	8
Administration	1	3	15	1	4	13
Taxpayer Assistance	9	50	8	38	19	1
Communications	1	1	8	0	8	1
Account Maintenance	13	62	11	20	52	1
Ad Valorem	9	22	10	8	23	1
Central Processing	9	42	10	42	9	1
Tax Policy	2	1	13	1	8	5
Management Services	8	12	25	6	29	2
Human Resources**	-	-	-	-	-	-
Information Technology	9	1	39	0	38	2
Legal	7	17	21	2	33	3
Compliance	36	203	64	123	138	6
Motor Vehicle	13	80	9	47	41	1
Total	123	496	248	288	411	45

**Human Resources is now a part of Management Services

FTE History					
	2018 Budgeted	2017	2014	2011	2007
Headquarters	18	16	17	17	17
Administration	7	6	9	9	12
Taxpayer Assistance	57	68	83	85	114
Communications	10	10	11	11	11
Account Maintenance	76	78	66	69	67
Ad Valorem	31	32	32	34	34
Central Processing	57	54	59	56	57
Tax Policy	16	16	16	14	15
Management Services	38	41	36	34	41
Human Resources	0	6	7	9	9
Information Technology	42	39	45	106	112
Legal	48	37	39	27	35
Compliance	285	289	259	272	316
Motor Vehicle	91	85	81	85	95
Total	776	777	760	828	935

Performance Measure Review					
	FY'17	FY'16	FY'15	FY'14	FY'13
Central Processing					
Avg. Days Process Non-Peak Refund	2	2	8	10	2
Avg. Days Process Non-Peak, Suspended Refund	60	34	79	43	43
Avg. Days for Peak Refund Processed	3	5	9	17	4
Avg. Days for Peak Suspended Processed	66	81	96	129	39
Taxpayer Services					
Internet Filing Participants	1,569,557	1,595,604	1,543,320	1,388,351	438,790
Electronic Filing Participants	937,272	975,836	975,459	883,033	996,224
Direct Deposits Participants	888,819	931,941	884,232	862,018	1,123,985
% of Business E-Filing	60.5%	50.6%	34.1%	23.3%	76.8%
Compliance					
Sales & Use Tax Field Audits	836	860	942	1086	716
Withholding Tax Field Audits	272	293	148	280	140
Motor Vehicles					
Additional & Delinquent Fees*	843	873	68,395	75,071	75,584
Total Registration Processed (in millions)	4.3	4.1	4.2	4.1	3.9
Vehicle Title Transactions (in millions)	1.6	1.6	1.5	1.5	1.5

*This separate transaction type was discontinued as of the implementation of MV OneLink, and the necessary collections rolled into specific transaction types.

Revolving Funds (200 Series Funds)			
	FY'15-17 Avg. Revenues	FY'15-17 Avg. Expenditures	June '17 Balance
Fund 200-Oklahoma Tax Commission Rev Fund Provides resources for general operations of the agency.	\$28,437,313	\$26,371,814	\$8,811,810
Fund 210-OTC & OMES Joint Computer Enhancement Joint effort between the Tax Commission and OMES for the acquisition of and Integrated Tax System.	\$20,678,056	\$23,688,191	\$1,405,929
Fund 215-Okla Tax Comm Reimbursement Fund Funds received by the OTC for data processing services or equip rental and any misc funds received by the Commission	\$8,094,546	\$7,076,092	\$3,564,509
Fund 220-License Plate Special Program Provides financial assistance to a state agency chosen by the applicant for a special license plate.	\$3,860	\$3,760	\$1,180
Fund 230-Used Tire Recycling Indemn Fund Funds the provisions of the Okla Used Tire Recycling Act.	\$9,504,483	\$10,809,795	\$169,111
Fund 235-Protest Fund Reimburse cases where it is alleged/claimed that fees or taxes of the state are in a whole or in part unconstitutional or otherwise invalid. Fees/taxes are retained in the Fund pending final determinations specified in Title 62, Section 206.	\$72,209	\$0	\$216,628
Fund 250-Ok Film Enhancement Fund Provides a rebate of a percentage of documented expenditures made in OK directly attributable to the production of a film, tv production or tv commercial	\$6,182,281	\$1,794,315	\$14,432,737
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	\$32,904,906	\$78,085,845	\$0