

**HB 5033**

**Department of Revenue**

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HB 5033 is the budget bill for the Department of Revenue. The Department administers almost 40 tax programs and collects more than 95% of the state's General Fund revenue. The Department oversees the county property tax function, collects and distributes taxes and fees for other state agencies and local governments, and acts as a collection's agency for state government. The Department also operates two tax relief programs for the elderly and persons with disabilities.

The General Government Subcommittee approved a budget of \$337.2 million total funds, including \$211.2 million General Fund and \$126.1 million Other Funds. The total funds budget is a 4.0% increase from the 2017-19 legislatively approved budget and a 2.6% increase from the 2019-21 current service level budget. The budget includes 1,018 positions and 973.35 FTE.

The budget sustains investments in the Core Systems Replacement project, a high-speed scanner project, and a Property Valuation System project. Funding is also continued for the administration of transportation and Heavy Equipment Rental taxes. The budget also includes funding for the auditing of marijuana tax filings and state lodging taxes. General Fund was provided to resolve long-standing funding issues in the Property Tax Division. In total, \$8.7 million was invested in the Department above the current service level.

Reductions to the budget include the elimination of 26 vacant positions, most of which were identified by the Department as being no longer needed.

The Subcommittee approved the agency's Key Performance Measures and targets, with direction that the agency conduct a comprehensive review and report back to the Legislature in 2020.

The General Government Subcommittee recommends HB 5033 be amended by the –1 amendment and be reported out do pass, as amended.