

**Tax Commissioner
Budget No. 127
Senate Bill No. 2006**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriation	123.00	\$54,071,616	\$125,000	\$54,196,616
2017-19 legislative appropriation	133.00	53,174,499 ¹	125,000	53,299,499
2019-21 appropriation increase (decrease) to 2017-19 appropriation	(10.00)	\$897,117	\$0	\$897,117

¹The 2017-19 appropriation amount includes deficiency appropriations of \$1.91 million from the general fund approved by the Legislative Assembly in Senate Bill Nos. 2006 and 2024 (2019).

Item Description

FTE changes - The Legislative Assembly approved 123 FTE positions for the Tax Commissioner for the 2019-21 biennium, a decrease of 10 FTE positions. The Legislative Assembly removed 2 FTE office assistant positions, 1 FTE account technician position, 2 FTE auditor positions, and 5 unspecified FTE positions, the same as the agency's budget request.

Multistate tax audit fund - The collections from the Multistate Tax Commission audit and National Nexus Program are deposited in the multistate tax audit fund, and the related program expenses are paid from the fund pursuant to a continuing appropriation. Excess collections are transferred to the general fund at the end of each fiscal year. The fund is codified in Section 57-01-20.

Homestead tax credit program and disabled veterans' property tax credit program - The homestead tax credit program provides tax credits to eligible homeowners who are aged 65 or older or who are certified as permanently and totally disabled regardless of age. Renters who are aged 65 or older or who are certified as permanently and totally disabled regardless of age may qualify for a rent refund. The disabled veterans' property tax credit program provides tax credits to disabled veterans with an armed forces service-connected disability of 50 percent or greater. The 2019 Legislative Assembly did not make any changes to the programs.

Senate Bill No. 2006 includes an appropriation of \$15,800,000 from the general fund for the homestead tax credit program and \$8,410,200 from the general fund for the disabled veterans' property tax credit program. The bill also authorizes the Tax Commissioner to transfer funding as needed between the two programs during the 2019-21 biennium.

Status/Result

The Tax Department removed the 10 FTE positions identified by the Legislative Assembly. All of the positions were vacant prior to removal.

For the 2017-19 biennium, \$2,058,123 was deposited in the multistate tax audit fund. The fees for the Multistate Tax Commission audit and National Nexus Program totaled \$426,950 and \$1,417,214 was transferred to the general fund during the biennium. The remaining \$213,959 is available to pay for future fees.

For the 2019-21 biennium to date through March 2020, \$151,353 was deposited in the fund. The fees are estimated to be \$430,000 for the 2019-21 biennium. Transfers to the general fund for the biennium are anticipated to total \$169,000.

The schedules below present the number of eligible homeowners, renters, disabled veterans, and the payments made in recent years.

Payment Year	Number Eligible for the Programs			
	Homeowners	Renters	Disabled Veterans	Total
2010	3,977	2,400	1,513	7,890
2011	4,451	2,367	1,764	8,582
2012	4,359	2,257	2,192	8,808
2013	4,265	2,283	2,460	9,008
2014	6,740	2,680	2,661	12,081
2015	8,964	2,814	2,902	14,680
2016	8,659	2,749	3,111	14,519
2017	8,621	2,497	3,329	14,447
2018	9,075	2,844	3,571	15,490
2019	9,399	2,169	4,017	15,585

Payment Year	Payments Made Under the Programs			
	Homeowners	Renters	Disabled Veterans	Total
2010	\$2,912,719	\$550,955	\$1,627,763	\$5,091,437
2011	\$3,375,376	\$584,610	\$1,961,238	\$5,921,224
2012	\$3,312,824	\$584,112	\$2,299,511	\$6,196,447
2013	\$3,352,224	\$583,233	\$2,587,745	\$6,523,202
2014	\$4,905,351	\$724,635	\$2,754,964	\$8,384,950
2015	\$6,446,260	\$779,043	\$3,060,402	\$10,285,705
2016	\$6,112,599	\$772,099	\$3,544,430	\$10,429,128
2017 ¹	\$6,920,844	\$724,443	\$3,771,607	\$11,416,894
2018	\$7,141,146	\$788,913	\$4,083,489	\$12,013,548
2019	\$7,500,709	\$787,855	\$4,722,742	\$13,011,306

¹In May 2017, the Tax Department transferred \$750,000 from the homestead tax credit line item to the disabled veterans' tax credit line item to adjust the 2015-17 biennium appropriations for the programs because the new actual disabled veterans' tax credits exceeded the appropriation, while the actual homestead tax credits were less than the appropriation.