

# Oklahoma Tax Commission

**Lead Administrator: Tony Mastin**

**Lead Financial Officer: Carol McCullar**

**Mission Statement:**

To Serve the people of Oklahoma by promoting tax compliance through quality service and fair administration.

FY'15 Budgeted FTE						
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Headquarters	0	2	14	0	9	7
Administration	4	0	8	0	5	3
Taxpayer Assistance	9	74	10	61	21	2
Communications	2	2	9	1	9	1
Account Maintenance	10	53	10	45	16	2
Ad Valorem	7	22	8	9	19	2
Central Processing	11	46	10	45	9	2
Tax Policy	3	1	14	0	11	4
Management Services	7	21	15	16	17	3
Human Resources	1	1	6	0	6	1
Information Technology	9	1	42	0	40	3
Legal	7	15	22	13	19	5
Compliance	32	203	40	146	91	6
Motor Vehicle	16	74	7	54	25	2
<b>Total</b>	<b>118</b>	<b>515</b>	<b>215</b>	<b>390</b>	<b>297</b>	<b>43</b>

FTE History					
	2014 (Budgeted)	2013 (Avg)	2010 (Avg)	2009 (Avg)	2004 (Avg)
Headquarters	17.0	15.0	17.0	17.0	17.0
Administration	9.0	9.0	9.0	10.0	7.0
Taxpayer Assistance	83.0	84.0	91.0	99.0	106.0
Communications	11.0	11.0	11.0	11.0	9.0
Account Maintenance	66.0	62.0	74.0	81.0	53.0
Ad Valorem	32.0	33.0	34.0	34.0	30.0
Central Processing	59.0	30.0	59.0	61.0	71.0
Tax Policy	15.0	13.0	13.0	14.0	15.0
Management Services	35.0	34.0	38.0	40.0	42.0
Human Resources	7.0	7.0	9.0	11.0	10.0
Information Technology	45.0	67.0	102.0	107.0	104.0
Legal	36.0	35.0	28.0	32.0	33.0
Compliance	258.0	235.0	259.0	281.0	295.0
Motor Vehicle	81.0	80.0	92.0	99.0	145.0
<b>Total</b>	<b>754</b>	<b>715</b>	<b>836</b>	<b>897</b>	<b>937</b>

FY'14 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Headquarters/Administration	\$2,763,000		\$363,000	\$0	\$0	\$3,126,000
Taxpayer Assistance	\$7,288,000		\$3,044,000	\$0	\$0	\$10,332,000
Ad Valorem	\$3,221,000		\$18,989,000	\$0	\$0	\$22,210,000
Central Processing	\$3,601,000		\$563,000	\$0	\$0	\$4,164,000
Tax Policy	\$993,000		\$599,000	\$0	\$0	\$1,592,000
Management Services	\$4,795,000		\$528,000	\$0	\$0	\$5,323,000
Legal	\$2,654,000		\$566,000	\$0	\$0	\$3,220,000
Compliance	\$4,741,000		\$27,165,000	\$0	\$0	\$31,906,000
Motor Vehicle	\$4,670,000		\$4,315,000	\$0	\$0	\$8,985,000
Film Rebate	0		\$5,000,000	\$0	\$0	\$5,000,000
Data Processing	\$12,190,000		\$13,262,000	\$0	\$0	\$25,452,000
<b>Total</b>	<b>\$46,916,000</b>	<b>\$0</b>	<b>\$74,394,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$121,310,000</b>

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

FY'13 Carryover by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'13 Carryover	\$0	\$0	\$38,455,142	\$0	\$0	\$38,455,142

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

The majority of the carryover in revolving funds is associated with obligated IT projects in the joint OMES and OTC computer enhancement fund.

**What Changes did the Agency Make between FY'13 and FY'14**

**1.) What services are 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 2014.

**3.) What services are still provided but with a slower response rate?**

With declining resources some areas have experienced slower response times. Phone calls and inquiries from taxpayers have been delayed with lower staff available on the phone bank. Business refunds, registrations and oil and gas well registrations have also been delayed in some instances.

**FY'15 Requested Division/Program Funding By Source**

	<b>Appropriations</b>	<b>Federal</b>	<b>Revolving</b>	<b>Other</b>	<b>Total</b>	<b>% Change</b>
Headquarters/Administration	\$2,763,000		\$363,000	\$0	\$3,126,000	\$0
Taxpayer Assistance	\$7,288,000		\$3,044,000	\$0	\$10,332,000	\$0
Ad Valorem	\$3,221,000		\$18,989,000	\$0	\$22,210,000	\$0
Central Processing	\$3,601,000		\$563,000	\$0	\$4,164,000	\$0
Tax Policy	\$993,000		\$599,000	\$0	\$1,592,000	\$0
Management Services	\$4,795,000		\$528,000	\$0	\$5,323,000	\$0
Legal	\$2,654,000		\$566,000	\$0	\$3,220,000	\$0
Compliance	\$4,741,000		\$27,165,000	\$0	\$31,906,000	\$0
Motor Vehicle	\$4,670,000		\$4,315,000		\$8,985,000	\$0
Film Rebate	0		\$5,000,000	\$0	\$5,000,000	\$0
Data Processing	\$12,190,000		\$13,262,000		\$25,452,000	\$0
<b>Total</b>	<b>\$46,916,000</b>	<b>\$0</b>	<b>\$74,394,000</b>	<b>\$0</b>	<b>\$121,310,000</b>	<b>\$0</b>

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

**FY'15 Top Five Appropriation Funding Requests**

	<b>\$ Amount</b>
No New Funding Requests	

**How would the agency handle a 3% appropriation reduction in FY'15?**

A 3% appropriation reduction totaling \$1,407,478 would require a reduction in contract labor for tax season peak processing. That would result in a shifting of full time divisional staff to the Central Processing section for opening and processing returns. This results in a delay in issuing permits for new businesses, and other services provided to taxpayers.

**How would the agency handle a 5% appropriation reduction in FY'15?**

A 5% appropriation reduction would result in the reduction of all contract personnel used to process payments and returns. This would require the use of approximately 120 FTE from other divisions to open and process incoming returns. Significant losses of state and local revenues would occur as a result. With compliance staff each collecting over \$300,000 per year in additional state revenues, the loss in revenues would exceed the budget cuts to the agency.

**Is the agency seeking any fee increases for FY'15?**

	<b>\$ Amount</b>
No	

**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	
<b>Central Processing</b>	This activity includes the receipt and processing of all tax documents and remittances. 3 million payments totaling \$11.2 billion are prepared for deposit with the State Treasurer and 1.7 million returns are processed annually.
<b>Taxpayer Services</b>	This program includes the registration and licensing of business taxpayers, maintenance of taxpayer's accounts, including problem resolution, business refunds, processing, communication and taxpayer education.
<b>Motor Vehicle</b>	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.
<b>Compliance</b>	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.
<b>Legal Services</b>	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.
<b>Ad Valorem Programs</b>	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.
<b>Tax Policy and Research</b>	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.
<b>Headquarters/Administration</b>	This activity includes the Commissioners, administrative staff, law judges, the Executive Director's office and internal audit.
<b>Support and Management Services</b>	This activity includes the Agency's accounting functions, personnel functions, employee training, printing, inventory management, mail out and computer services. Apportionment of revenues to state and local entities is a primary function.

Performance Measure Review					
	FY13	FY12	FY'11	FY'10	FY'09
<b>Central Processing</b>					
Avg. Days Process Non-Peak Refund	2	4	2	3	6
Avg. Days Process Non-Peak, Suspended Refund	43	48	37	38	32
Avg. Days for Peak Refund Processed	4	9	8	13	22
Avg. Days for Peak Suspended Processed	39	34	49	53	49
<b>Taxpayer Services</b>					
Internet Filing Participants	438,790	401,298	368,826	335,148	309,949
Electronic Filing Participants	996,224	865,261	825,122	749,067	735,168
Direct Deposits Participants	1,123,985	1,012,932	622,788	580,352	584,532
% of Business E-Filing	76.8%	62.7%	N/A	N/A	N/A
<b>Compliance</b>					
Sales Tax Field Audits	716	576	556	353	334
Withholding Tax Field Audits	140	212	365	362	399
<b>Motor Vehicles</b>					
Additional & Delinquent Fees	75,584	78,639	76,068	88,343	89,013
Total Registration Processed (in millions)	3.9	2.9	2.9	2.8	2.9
Vehicle Title Transactions (in millions)	1.5	1.5	1.3	1.3	1.33