

Administration

DEPARTMENT OF REVENUE

	1999-2001 Actuals	2001-03 Legislatively Adopted at Close of Session	2001-03 Legislatively Approved through Fifth Special Session	2003-05 Governor's Balanced
General Fund	\$111,204,026	\$119,365,959	\$117,831,874	\$132,081,313
Lottery Funds	0	0	0	0
Other Funds	16,820,075	19,140,313	20,756,049	21,687,886
Federal Funds	0	0	0	0
Other Funds (Nonlimited)	182,667	186,544	194,969	219,100
Federal Funds (Nonlimited)	0	0	0	0
Total Funds	\$128,206,768	\$138,692,816	\$138,782,892	\$153,988,299
Positions	1,033	1,056	916	1,035
Full-time Equivalent	924.66	959.72	922.38	942.80

Overview

The Department of Revenue's major duties are to collect taxes pursuant to the state's tax laws. The agency:

- Administers the state income tax program.
- Helps counties assess and collect property taxes.
- Collects and distributes taxes and fees for other state agencies and local governments.
- Operates three tax relief programs for low-income, elderly persons who rent or own their homes, and low-income, disabled individuals who own their homes.
- Serves as a member of the Multistate Tax Commission, to help make corporate income taxation more uniform between states.

Balanced Budget

The Governor's balanced budget for the Department is \$154.0 million total funds. This budget is an increase of about 11 percent from the 2001-2003 Legislatively Approved Budget through the Fifth Special Session. The increase is due to the restoration of positions that are responsible for collections that contribute to the General Fund. The elimination of these positions would have saved about \$14.5 million in General Fund expenditures, but collections would have decreased by more than \$75 million.

The Treasury Offset Program (TOP) allows the state to partner with the federal government to receive payments on delinquent state taxes through offsets on federal personal income tax refunds. An enhancement to TOP will generate about \$3 million dollars of additional General Fund for 2003-2005.

Administration

The Tobacco Tax Compliance Task Force was established by the 2001 Legislature. The Department partners with the Department of Justice and the Department of State Police to address non-compliance of cigarette and other tobacco taxes. Three positions are re-established in the balanced budget to continue this program. The task force will probably see an increase in workload as a recently passed 60-cent per pack tax increase was approved by voters.

The balanced budget eliminates about \$1 million in General Fund expenditures due to the Department's use of technology and other efficiencies. It also eliminates \$1.2 million General Fund for the purchase of a new enterprise computer. The Department will explore other options that will allow the savings, without hurting collections.

The Elderly Rental Assistance program pays benefits to low-income renters who are 58 and older. This program will remain at the 2001-03 approved level.

The Senior Citizens Property Tax Deferral program will continue as a self-supporting program. Under this program, eligible seniors can defer their property tax payments. The lien is repaid when they die or sell their home. There are currently about 10,500 active accounts. The Disabled Property Tax Deferral program, was added by the Legislature in 1999. This program allows low-income, disabled citizens receiving Social Security disability benefits, to participate in a program similar to the Senior Citizens' program. The Department expects to process about 4,000 applications during the first year.

Revenue

The Department transfers most of the money it collects to other users. It goes to the General Fund, other state agencies, and local governments. The Department uses General Fund to pay for most of its operations. Other Funds revenue is generated from the services it provides to other governmental units. This includes collection, mapping, assessment, and taxation services.

The Department transfers personal and corporate income taxes, and gift and inheritance taxes to the General Fund. Some of the state's cigarette and other tobacco taxes go to the General Fund, cities, counties, and the Department of Transportation. Other cigarette tax revenues are dedicated for the Oregon Health Plan and tobacco use reduction programs. These go to the state agencies that run those programs.

The agency collects tax revenue from electric cooperatives, private railcar companies, and rural telephone exchanges. It collects and distributes local transit taxes to the Tri-Met and Lane County Transit Districts.

The Department collects and distributes 9-1-1 tax receipts. It also collects and transfers Criminal Fines and Assessments Account revenue as directed in current law.