

Representative Cameron Henry  
Chairman



Representative Franklin Foil  
Vice Chairman

# FY16-17 Executive Budget Review Department of Revenue

House Committee on Appropriations  
by the House Fiscal Division

April 11, 2016

# TABLE OF CONTENTS

Department Structure	3
Budget History	7
Revenue Sources	8
Means of Finance	9
Budget by Office	10
Significant Adjustments	11
Expenditures	13
Discretionary/Non-Discretionary Funding	14
Personnel	15
Tax Information	16
Department Contacts	19

# DEPARTMENT STRUCTURE



# Tax Collection

## Tax Collection

- Collects taxes owed to the state, processes all tax returns, and performs audit review.
- Educates internal and external customers and stakeholders on the tax laws and policies of the state of Louisiana.
- The Office of Debt Recovery collects all delinquent debt owed to the state by partnering with the Attorney General, managing outside collection agencies, and using collection tools unique to state government.
- 638 authorized positions



# Alcohol and Tobacco Control

## Alcohol and Tobacco Control

- Administration and Certification Division: Responsible for Licensing alcoholic beverage licensees and tobacco licensees and vendor providers, trainers, and servers. The Administrative Division issues approximately 30,000 alcohol and tobacco permits statewide annually, as well as over 100,000 responsible vendor server permits annually.
- Enforcement Division: Responsible for enforcing Title 26, the Beer and Liquor Law, and the Louisiana Administrative Code, and responsible for conducting random inspections at locations where alcoholic beverages and tobacco products are sold. Agents also investigate current license holders' operations to ensure compliance with complex fair trade laws that govern the industries. Conducts over 21,000 inspections and responds to approximately 10,000 compliance checks annually.
- 42 authorized positions



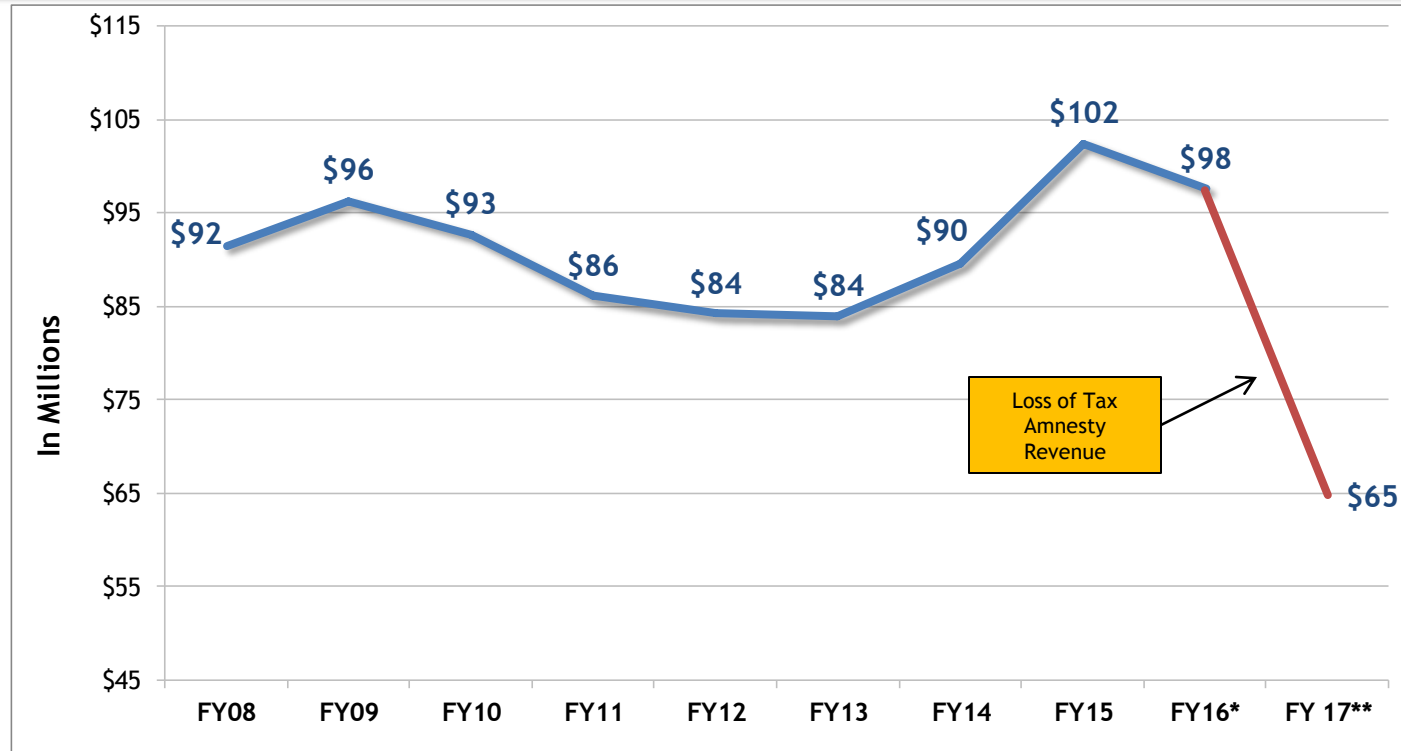
# Office of Charitable Gaming

## Office of Charitable Gaming

- Administer and enforce the laws and regulations associated with the activities of charitable gaming.
- Review applications for requesting a license to conduct charitable gaming activities and review the issuance of the license.
- On-site inspection of gaming activities, training of organizations, and review of required books and records maintained by organizations.
- Enforcement of gaming laws and regulations.
- 20 authorized positions



# BUDGET HISTORY



Source: Executive Budget Supporting Documents

\*Existing Operating Budget as of 12/1/15

\*\* Executive Budget Request

# MAJOR SOURCES OF REVENUE

## Self Generated \$47 million

- Revenue from late payment/delinquent fees and negligence fees.
- Various licenses, permits, and fines.

## Statutory Dedications \$628,583

Tobacco Regulation Enforcement Fund receives revenues from one quarter of one-twentieth of one cent per cigarette from the tax on cigarettes.

## Interagency Transfers \$243,000

Received from the Office of the Attorney General to provide aid in the enforcement of the Master Settlement Agreement as it relates to the collections and imposition of excise tax on tobacco products, reporting, permitting, and bonding requirements and to maintain the state's standing in the Master Settlement Agreement.



# MEANS OF FINANCE BREAKDOWN

Means of Financing	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
State General Fund	\$1,375,682	\$0	\$16,903,945	\$16,903,945	N/A
Interagency Transfers	\$171,585	\$749,801	\$243,000	(\$506,801)	(67.6%)
Fees and Self-Gen Rev.	\$99,945,473	\$96,209,055	\$46,995,952	(\$49,213,103)	(51.2%)
Statutory Dedications	\$688,751	\$549,459	\$628,583	\$79,124	14.4%
Federal Funds	\$274,454	\$0	\$0	\$0	0.0%
<b>Total Means of Finance</b>	<b>\$102,455,945</b>	<b>\$97,508,315</b>	<b>\$64,771,480</b>	<b>(\$32,736,835)</b>	<b>(33.6%)</b>

The Division of Administration estimates that \$45.6 million in State General Fund is needed in FY 17 to replace the use of one-time revenues and to fully fund projected normal operating costs and other priorities. Therefore, approximately \$28.7 million additional State General Funds are needed to meet this level of funding.

# TOTAL BUDGET - BY OFFICE

Total Budgets	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Tax Collection	\$95,368,236	\$89,860,614	\$56,909,250	(\$32,951,364)	(36.7%)
Alcohol and Tobacco Control	\$5,265,314	\$5,333,676	\$5,532,637	\$198,961	3.7%
Office of Charitable Gaming	\$1,822,395	\$2,314,025	\$2,329,593	\$15,568	0.7%
<b>Totals</b>	<b>\$102,455,945</b>	<b>\$97,508,315</b>	<b>\$64,771,480</b>	<b>(\$32,736,835)</b>	<b>(33.6%)</b>

# SIGNIFICANT ADJUSTMENTS

\$16.9 million



State  
General  
Fund

Increase in State General Fund to replace the loss of approximately \$51 million in tax amnesty collections that are being used in the current budget to fund recurring expenditures. These tax amnesty funds are currently budgeted in the Self-Generated category.

\$49 million



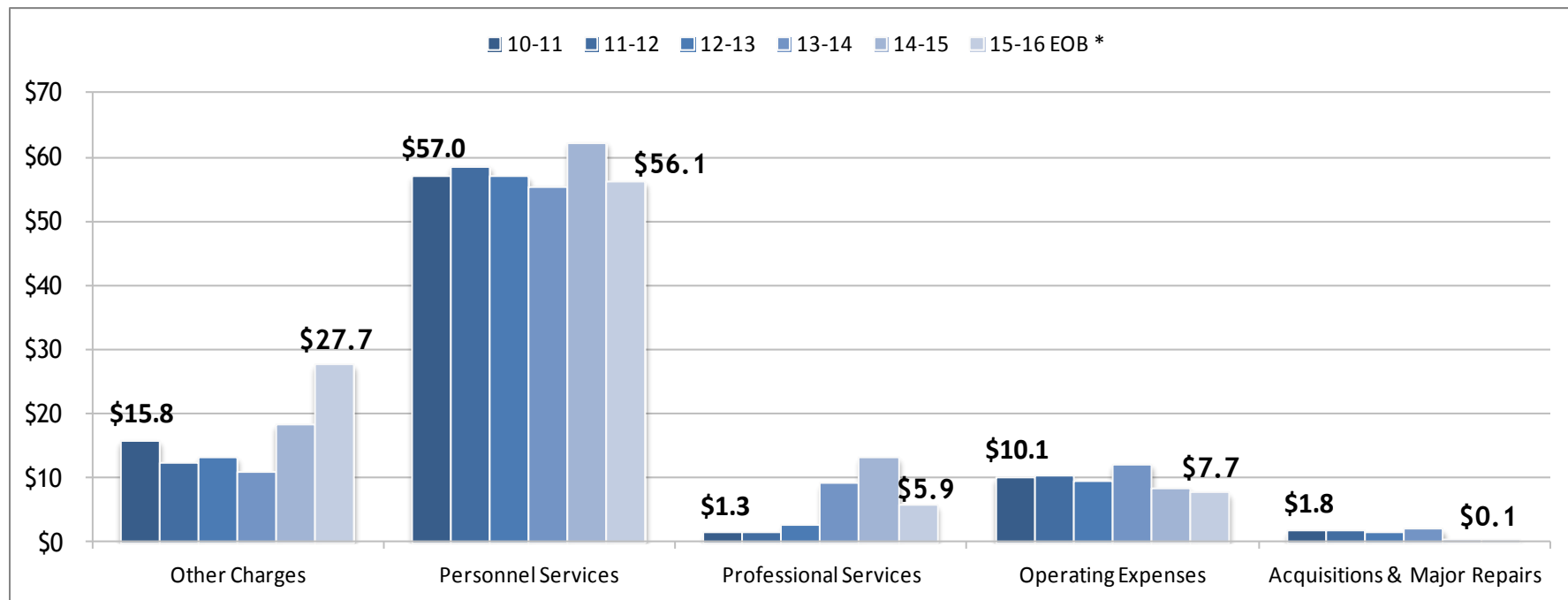
Fees/  
Self-  
Generated

This is the net decrease in Fees and Self-Generated Revenue largely due to the end of the third year of tax amnesty collections of which \$51 million was used to fund the ongoing operations of the department.

# EXPENDITURE BREAKDOWN

Expenditure	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Salaries	\$37,428,303	\$32,854,783	\$21,204,855	(\$11,649,928)	(35.5%)
Other Compensation	\$1,731,909	\$1,633,368	\$1,633,368	\$0	0.0%
Related Benefits	\$23,003,326	\$21,655,911	\$15,559,495	(\$6,096,416)	(28.2%)
Travel	\$1,188,081	\$552,094	\$410,137	(\$141,957)	(25.7%)
Operating Services	\$6,914,909	\$6,823,143	\$4,179,736	(\$2,643,407)	(38.7%)
Supplies	\$339,840	\$342,312	\$342,312	\$0	0.0%
Professional Services	\$13,195,506	\$5,853,168	\$3,147,848	(\$2,705,320)	(46.2%)
Other Charges	\$18,358,935	\$27,651,286	\$18,166,274	(\$9,485,012)	(34.3%)
Acq/Major Repairs	\$295,136	\$142,250	\$127,455	(\$14,795)	(10.4%)
Unallotted	\$0	\$0	\$0	\$0	0.0%
<b>Total Expenditures</b>	<b>\$102,455,945</b>	<b>\$97,508,315</b>	<b>\$64,771,480</b>	<b>(\$32,736,835)</b>	<b>(33.6%)</b>
Authorized Positions	715	700	700	0	0.0%

# EXPENDITURE HISTORY (IN MILLIONS)



Other Charges: Includes Office of Technology Services expenses, Office of Telecommunications fees, Office of Risk Management premiums, State Treasurer banking fees, Civil Service and audit fees, and Attorney General fees.

Source: Executive Budget Supporting Documents  
\*Existing Operating Budget as of 12/1/15

# FY 17 DISCRETIONARY/NON-DISCRETIONARY FUNDING

**FY 16-17 TOTAL  
BUDGET  
\$64.8 Million**

**\$243,000 IAT  
Double Count**

**\$64.5  
Million  
Remaining**

**Self Generated  
Revenue  
\$47 Million**

**Statutory  
Dedications  
\$628,583**

**Federal Funds  
\$0**

**State General Fund  
\$16.9 Million**

**Discretionary  
\$16.9 Million**

**Tax Collection  
\$16.9 Million**

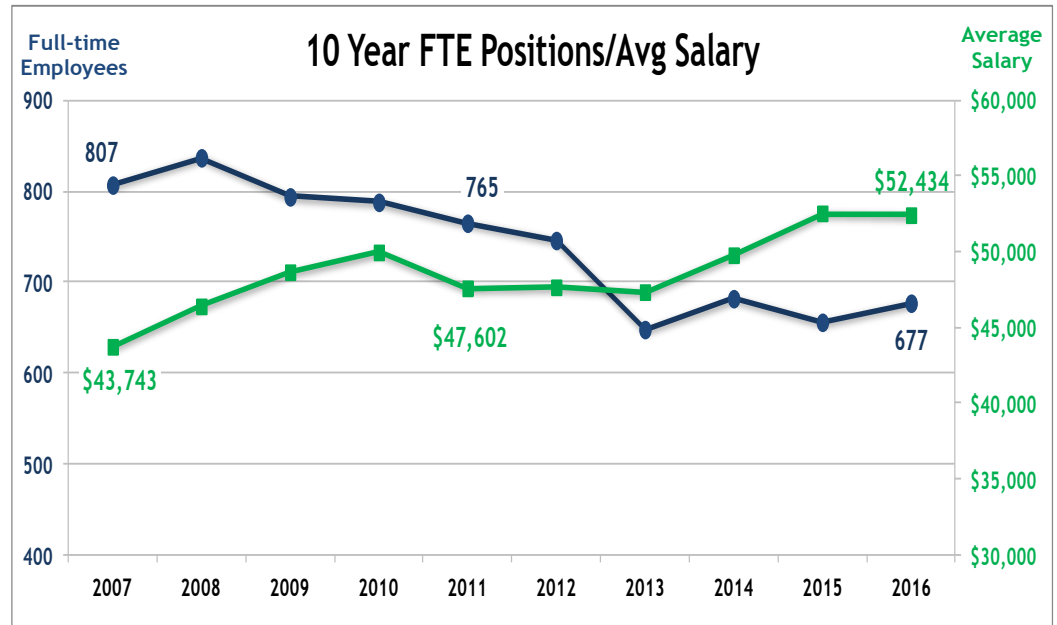
# PERSONNEL INFORMATION

**\$22.8 million** Salaries and Other Compensation  
**\$15.6 million** Related Benefits  
Total Personnel Services = \$38.4 million  
▪ *82.4% of the Development of Revenue total Executive Budget Recommendation (excluding Other Charges)*

## Authorized Positions

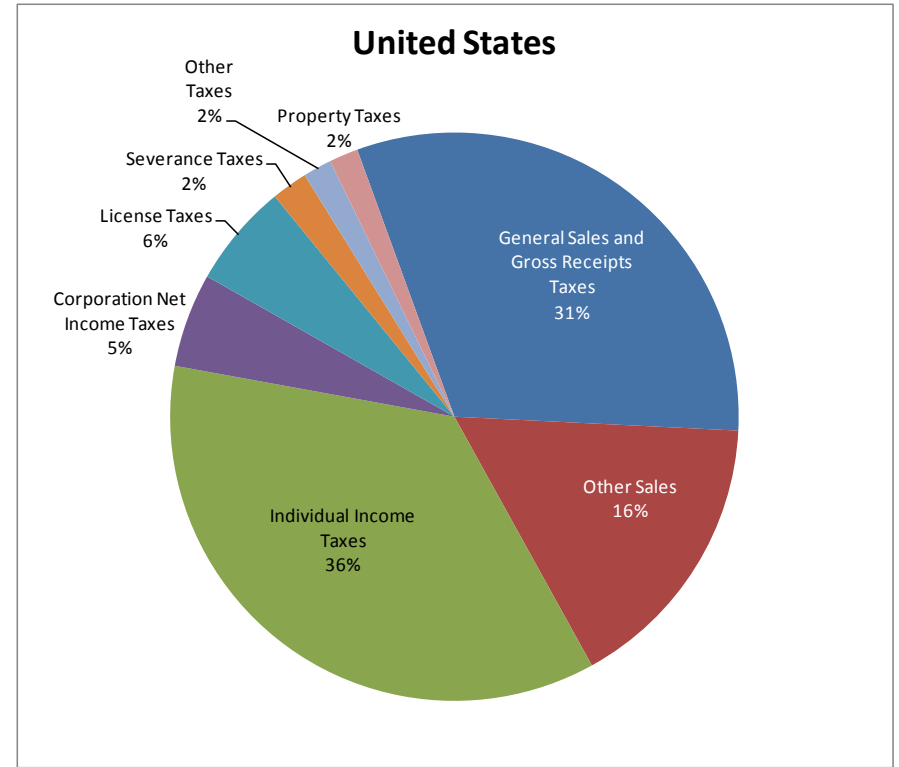
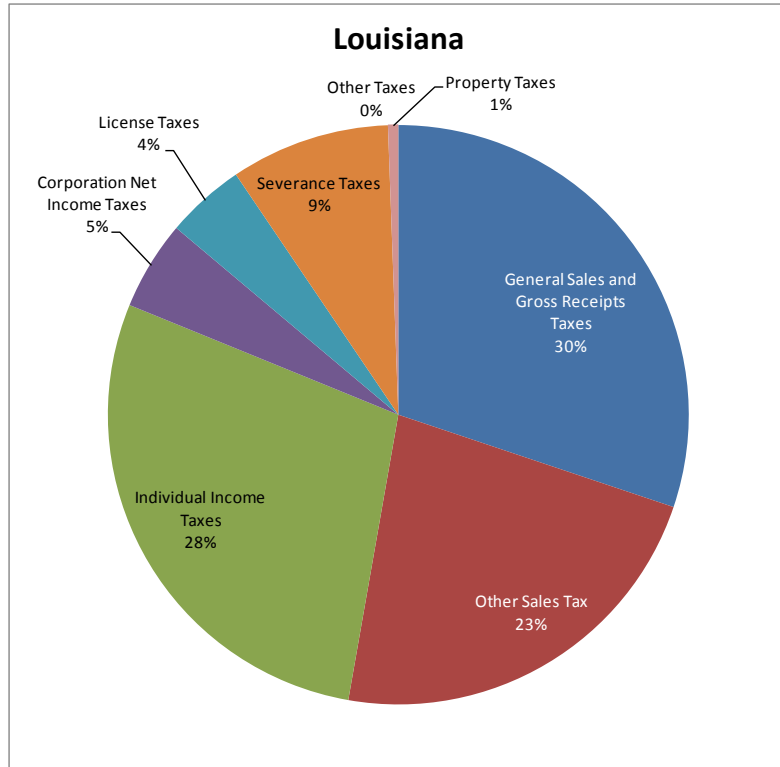
- 700 (688 classified and 12 unclassified)
- 6 full-time non-T.O. positions
- 0 Other Charges positions

\*As of 1/29/2016, the Department of Revenue had 28 vacancies; none of these vacant positions were eliminated in the Executive Budget.



Source: Prepared by House Fiscal Division staff using information from Civil Service

# PERCENTAGE OF TOTAL STATE TAX COLLECTIONS (2013)



Source: Prepared by House Fiscal Division staff using 2013 U.S. Census Bureau data.



# LOUISIANA PER CAPITA RANK IN TAX TYPES (2013)

## STATE AND LOCAL TAXES, COMBINED

	TOTAL TAXES	INDIVIDUAL INCOME	CORPORATE INCOME	SALES	PROPERTY
United States	\$4,604	\$1,071	\$168	\$1,570	\$1,441
Louisiana	\$3,798	\$592	\$55	\$2,001	\$850
La. RANK	32nd	40th	45th	6th	43rd

Source: Prepared by House Fiscal Division staff using 2013 U.S. Census Bureau data.

# LOUISIANA PER CAPITA RANK IN TAX TYPES (2013)

Total Taxes		
US TOTAL	\$4,604	Rank
District of Columbia	\$9,560	1
Alaska	\$9,240	2
North Dakota	\$8,826	3
New York	\$8,065	4
Connecticut	\$7,265	5
New Jersey	\$6,315	6
Wyoming	\$5,800	7
Massachusetts	\$5,737	8
Hawaii	\$5,727	9
Minnesota	\$5,549	10
Maryland	\$5,477	11
Vermont	\$5,425	12
Illinois	\$5,377	13
California	\$5,339	14
Rhode Island	\$5,138	15
Maine	\$4,820	16
Wisconsin	\$4,804	17
Nebraska	\$4,655	18
Pennsylvania	\$4,629	19
Delaware	\$4,609	20
Iowa	\$4,461	21
Kansas	\$4,458	22
Washington	\$4,417	23
Colorado	\$4,341	24
Ohio	\$4,275	25
Virginia	\$4,243	26
New Hampshire	\$4,194	27
Oregon	\$3,907	28
West Virginia	\$3,896	29
Nevada	\$3,877	30
Texas	\$3,871	31
<b>Louisiana</b>	<b>\$3,798</b>	<b>32</b>
Montana	\$3,795	33
Indiana	\$3,792	34
Michigan	\$3,751	35
New Mexico	\$3,676	36
Arkansas	\$3,637	37
North Carolina	\$3,609	38
Utah	\$3,512	39
Kentucky	\$3,511	40
South Dakota	\$3,510	41
Oklahoma	\$3,495	42
Missouri	\$3,460	43
Mississippi	\$3,431	44
Arizona	\$3,419	45
Florida	\$3,386	46
Georgia	\$3,324	47
South Carolina	\$3,192	48
Idaho	\$3,167	49
Tennessee	\$3,106	50
Alabama	\$3,046	51

Individual income		
US TOTAL	\$1,071	Rank
New York	\$2,555	1
District of Columbia	\$2,538	2
Connecticut	\$2,172	3
Maryland	\$2,064	4
Massachusetts	\$1,924	5
California	\$1,743	6
Minnesota	\$1,651	7
Oregon	\$1,593	8
New Jersey	\$1,361	9
Virginia	\$1,320	10
Illinois	\$1,284	11
Delaware	\$1,282	12
Ohio	\$1,268	13
Wisconsin	\$1,259	14
Hawaii	\$1,236	15
Pennsylvania	\$1,202	16
Maine	\$1,153	17
Iowa	\$1,146	18
Nebraska	\$1,125	19
North Carolina	\$1,124	20
Kentucky	\$1,112	21
Vermont	\$1,058	22
Colorado	\$1,049	23
Rhode Island	\$1,036	24
Montana	\$1,030	25
Kansas	\$1,023	26
Utah	\$983	27
West Virginia	\$969	28
Missouri	\$942	29
Indiana	\$941	30
Arkansas	\$895	31
North Dakota	\$887	32
Georgia	\$878	33
Michigan	\$867	34
Idaho	\$802	35
Oklahoma	\$757	36
South Carolina	\$703	37
Alabama	\$686	38
New Mexico	\$595	39
<b>Louisiana</b>	<b>\$592</b>	<b>40</b>
Mississippi	\$587	41
Arizona	\$513	42
New Hampshire	\$75	43
Tennessee	\$40	44
Alaska	\$0	45
Florida	\$0	46
Nevada	\$0	47
South Dakota	\$0	48
Texas	\$0	49
Washington	\$0	50
Wyoming	\$0	51

Corporate income		
US TOTAL	\$168	Rank
Alaska	\$858	1
District of Columbia	\$701	2
New York	\$592	3
New Hampshire	\$418	4
Illinois	\$346	5
Delaware	\$340	6
North Dakota	\$312	7
Massachusetts	\$282	8
New Jersey	\$256	9
Minnesota	\$251	10
Pennsylvania	\$201	11
California	\$195	12
Tennessee	\$193	13
Kentucky	\$175	14
Vermont	\$169	15
Montana	\$168	16
Wisconsin	\$166	17
Maryland	\$161	18
Connecticut	\$159	19
Oklahoma	\$152	20
Nebraska	\$147	21
Mississippi	\$139	22
Iowa	\$139	23
Rhode Island	\$137	24
Arkansas	\$136	25
Kansas	\$133	26
Oregon	\$132	27
West Virginia	\$131	28
North Carolina	\$131	29
Maine	\$129	30
New Mexico	\$128	31
Idaho	\$124	32
Colorado	\$124	33
Indiana	\$119	34
Utah	\$114	35
Florida	\$106	36
Arizona	\$100	37
Virginia	\$93	38
Michigan	\$90	39
Hawaii	\$88	40
South Carolina	\$81	41
Georgia	\$80	42
Alabama	\$79	43
Missouri	\$75	44
<b>Louisiana</b>	<b>\$55</b>	<b>45</b>
South Dakota	\$44	46
Ohio	\$44	47
Nevada	\$0	48
Texas	\$0	49
Washington	\$0	50
Wyoming	\$0	51

Sales and gross receipts		
US TOTAL	\$1,570	Rank
Hawaii	\$3,092	1
North Dakota	\$2,745	2
Washington	\$2,662	3
District of Columbia	\$2,338	4
Nevada	\$2,312	5
<b>Louisiana</b>	<b>\$2,001</b>	<b>6</b>
New York	\$1,991	7
Connecticut	\$1,884	8
South Dakota	\$1,878	9
Texas	\$1,833	10
New Mexico	\$1,778	11
Wyoming	\$1,776	12
Florida	\$1,773	13
Arkansas	\$1,768	14
Minnesota	\$1,764	15
Tennessee	\$1,704	16
Kansas	\$1,681	17
California	\$1,670	18
Arizona	\$1,666	19
Indiana	\$1,602	20
Vermont	\$1,601	21
Colorado	\$1,589	22
Oklahoma	\$1,568	23
Mississippi	\$1,565	24
Illinois	\$1,476	25
Rhode Island	\$1,468	26
West Virginia	\$1,461	27
Alabama	\$1,449	28
Pennsylvania	\$1,441	29
Nebraska	\$1,410	30
New Jersey	\$1,389	31
Ohio	\$1,382	32
Maryland	\$1,370	33
Maine	\$1,345	34
Iowa	\$1,344	35
Wisconsin	\$1,313	36
Kentucky	\$1,289	37
Utah	\$1,279	38
Michigan	\$1,271	39
Missouri	\$1,264	40
North Carolina	\$1,242	41
Georgia	\$1,239	42
Massachusetts	\$1,163	43
Idaho	\$1,117	44
Virginia	\$1,072	45
South Carolina	\$1,069	46
Alaska	\$746	47
New Hampshire	\$714	48
Montana	\$560	49
Delaware	\$542	50
Oregon	\$453	51

Property		
US TOTAL	\$1,441	Rank
District of Columbia	\$3,047	1
New Jersey	\$2,992	2
Connecticut	\$2,727	3
New Hampshire	\$2,689	4
New York	\$2,499	5
Vermont	\$2,333	6
Rhode Island	\$2,285	7
Wyoming	\$2,175	8
Massachusetts	\$2,074	9
Illinois	\$1,983	10
Alaska	\$1,919	11
Maine	\$1,908	12
Wisconsin	\$1,843	13
Nebraska	\$1,649	14
Texas	\$1,563	15
Minnesota	\$1,547	16
Iowa	\$1,516	17
Maryland	\$1,506	18
Virginia	\$1,432	19
Kansas	\$1,426	20
Montana	\$1,406	21
Pennsylvania	\$1,377	22
California	\$1,368	23
Washington	\$1,351	24
Colorado	\$1,334	25
Michigan	\$1,321	26
Oregon	\$1,284	27
South Dakota	\$1,231	28
Florida	\$1,218	29
Ohio	\$1,215	30
North Dakota	\$1,141	31
South Carolina	\$1,076	32
Georgia	\$1,011	33
Arizona	\$1,009	34
Missouri	\$976	35
Nevada	\$972	36
Indiana	\$968	37
Utah	\$953	38
Hawaii	\$946	39
North Carolina	\$903	40
Mississippi	\$899	41
Idaho	\$888	42
<b>Louisiana</b>	<b>\$850</b>	<b>43</b>
Tennessee	\$838	44
Delaware	\$825	45
West Virginia	\$798	46
Kentucky	\$732	47
New Mexico	\$685	48
Arkansas	\$659	49
Oklahoma	\$596	50
Alabama	\$547	51

Source: Prepared by House  
Fiscal Division staff using 2013  
U.S. Census Bureau data.

# DEPARTMENT CONTACTS

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