

Representative Jack McFarland
Chair



Representative Jerome Zeringue
Vice-Chair

Fiscal Year 2027 Executive Budget Review

DEPARTMENT OF REVENUE

House Committee on Appropriations
House Fiscal Division

March 11, 2026

Budget Analyst: Abigail Chascin

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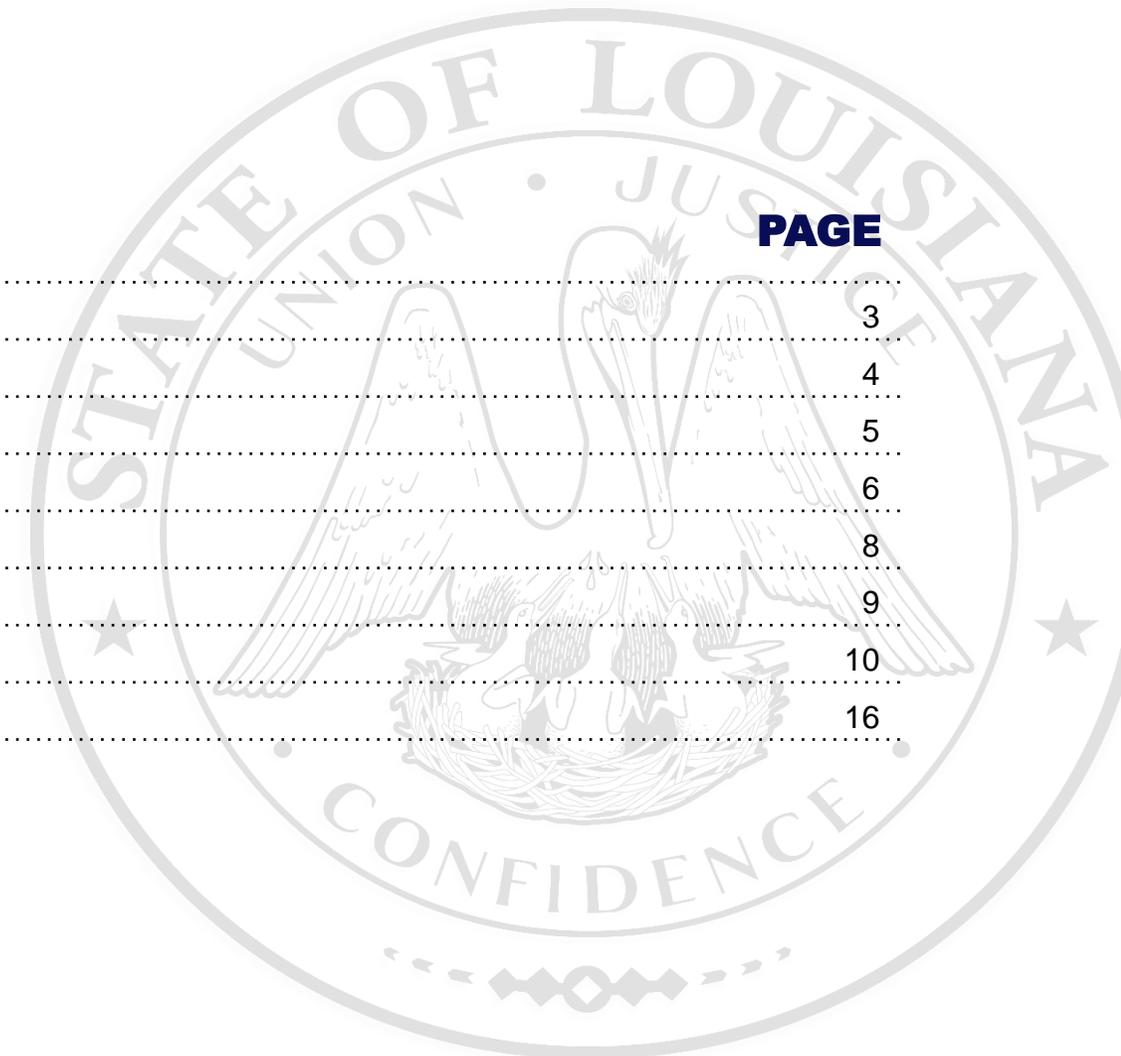
All data and figures were obtained from the governor's Fiscal Year 2026-2027 Executive Budget and Supporting Documents provided by the Office of Planning and Budget within the Division of Administration along with House Bill 1 of the 2026 Regular Session, unless otherwise noted.

<https://www.doa.la.gov/doa/opb/budget-documents/>

TOPIC

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FY 27 BUDGET RECOMMENDATION

Total Funding = \$133,076,577

| Means of Finance | | |
|-----------------------|-----------|--------------------|
| State General Fund | \$ | 0 |
| Interagency Transfers | | 515,000 |
| Fees & Self-generated | | 132,003,663 |
| Statutory Dedications | | 557,914 |
| Federal Funds | | 0 |
| Total | \$ | 133,076,577 |



| Program Funding & Authorized Positions | | | |
|--|-----------|--------------------|------------------|
| | | <i>Amount</i> | <i>Positions</i> |
| Tax Collection | \$ | 120,329,664 | 635 |
| Alcohol & Tobacco Control | | 10,012,061 | 68 |
| Charitable Gaming | | 2,734,852 | 20 |
| Total | \$ | 133,076,577 | 723 |



SOURCES OF FUNDING

| Interagency Transfers \$515,000 | Self-generated Revenue \$132 M | Statutory Dedications \$557,914 |
|--|--|--|
| <p>Funding is derived from the following transfers:</p> <ul style="list-style-type: none"> • \$350,000 from the Louisiana Department of Health to ATC to perform random, unannounced inspections at locations where tobacco products are sold • \$165,000 from the Department of Public Safety to ATC to enforce laws, relating to the sale of alcohol to underage consumers | <p>Revenues derived from the following sources:</p> <ul style="list-style-type: none"> • 1% of collected personal income tax, corporate income and franchise tax, and sales tax collected by the tax collection program • Various ATC and OCG licenses, permits, and fines • \$100,000 from the Louisiana Entertainment Development Fund Account. The dept. receives 25% of the fee charged for motion picture tax credit transfers | <p>From the Tobacco Regulation Enforcement Fund which receives a small portion of the state tax on cigarettes (one-quarter of one-twentieth of one cent per cigarette)</p> |

FUNDING COMPARISON

| Means of Finance | FY 25 Actual Expenditures | FY 26 Existing Operating Budget 12/1/25 | FY 27 HB1 Budget | Change Existing Operating Budget to HB1 | | Change Actual Expenditures to HB1 | |
|------------------|---------------------------|---|-----------------------|---|---------------|-----------------------------------|--------------|
| SGF | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0.0% | \$ 0 | 0.0% |
| IAT | 515,000 | 515,000 | 515,000 | 0 | 0.0% | 0 | 0.0% |
| FSGR | 106,237,920 | 142,410,408 | 132,003,663 | (10,406,745) | (7.3%) | 25,765,743 | 24.3% |
| Stat Ded | 557,914 | 557,914 | 557,914 | 0 | 0.0% | 0 | 0.0% |
| Federal | 0 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| Total | \$ 107,310,834 | \$ 143,483,322 | \$ 133,076,577 | \$ (10,406,745) | (7.3%) | \$ 25,765,743 | 24.0% |

Significant funding changes compared to the FY 26 Existing Operating Budget

Fees & Self-generated

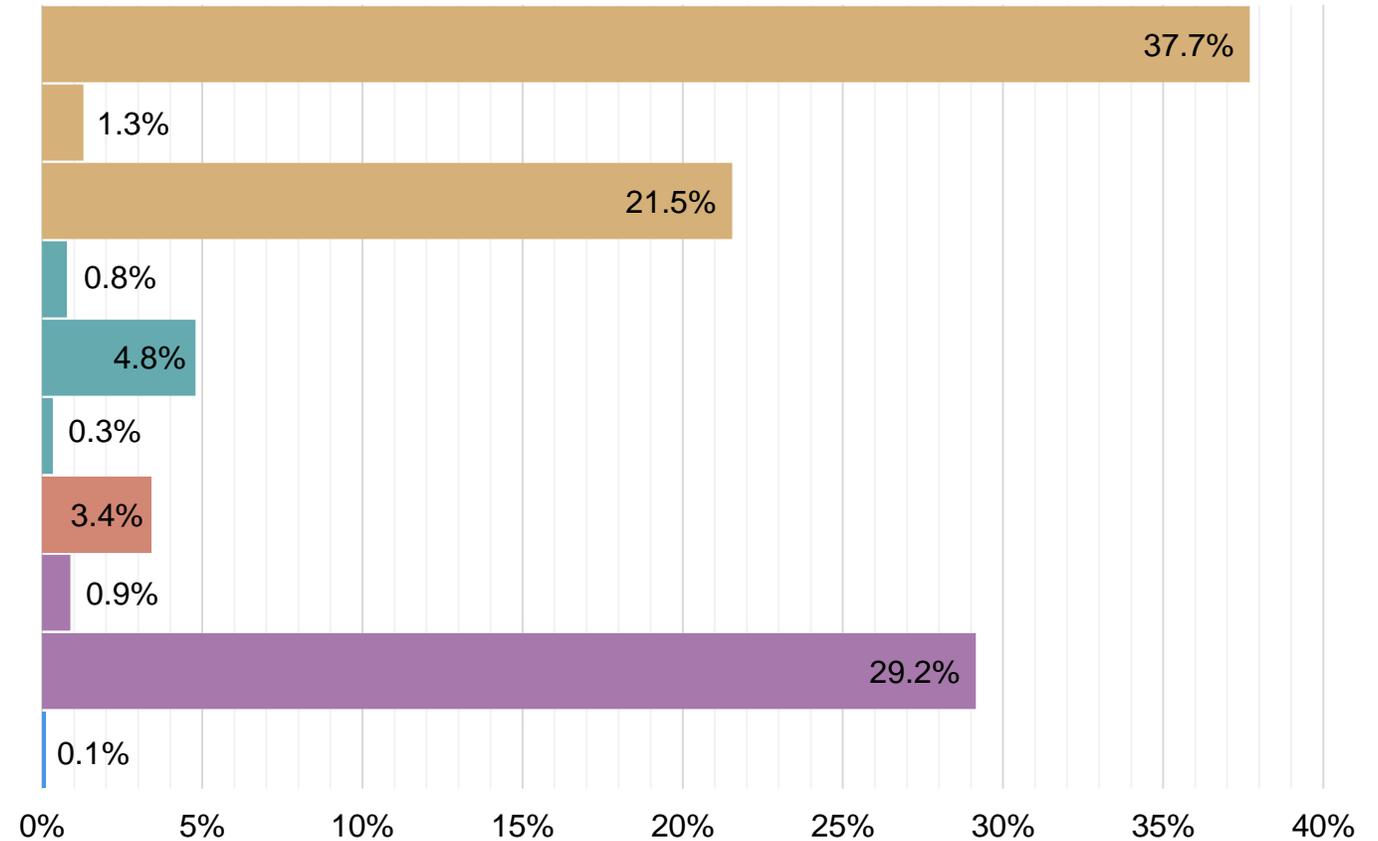
(\$10.4 M) decrease primarily due to:

Various standard statewide adjustments to things including salary adjustments, non-recurring carryforwards, and acquisitions largely within the Tax Collection program

FY 27 EXPENDITURE RECOMMENDATION

Total Budget = \$133,076,577

| Expenditure Category | | |
|-----------------------|-----------|--------------------|
| Salaries | \$ | 50,181,644 |
| Other Compensation | | 1,718,388 |
| Related Benefits | | 28,665,916 |
| Travel | | 1,022,318 |
| Operating Services | | 6,375,936 |
| Supplies | | 451,111 |
| Professional Services | | 4,539,397 |
| Other Charges | | 1,169,122 |
| Interagency Transfers | | 38,795,078 |
| Acquisitions/Repairs | | 157,667 |
| Total | \$ | 133,076,577 |



OTHER CHARGES / INTERAGENCY TRANSFERS

Other Charges

| Amount | Description |
|---------------------|---|
| \$ 605,982 | Call Center Positions |
| 473,140 | ATC Investigative Funds for Compliance Checks |
| 90,000 | LDH Compliance Check Grant |
| \$ 1,169,122 | Total Other Charges |

Interagency Transfers

| Amount | Description |
|----------------------|--|
| \$ 24,867,059 | Office of Technology Services (Fees) |
| 7,362,815 | Office of Technology Services (Printing, state mail, telecommunications) |
| 2,285,069 | Rent and Maintenance of State-owned Buildings |
| 1,675,232 | Louisiana Board of Tax Appeals |
| 599,855 | Office of Risk Management |
| 554,385 | Legislative Auditor Fees |
| 496,361 | Capital Park Security and LaSalle Bldg. Security |
| 319,582 | Civil Service Fees |
| 200,000 | Office of the Attorney General - Fraud Investigation |
| 194,615 | State Treasury Fees |
| 113,669 | State Police & Wildlife - Lease Rental |
| 48,583 | Uniform Payroll Service |
| 40,000 | DCFS - Financial Institutions Data Match |
| 20,000 | DOA - State Register Fees |
| 11,000 | Louisiana Property Assistance Agency - GPS Services |
| 6,853 | Office of State Procurement |
| \$ 38,795,078 | Total Interagency Transfers |

EXPENDITURE COMPARISON

| Expenditure Category | FY 25 Actual Expenditures | FY 26 Existing Operating Budget 12/1/25 | FY 27 HB1 Budget | Change Existing Operating Budget to HB1 | | Change Actual Expenditures to HB1 | |
|-----------------------|---------------------------|---|-----------------------|---|---------------|-----------------------------------|--------------|
| Salaries | \$ 44,440,988 | \$ 47,092,620 | \$ 50,181,644 | \$ 3,089,024 | 6.6% | \$ 5,740,656 | 12.9% |
| Other Compensation | 1,032,897 | 1,718,388 | 1,718,388 | 0 | 0.0% | 685,491 | 66.4% |
| Related Benefits | 25,437,363 | 28,072,515 | 28,665,916 | 593,401 | 2.1% | 3,228,553 | 12.7% |
| Travel | 443,401 | 1,022,318 | 1,022,318 | 0 | 0.0% | 578,917 | 130.6% |
| Operating Services | 1,994,144 | 6,379,061 | 6,375,936 | (3,125) | (0.0%) | 4,381,792 | 219.7% |
| Supplies | 292,831 | 453,404 | 451,111 | (2,293) | (0.5%) | 158,280 | 54.1% |
| Professional Services | 4,113,978 | 4,720,290 | 4,539,397 | (180,893) | (3.8%) | 425,419 | 10.3% |
| Other Charges | 285,958 | 1,169,122 | 1,169,122 | 0 | 0.0% | 883,164 | 308.8% |
| Interagency Transfers | 29,096,094 | 51,625,112 | 38,795,078 | (12,830,034) | (24.9%) | 9,698,984 | 33.3% |
| Acquisitions/Repairs | 173,180 | 1,230,492 | 157,667 | (1,072,825) | (87.2%) | (15,513) | (9.0%) |
| Total | \$ 107,310,834 | \$ 143,483,322 | \$ 133,076,577 | \$ (10,406,745) | (7.3%) | \$ 25,765,743 | 24.0% |

Significant expenditure changes compared to the FY 26 Existing Operating Budget

| Personnel Services | Other Charges/IAT | Acquisitions/Repairs |
|--|--|---|
| <p>\$3.7 M net increase due to:</p> <p>Various standard statewide adjustments to salaries and related benefits including attrition, benefits, and retirement changes</p> | <p>(\$12.8 M) net decrease primarily due to:</p> <ul style="list-style-type: none"> (\$8.6 M) decrease due to the removal of funds carried into FY 26 for contracts that crossed fiscal years (\$4.5 M) decrease in transfers sent to the Office of Technology Services (OTS) \$106,382 increase in transfers to the Board of Tax Appeals | <p>(\$1.1 M) net decrease due to:</p> <ul style="list-style-type: none"> (\$1.1 M) decrease to remove funding for acquisition purchases budgeted in FY 26 that are no longer needed in FY 27 \$157,667 increase for various department wide purchases such as ATC agent equipment, phone headsets, and a forklift replacement |

DEPARTMENT CONTACTS



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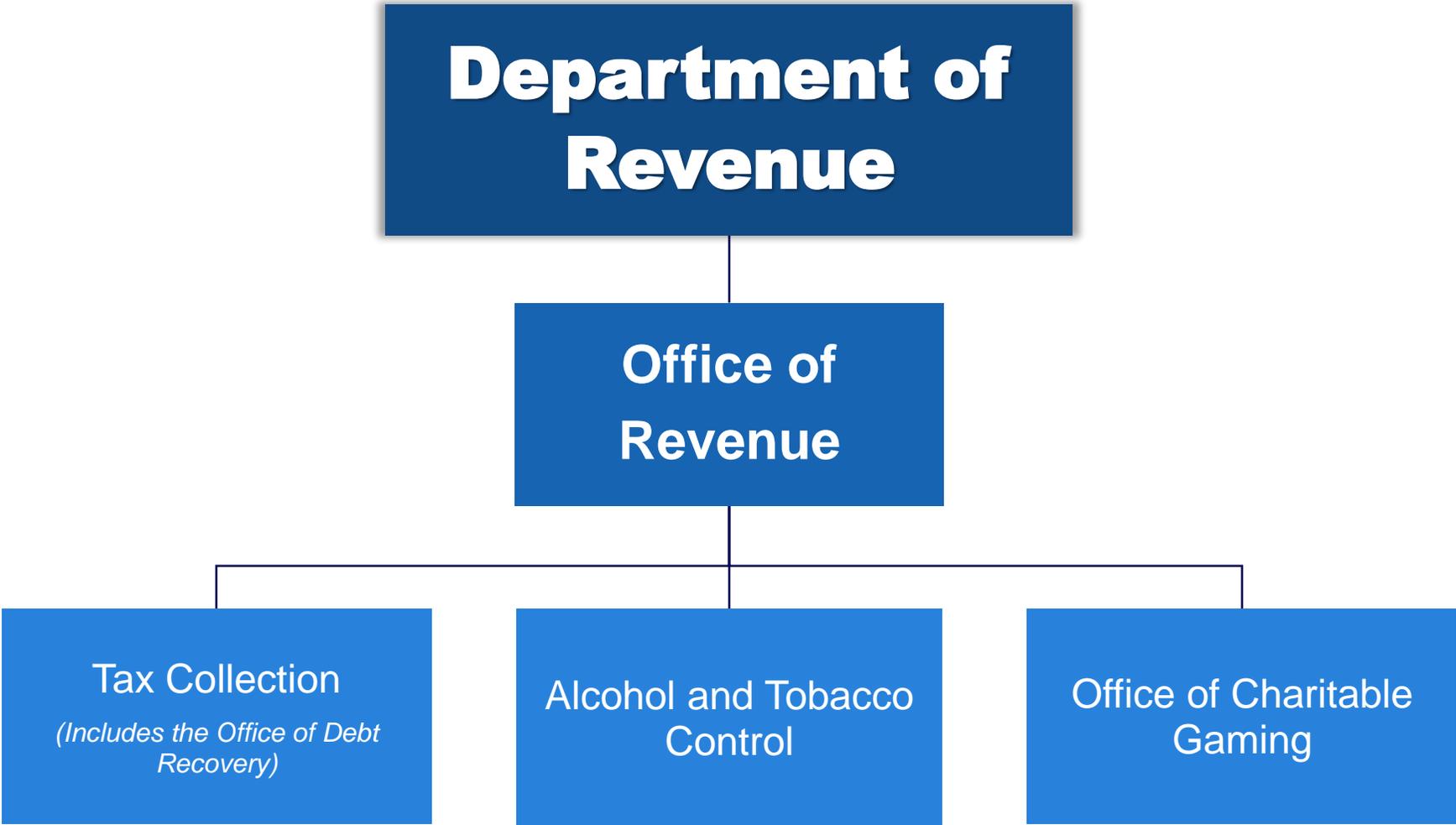
Director, Charitable Gaming

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The seal of the State of Louisiana is visible in the background, featuring an eagle with wings spread, perched on a nest with two birds. The text around the seal includes "STATE OF LOUISIANA", "UNION • JUSTICE", and "CONFIDENCE".

General Department Information

DEPARTMENT ORGANIZATION



Tax Collection Program

Administration

- Executive arm of the department including management functions such as: accounting and budgeting, payroll, facilities management, purchasing, human resources, and technology management.

Tax Policy Management

- Prepares fiscal notes, legislation, coordinates rules, and engages in a number of stakeholder efforts to address emerging and/or sensitive policy issues.

Revenue Collection & Distribution

- Registers taxpayers, processes tax returns and remittances, maintains taxpayer accounts, and handles state and local tax revenues.

Taxpayer Assistance

- Helps taxpayers understand their tax reporting and payment obligations via telephone, personal contact, and written inquiries; engages in outreach opportunities, consultation visits, and processing of tax exemptions, certifications, permits, and clearances.

Tax Compliance

- Examines, audits, or investigates tax related issues. Conducts tax return examinations and reconciles information to identify non-filers and under reporters. Field office staff conduct audits of businesses that have activity in Louisiana to identify and correct improper reporting.

Tax Enforcement

- Collects tax dollars owed on delinquent accounts, investigates tax fraud and evasion, and defends the state's interest through litigation of tax issues.

Office of Debt Recovery

- Collects non-tax debt owed to state agencies, universities, and municipalities on accounts and claims that are due and payable.



The mission of the Department of Revenue is to fairly and efficiently collect state tax revenues to fund public services; to regulate charitable gaming and the sale of alcoholic beverages and tobacco; and to support state agencies in the collection of overdue debts.

Alcohol and Tobacco Control (ATC) Program

Administration and Certification Division

- Responsible for distributing alcoholic beverage licenses, tobacco licenses, CBD retail permits, 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 permits annually.

Enforcement Division

- Responsible for enforcing Title 26, the Beer and Liquor Law, and the Louisiana Administrative Code by conducting random inspections at locations where alcoholic beverages and tobacco products are sold. Agents also investigate current license holders' operations to ensure compliance with industry fair trade laws. Conducts over 20,000 inspections annually and responds to compliance checks annually.



The mission of the Office of Alcohol and Tobacco Control (ATC) is to regulate the alcoholic beverage and tobacco industries and to consistently enforce state regulations under Title 26.

Office of Charitable Gaming

Administrative Section

- Administers and enforces the laws and regulations associated with the activities of charitable gaming.

Certification Section

- Reviews applications for licenses to conduct charitable gaming activities and performs the issuance of licenses.

Audit and Enforcement Section

- Conducts on-site inspection of gaming activities, training of organizations, review of required books and records maintained by organizations, and enforcement of gaming laws and regulations.



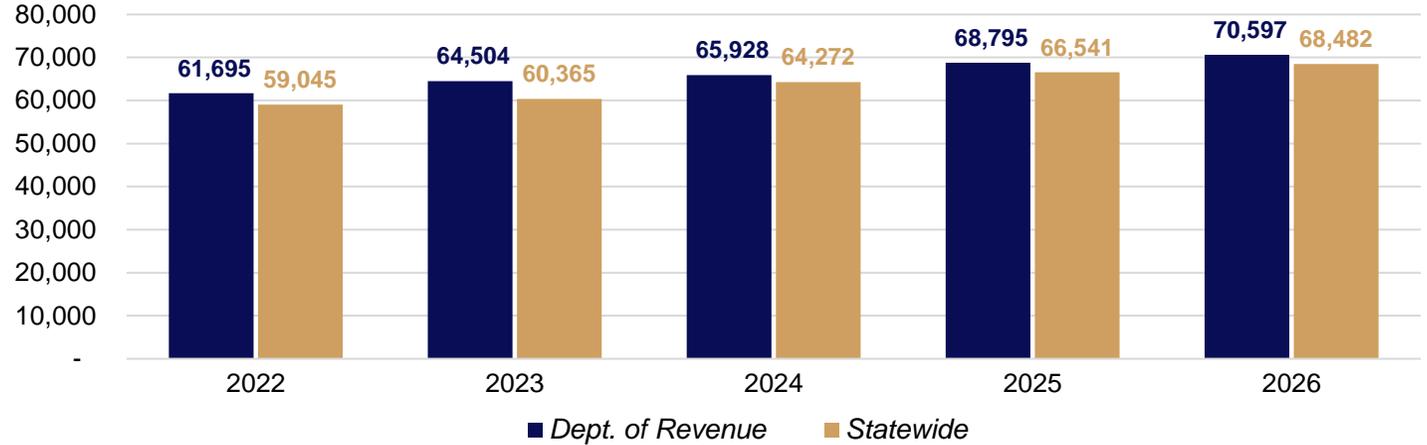
The mission of the Charitable Gaming Program is to administer efficiently and effectively the state's tax and regulatory statutes in a manner that will generate the highest degree of public confidence in the Department's integrity and fairness.

PERSONNEL INFORMATION

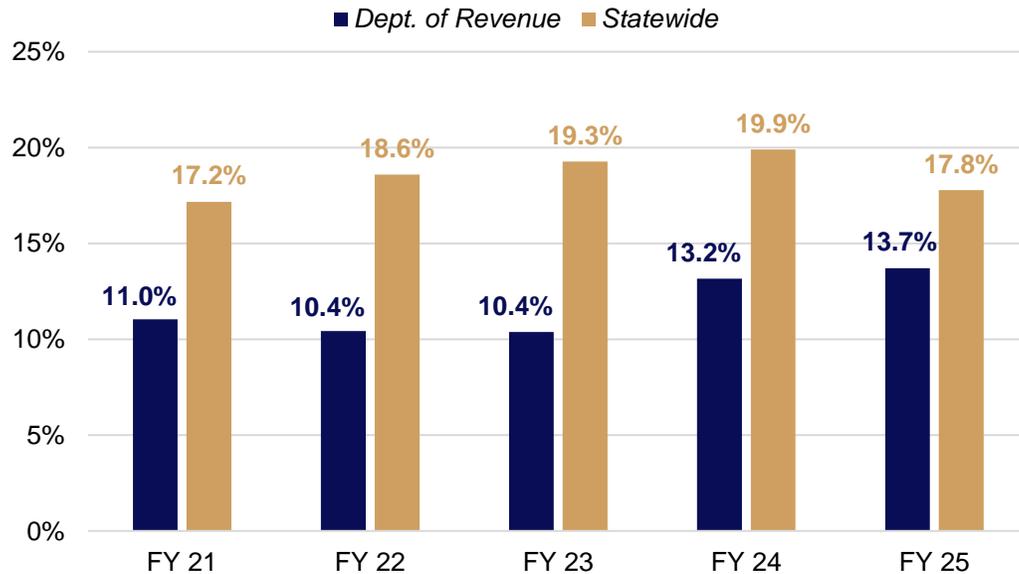
FY 2027 Recommended Positions

| | |
|-----|--|
| 723 | Total Authorized T.O. Positions (712 Classified, 11 Unclassified) |
| 15 | Authorized Other Charges Positions |
| 6 | Non-T.O. FTE Positions |
| 93 | Vacant Positions (December 3, 2025) |

Historical Average Salary



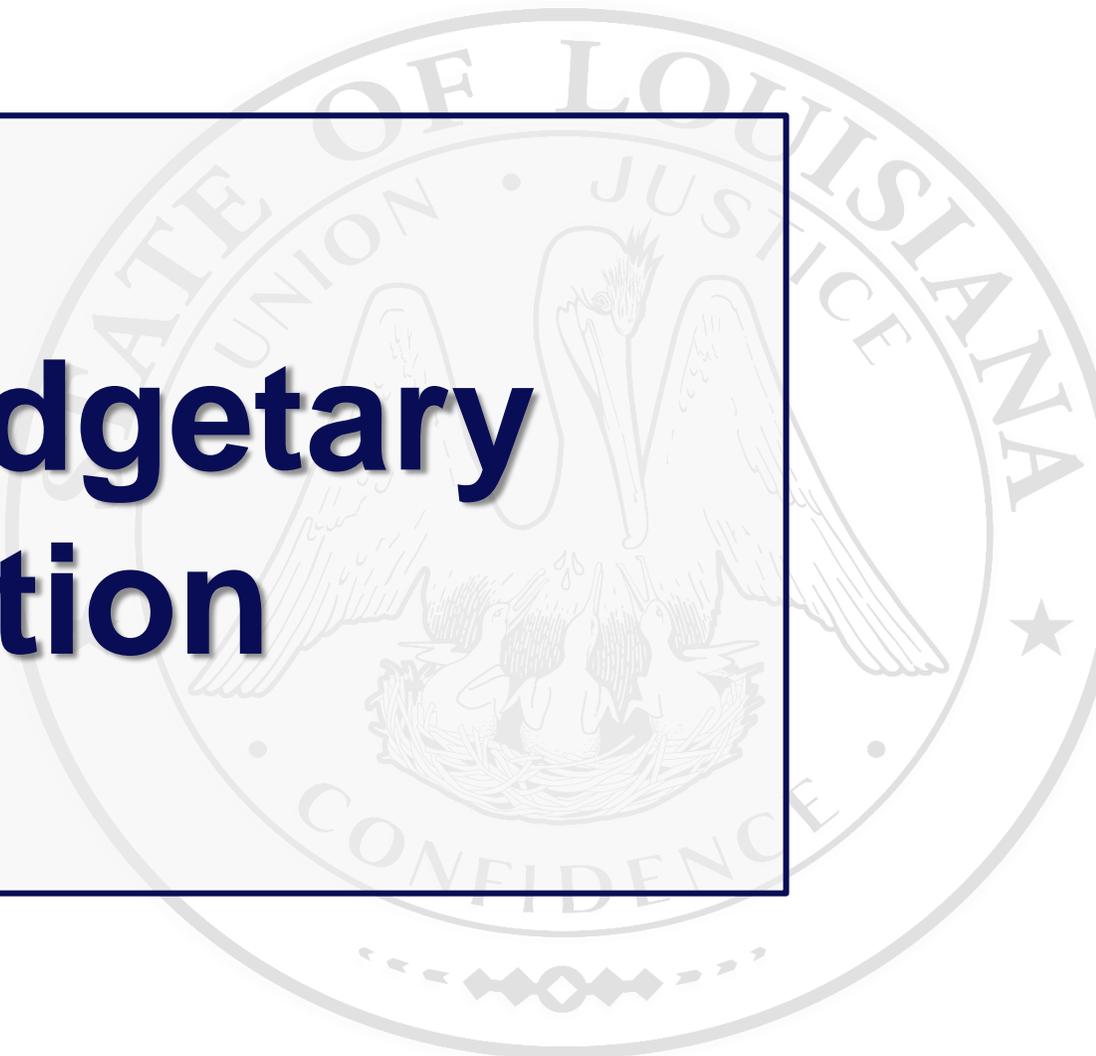
Turnover History



Top Positions Vacated FY 2025

| Position | Number of Employees | Separations | Turnover Rate |
|------------------|---------------------|-------------|---------------|
| Tax Specialist I | 12 | 9 | 75.0% |
| Tax Officer I | 16 | 8 | 50.0% |
| Tax Analyst I | 16 | 8 | 50.0% |
| Tax Auditor III | 45 | 6 | 13.3% |
| Tax Auditor I | 25 | 6 | 24.0% |

Source: Department of Civil Service

The seal of the State of Louisiana is visible in the background, featuring an eagle with wings spread, perched on a nest with two birds. The text "STATE OF LOUISIANA" is at the top, "UNION • JUSTICE" is on the left, and "CONFIDENCE" is at the bottom. A star is on the right.

General Budgetary Information

FY 26 EXISTING OPERATING BUDGET

The FY 2025-26 Existing Operating Budget (EOB) was frozen on December 1, 2025. This point-in-time reference is used in both the Executive Budget and the General Appropriations Bill.

| Means of Finance | Appropriation | Mid-Year Adjustments | Existing Operating Budget |
|------------------------|-----------------------|----------------------|---------------------------|
| General Fund | \$ 0 | \$ 0 | \$ 0 |
| Interagency Transfers | 515,000 | 0 | 515,000 |
| Self-generated Revenue | 133,684,770 | 8,725,638 | 142,410,408 |
| Statutory Dedications | 557,914 | 0 | 557,914 |
| Federal | 0 | 0 | 0 |
| Total | \$ 134,757,684 | \$ 8,725,638 | \$ 143,483,322 |

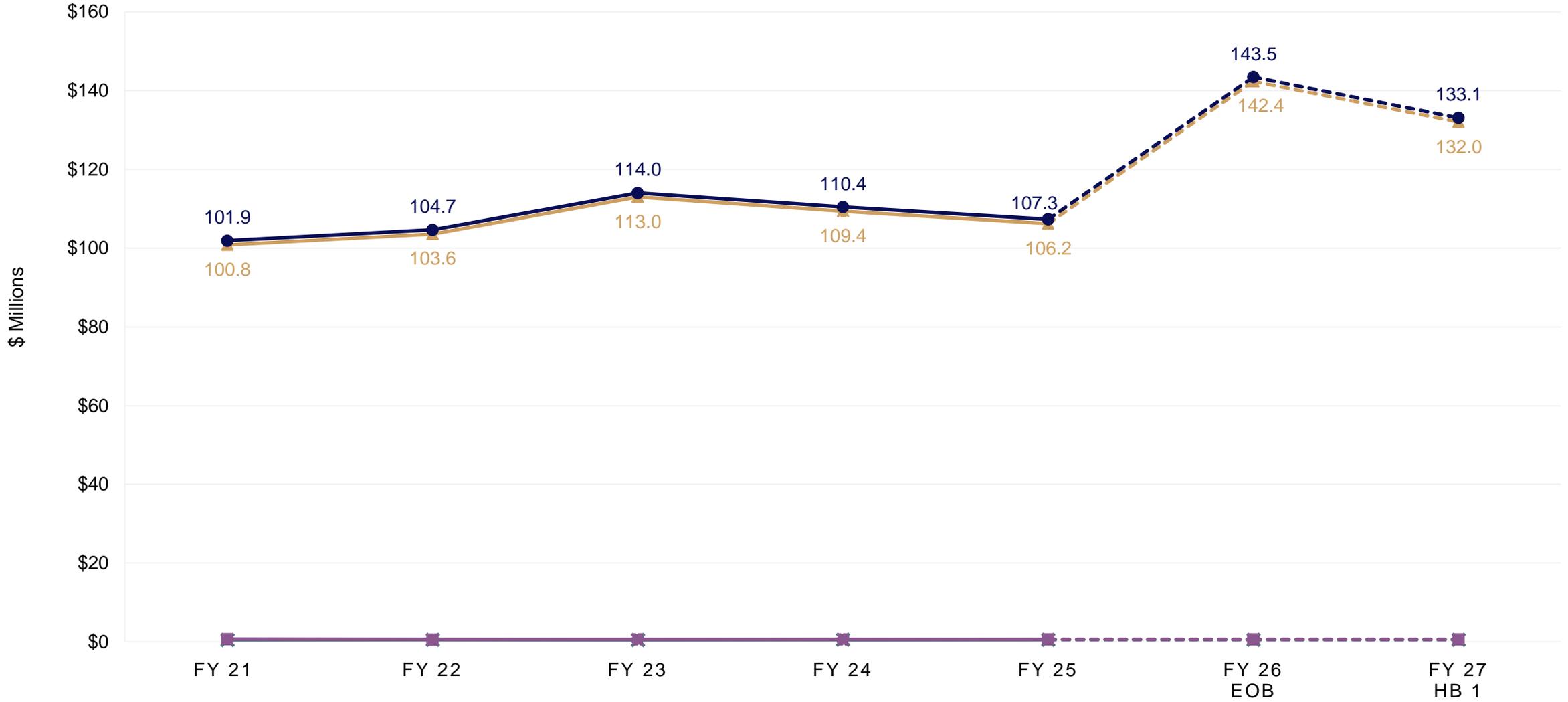
| <i>Mid-year Adjustments Summary</i> | | | | |
|-------------------------------------|---|-----------|-----------|-----------|
| July | August | September | October | November |
| No change | \$8.7 M Self-generated Revenue carried into FY 26 from the prior fiscal year for purchases and contractual obligations that crossed fiscal years | No change | No change | No change |

HISTORICAL SPENDING

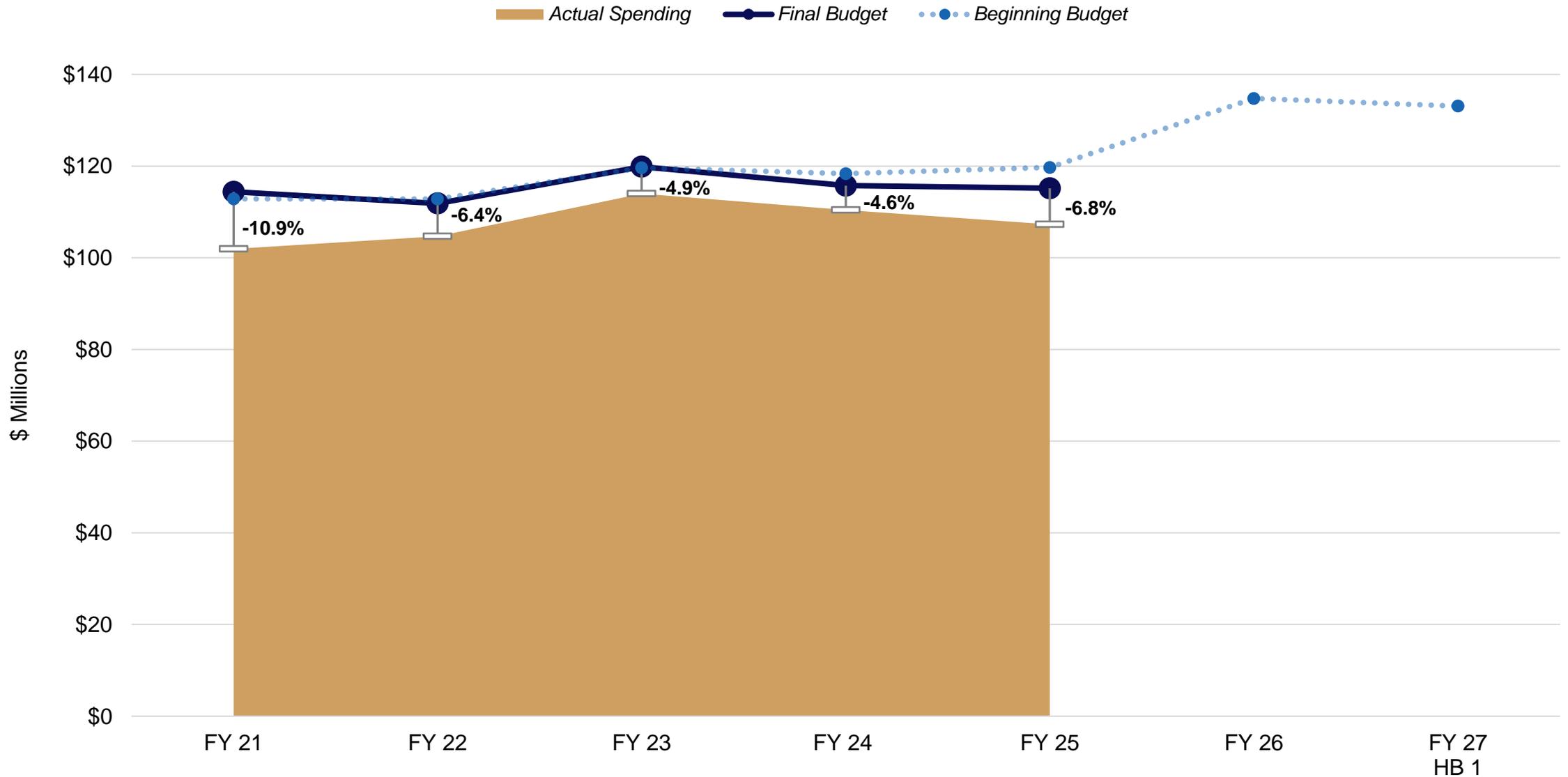
✕ Interagency Transfers
 ▲ Fees & Self-generated
 ■ Statutory Dedications
 ● Total Budget

Annual Average Spending Change from FY 21 to 25:

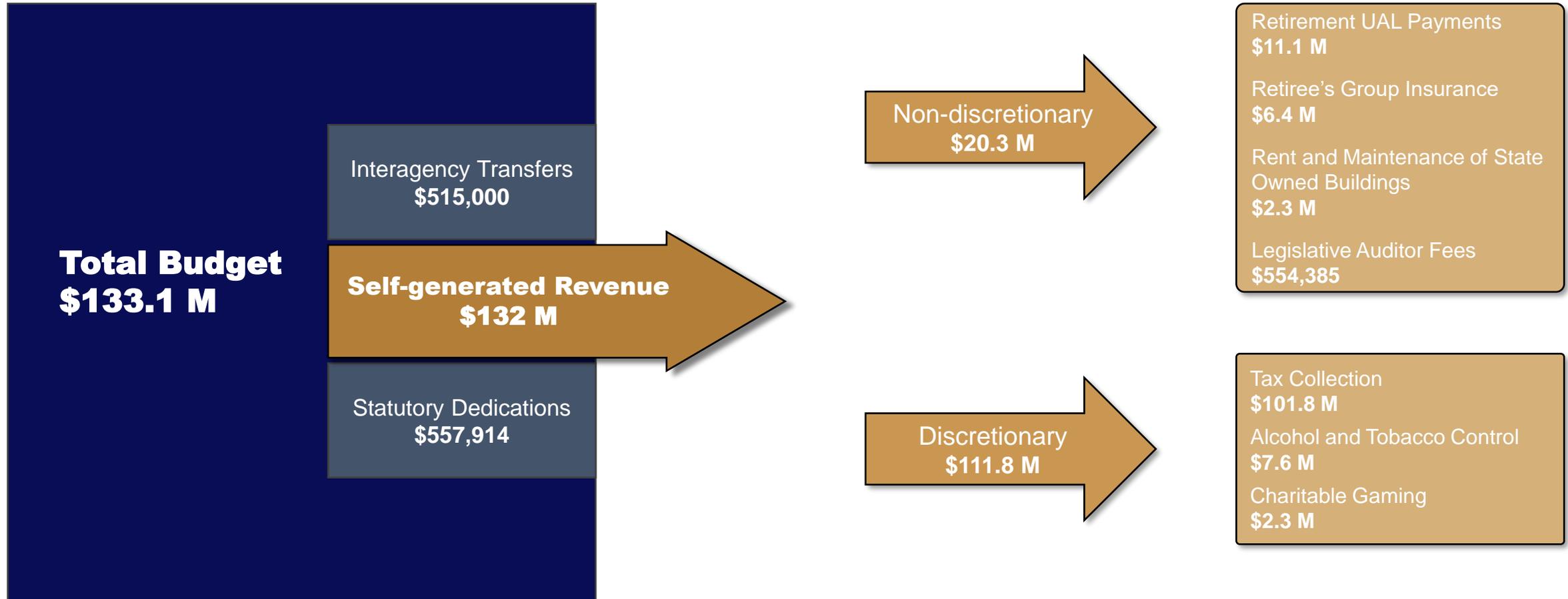
| | | | |
|------|------|--------|------|
| 4.5% | 1.3% | (4.0%) | 1.3% |
|------|------|--------|------|



HISTORICAL BUDGET



DISCRETIONARY EXPENSES



* Figures may not add precisely due to rounding *

OFFICE OF DEBT RECOVERY

Established in Act 399 of the 2013 Regular Session, for the purpose of collecting delinquent debts, accounts, or claims due on behalf of all other state agencies.

A total of 179 state and local agencies have placed debt with ODR.

ODR Operations:

There is no cost to the agency for participating with ODR. For debts transferred to ODR beginning January 2024, the statutory maximum fee of 25% was reduced administratively to 15% to reflect actual collection costs.

Agencies receive funds as they are collected up to 100% of the original amount.

| Entity Type with Debt at ODR | Number of Debt Accounts | Total Dollar Amount of Debt <i>as of January 2026</i> |
|------------------------------|-------------------------|--|
| State Agencies | 963,803 | \$477,054,085 |
| Higher Education | 5,839 | \$7,407,409 |
| Municipalities | 105,585 | \$71,348,089 |
| ODR Total | 1,075,227 | \$555,809,583 |

| Fiscal Year | Total Debt Collected |
|---|----------------------|
| FY 2015 | \$96,474 |
| FY 2016 | \$50,781,585 |
| FY 2017 | \$41,427,463 |
| FY 2018 | \$31,948,792 |
| FY 2019 | \$60,750,004 |
| FY 2020 | \$58,555,958 |
| FY 2021 | \$40,885,082 |
| FY 2022 | \$53,399,691 |
| FY 2023 | \$52,214,984 |
| FY 2024 | \$89,390,029 |
| FY 2025 | \$32,165,416 |
| FY 2026 (<i>through January 2026</i>) | \$20,629,874 |
| Total Collected | \$532,245,352 |