UTAH STATE TAX COMMISSION

FY16 Budget Request/FY 15 Supplemental

Budget Summary September 25, 2014

1. FORM 1000 Fee Change Proposals

	FY15 approved	FY16 proposed
a. Motor Vehicle Transaction Fee – Per Standard Unit *State/County reimbursement rate adjustment based on Utah Code 59-2-406(3)C, and the change in the prior calendar year's Consumer Price Index.*	**$1.47**	**$1.49**
b. Plate Mailing Charge *Pass-through charge for mailing custom plate orders (special group and personalized plates). This increase is to align the fee with current postage and envelope costs.*	**$2.20**	**$4.00**
c. Extra Plate Cost *Pass through charge to Special Group Plate organizations for the extra cost of manufacturing these plates. Utah Correctional Industries plate pricing increased July 2014.*	**$2.92**	**$3.50**

2. FORM 2000 Request to Reallocate Existing Budgets (non-technical)

Efficiencies in division functions have resulted in $350,000 in payroll savings that has been designated to cover the costs of a new Fraud Detection System that is being implemented in January 2015.

3. FORM 3000 Request to Spend Non-Lapsing Funds

Planned Expenditures	FY2015	FY2016
a. Imaging & Data Lift technology update (Income, Corp, MV)	$170,000	
b. Check Processing update – move from paper to electronic cash letter	$148,000	
c. Property Tax system replacement – implement in new core tax system	$800,000	$1,600,000
d. VOIP – statewide move to CAT6 wiring for phone & data transmission	$680,000	$ 500,000
a. Rewire building, purchase new handsets, new call center software		
e. High Speed Printer Replacement		$ 50,000
f. Security / Contingency – IVR upgrade, Firewalls,etc.	$100,000	$ 100,000
Total	$1,898,000	$2,250,000

4. FORM 4000 Incremental Budget Change Requests (or other authorized changes)

	FY2015 (one-time)	FY2016 (on-going)
a. Electronic Payment Fee Restricted Fund	**$300,000**	**$600,000**
Appropriation increase to cover expanded use and costs related to electronic payments for Motor Vehicle transactions		
b. Federal Joint Fed/State Fuel Tax Fraud Detection Program	**$ 32,000**	**$ 32,000**
New Initiative with IRS and select states to enhance fraud detection		
c. Federal Oil & Gas Audit Contract	**$ 41,500**	**$86,300**
Adjust to current authorization and estimated increase for FY2016		
d. Alcohol Beverage Enforcement and Treatment Restricted Fund	**$ 0**	**$ 5,500**
Appropriation adjustment for distribution to law enforcement agencies as required in Utah Code 59-15-109 and 32B-2-404		
Total	**$373,500**	**$723,800**

5. FORM 5000 Intent Statement Proposals

a. Under Section 63J-1-603 of the Utah Code, the Legislature intends that appropriation provided to the Utah State Tax Commission will not lapse at the close of Fiscal Year 2015. The use of any non-lapsing funds is limited to the costs directly related to the modernization of tax and motor vehicle systems and processes.

b. If supported by the Governor and if legislation can be passed: It is the intent of the Legislature that the funds available from fees to the Utah State Tax Commission Motor Vehicle Enforcement Division be non-lapsing at the close of Fiscal Year 2015, or lapse to a newly created restricted fund for the purpose of funding division costs in future years, as revenues fluctuate each year based on economic conditions.

6. BASE BUDGET

The Tax Commission's Base Budget for FY2016 for State Appropriated Funds will be the same as the appropriation for FY2015 of $74,378,000. Federal Funds, Dedicated Credits and Non-lapsing Balances are based on current estimates.