

Department of Revenue Services

DRS16000

Permanent Full-Time Positions

Fund	Actual FY 17	Actual FY 18	Appropriation FY 19	Governor Recommended		Legislative	
				FY 20	FY 21	FY 20	FY 21
General Fund	660	660	660	660	660	627	627

Budget Summary

Account	Actual FY 17	Actual FY 18	Appropriation FY 19	Governor Recommended		Legislative	
				FY 20	FY 21	FY 20	FY 21
Personal Services	54,294,775	49,507,958	54,639,727	55,738,897	58,820,506	55,899,207	58,985,625
Other Expenses	7,259,861	7,779,504	6,433,061	7,777,623	7,327,623	7,782,623	7,332,623
Agency Total - General Fund	61,554,636	57,287,462	61,072,788	63,516,520	66,148,129	63,681,830	66,318,248
Additional Funds Available							
Federal & Other Restricted Act	-	95,587	96,000	-	-	-	-
Private Contributions & Other Restricted	-	1,896,947	2,702,500	2,700,000	2,700,000	2,700,000	2,700,000
Agency Grand Total	61,554,636	59,279,996	63,871,288	66,216,520	68,848,129	66,381,830	69,018,248

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21

Policy Revisions

Provide Funding for Administration of Tax Changes

Personal Services	(450,000)	-	(450,000)	-	-	-
Other Expenses	450,000	-	450,000	-	-	-
Total - General Fund	-	-	-	-	-	-

Background

The agency lapsed approximately \$6.7 million in Personal Services funds in FY 18.

Governor

Transfer funding of \$450,000 from Personal Services to Other Expenses in FY 20 only to fund administrative costs associated with the Governor's tax proposals. This consists of funding for the programming of tax processing scanners and adjustments to the online Taxpayer Service Center (\$260,000), and mailing and postage costs to inform affected taxpayers of tax law changes (\$190,000).

Legislative

Same as Governor

Delay Funding for Tax Incidence Report

Other Expenses	(375,000)	-	(375,000)	-	-	-
Total - General Fund	(375,000)	-	(375,000)	-	-	-

Background

Section 1 of SB 872, *An Act Implementing the Governor's Budget Recommendations for General Government*, delays until February 15, 2022 the statutory requirement for the Department of Revenue Services to produce a biennial Tax Incidence Report.

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21

Governor

Remove funding of \$375,000 in FY 20 only to reflect a delay, from February 15, 2020 to February 15, 2022, in the deadline for submission of the next biennial Tax Incidence Report.

Legislative

Same as Governor. Section 92 of PA 19-117, the FY 20 and FY 21 Biennial Budget, implements this provision.

Provide Funding for Enforcement of Increased Minimum Age for Legal Tobacco Sales

Personal Services	-	-	160,310	165,119	160,310	165,119
Other Expenses	-	-	5,000	5,000	5,000	5,000
Total - General Fund	-	-	165,310	170,119	165,310	170,119
Positions - General Fund	-	-	2	2	2	2

Background

PA 19-13, AA *Prohibiting The Sale of Cigarettes, Tobacco Products, Electronic Nicotine Delivery Systems and Vapor Products to Persons Under Age Twenty-One*, raises the legal age to purchase cigarettes, other tobacco products, and e-cigarettes from 18 to 21.

Legislative

Provide funding of \$165,310 in FY 20 and \$170,119 in FY 21 for two Tax Hearing Officers and related expenses for hearings of tobacco law non-compliance.

Transfer Funding from Personal Services to Other Expenses

Personal Services	(900,000)	(900,000)	(900,000)	(900,000)	-	-
Other Expenses	900,000	900,000	900,000	900,000	-	-
Total - General Fund	-	-	-	-	-	-

Background

Actual expenditures in Personal Services and Other Expenses totaled \$49,507,958 and \$7,779,504 in FY 18, respectively.

Governor

Transfer funding of \$900,000 from Personal Services to Other Expenses in both FY 20 and FY 21 to pay for contracted temporary staff during tax season (rather than hiring them directly), information technology costs related to the Integrated Tax Administration System, and postage.

Legislative

Same as Governor

Annualize FY 2019 Holdbacks

Personal Services	(273,198)	(273,198)	(273,198)	(273,198)	-	-
Total - General Fund	(273,198)	(273,198)	(273,198)	(273,198)	-	-

Background

The Office of Policy and Management implemented FY 19 holdbacks totaling \$18.5 million. The Governor's FY 20 and FY 21 Budget annualizes \$7.7 million of these holdbacks in both FY 20 and FY 21 across various agencies.

Governor

Reduce funding by \$273,198 in both FY 20 and FY 21 to annualize this agency's FY 19 holdbacks.

Legislative

Same as Governor

Adjust Funding to Reflect Cellular Services Savings

Other Expenses	(5,438)	(5,438)	(5,438)	(5,438)	-	-
Total - General Fund	(5,438)	(5,438)	(5,438)	(5,438)	-	-

Background

The Governor's FY 20 and FY 21 Budget reduces funding by \$197,555 in both FY 20 and FY 21, across five appropriated funds, to reflect cellular services savings.

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21

Governor

Reduce funding by \$5,438 in both FY 20 and FY 21 to reflect this agency’s cellular services savings.

Legislative

Same as Governor

Eliminate Unfunded Vacancies

Personal Services	-	-	-	-	-	-
Total - General Fund	-	-	-	-	-	-
Positions - General Fund	-	-	(35)	(35)	(35)	(35)

Legislative

Reduce the authorized position count by 35 positions to more accurately reflect the agency's funded positions.

Current Services

Provide Funding for Wage Increases

Personal Services	2,722,368	5,353,977	2,722,368	5,353,977	-	-
Total - General Fund	2,722,368	5,353,977	2,722,368	5,353,977	-	-

Background

The Governor’s FY 20 and FY 21 Budget provides funding of \$70.3 million in FY 20 and \$165.9 million in FY 21, across seven appropriated funds, for state employee wages and collective bargaining increases.

Governor

Provide funding of \$2,722,368 in FY 20 and \$5,353,977 in FY 21 to reflect this agency’s increased wage costs.

Legislative

Same as Governor

Provide Funding for Biennial Tax Incidence Report

Other Expenses	375,000	-	375,000	-	-	-
Total - General Fund	375,000	-	375,000	-	-	-

Background

CGS Sec. 12-7c requires the Department of Revenue Services, by February 15, 2020 and biennially thereafter, to provide a Tax Incidence Report covering all major state and local taxes. The latest such report was produced in December 2014.

Governor

Provide funding of \$375,000 in FY 20 only for consulting and information technology costs associated with the Tax Incidence Report due February 15, 2020.

Legislative

Same as Governor

Totals

Budget Components	Governor Recommended		Legislative		Difference from Governor	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21
FY 19 Appropriation - GF	61,072,788	61,072,788	61,072,788	61,072,788	-	-
Policy Revisions	(653,636)	(278,636)	(488,326)	(108,517)	165,310	170,119
Current Services	3,097,368	5,353,977	3,097,368	5,353,977	-	-
Total Recommended - GF	63,516,520	66,148,129	63,681,830	66,318,248	165,310	170,119

Positions	Governor Recommended		Legislative		Difference from Governor	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21
FY 19 Appropriation - GF	660	660	660	660	-	-
Policy Revisions	-	-	(33)	(33)	(33)	(33)
Total Recommended - GF	660	660	627	627	(33)	(33)