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## Minnesota Department of Revenue

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**AT A GLANCE**

In 2017, the Department of Revenue:

- Employed 1,375 people across the state
- Processed 3 million individual income tax returns
- Collected \$23.9 billion in state taxes annually to fund state and local programs
- Collected \$10.9 billion in individual income taxes
- Collected \$5.8 billion in sales taxes
- Collected \$859 million in statewide property taxes
- Assisted 315,000 businesses collect sales tax
- Assisted 3,429 local governments with tax administration
- Responded to over 717,000 phone calls and helped another 168,000 customers by email or in-person
- Served 3 million visitors (20 million page views) through our website

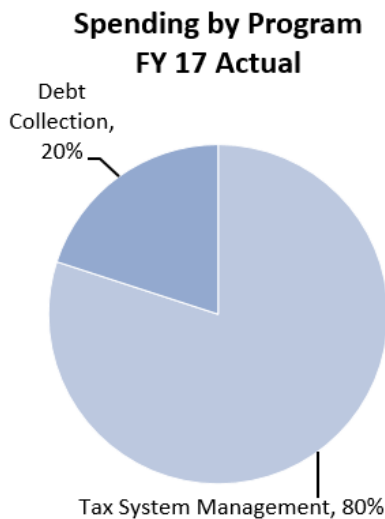
**PURPOSE**

The Minnesota Department of Revenue’s mission is “working together to fund Minnesota’s future.” Our vision is that everyone reports, pays and receives the right amount: no more, no less.

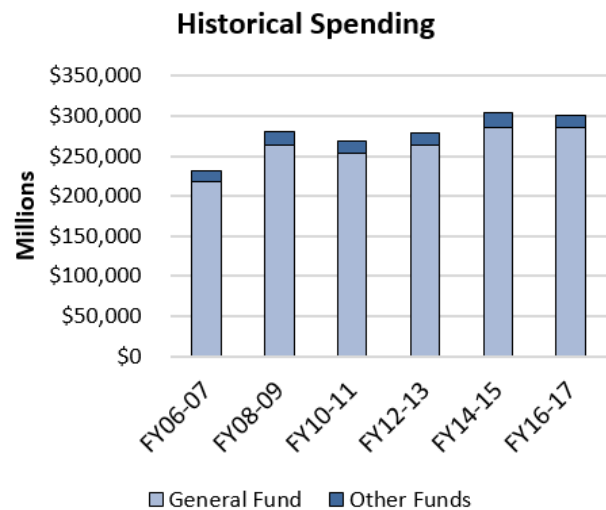
We work with individuals, businesses, local governments, federal and state agencies, tax professionals, and others to administer 31 state and local taxes. We collect over \$23 billion in state taxes annually to fund state and local programs.

We also collect debt owed to state agencies and local governments. We oversee the uniform application of property tax laws by local governments, administer state property tax refund and relief programs, and make state aid payments to counties, cities, towns, and special taxing districts through 31 state programs.

**BUDGET**



Source: Budget Planning & Analysis System (BPAS)



Source: Budget Planning & Analysis System (BPAS)

The revenue we collect is allocated through the budget process to fund a wide range of state and local programs – education, health care, roads and bridges, transit, parks and trails, prisons, public safety, job training, economic development, and local government services, among others.

The department’s budget is organized into two major programs: Tax System Management and Debt Collection Management.

Tax System Management includes the following activities:

- Tax Payment and Return Processing
- Administration of State Taxes
- Appeals, Legal Services, and Tax Research
- Agency-wide Operations Support and Oversight

Debt Collection Management collects delinquent tax debts and debts owed to other state agencies. Key activities include:

- Helping customers understand and resolve their state tax and other government agency debts
- Using the collection process when customers do not voluntarily work to resolve their debts

Together, these programs directly contribute to and support the statewide outcome of efficient and accountable government services. In addition, the revenue we collect supports other statewide outcomes, including:

- A thriving economy that encourages business growth and employment opportunities
- Minnesotans have the education and skills needed to achieve their goals
- All Minnesotans have optimal health
- Strong and stable families and communities
- People in Minnesota are safe
- A clean, healthy environment with sustainable uses of natural resources
- Sustainable options to safely move people, goods, services, and information

## STRATEGIES

To achieve our mission we have identified the following Department of Revenue strategies:

1. Provide customers with information, education, and services.
2. Create operational efficiencies and leverage technology to secure customer information, and to meet customer and employee needs.
3. Enforce the tax laws by identifying and addressing patterns of non-compliance.
4. Listen to our customers, identify and develop improvements to the revenue system.
5. Foster a productive, innovative, and healthy work environment that provides opportunities for growth and development.

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**Legal Citation:** M.S. 270C.03 establishes the Department of Revenue’s legal authority.  
([www.revisor.mn.gov/statutes/?id=270C.03](http://www.revisor.mn.gov/statutes/?id=270C.03))

# Revenue

# Agency Expenditure Overview

(Dollars in Thousands)

|                                       | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base  |                |
|---------------------------------------|----------------|----------------|----------------|------------------|----------------|----------------|
|                                       |                |                |                |                  | FY20           | FY21           |
| <b><u>Expenditures by Fund</u></b>    |                |                |                |                  |                |                |
| 1000 - General                        | 132,606        | 152,123        | 143,283        | 166,917          | 157,328        | 157,328        |
| 2000 - Restrict Misc Special Revenue  | 3,675          | 3,406          | 4,915          | 9,952            | 7,329          | 7,329          |
| 2360 - Health Care Access             | 1,597          | 1,901          | 1,749          | 1,754            | 1,760          | 1,760          |
| 2710 - Highway Users Tax Distribution | 2,040          | 2,296          | 2,184          | 2,190            | 2,195          | 2,195          |
| 2800 - Environmental                  | 289            | 317            | 303            | 304              | 305            | 305            |
| <b>Total</b>                          | <b>140,207</b> | <b>160,044</b> | <b>152,434</b> | <b>181,117</b>   | <b>168,917</b> | <b>168,917</b> |
| Biennial Change                       |                |                |                | 33,300           |                | 4,283          |
| Biennial % Change                     |                |                |                | 11               |                | 1              |

## **Expenditures by Program**

|                            |                |                |                |                |                |                |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Tax System Management      | 111,748        | 128,531        | 122,202        | 147,973        | 138,932        | 138,932        |
| Debt Collection Management | 28,459         | 31,512         | 30,232         | 33,144         | 29,985         | 29,985         |
| <b>Total</b>               | <b>140,207</b> | <b>160,044</b> | <b>152,434</b> | <b>181,117</b> | <b>168,917</b> | <b>168,917</b> |

## **Expenditures by Category**

|                              |                |                |                |                |                |                |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Compensation                 | 104,142        | 111,120        | 114,625        | 124,205        | 121,197        | 121,197        |
| Operating Expenses           | 35,499         | 46,626         | 37,209         | 56,340         | 47,148         | 47,148         |
| Grants, Aids and Subsidies   | 399            | 401            | 400            | 400            | 400            | 400            |
| Capital Outlay-Real Property | 34             | 1,248          | (11)           |                |                |                |
| Other Financial Transaction  | 133            | 648            | 210            | 172            | 172            | 172            |
| <b>Total</b>                 | <b>140,207</b> | <b>160,044</b> | <b>152,434</b> | <b>181,117</b> | <b>168,917</b> | <b>168,917</b> |

|   |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Agency Expenditures                 | 140,207        | 160,044        | 152,434        | 181,117        | 168,917        | 168,917        |
| Internal Billing Expenditures             |                | 115            |                |                |                |                |
| <b>Expenditures Less Internal Billing</b> | <b>140,207</b> | <b>159,928</b> | <b>152,434</b> | <b>181,117</b> | <b>168,917</b> | <b>168,917</b> |

## **Full-Time Equivalent**

|  |                 |                 |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | <b>1,323.28</b> | <b>1,383.94</b> | <b>1,392.01</b> | <b>1,509.98</b> | <b>1,421.40</b> | <b>1,371.77</b> |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|

# Revenue

# Agency Financing by Fund

(Dollars in Thousands)

|                                   | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base  |                |
|-----------------------------------|----------------|----------------|----------------|------------------|----------------|----------------|
|                                   |                |                |                |                  | FY20           | FY21           |
| <b>1000 - General</b>             |                |                |                |                  |                |                |
| Balance Forward In                |                | 8,933          |                | 9,150            |                |                |
| Direct Appropriation              | 140,228        | 143,235        | 151,919        | 156,073          | 156,434        | 156,434        |
| Open Appropriation                | 922            | 518            | 624            | 2,260            | 1,000          | 1,000          |
| Transfers In                      |                |                | 9,692          | 12,285           |                |                |
| Transfers Out                     | 47             | 563            | 9,804          | 12,391           | 106            | 106            |
| Cancellations                     |                | 0              |                | 460              |                |                |
| Balance Forward Out               | 8,497          |                | 9,149          |                  |                |                |
| <b>Expenditures</b>               | <b>132,606</b> | <b>152,123</b> | <b>143,283</b> | <b>166,917</b>   | <b>157,328</b> | <b>157,328</b> |
| Biennial Change in Expenditures   |                |                |                | 25,471           |                | 4,456          |
| Biennial % Change in Expenditures |                |                |                | 9                |                | 1              |
| Full-Time Equivalents             | 1,250.78       | 1,311.48       | 1,315.01       | 1,399.48         | 1,315.40       | 1,269.49       |

## 2000 - Restrict Misc Special Revenue

|                                   |              |              |              |              |              |              |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance Forward In                | 3,249        | 4,491        | 6,165        | 7,767        | 5,143        | 5,142        |
| Receipts                          | 4,917        | 5,080        | 6,518        | 7,328        | 7,328        | 7,328        |
| Transfers In                      |              |              | 6,165        |              |              |              |
| Transfers Out                     |              |              | 6,165        |              |              |              |
| Balance Forward Out               | 4,491        | 6,165        | 7,768        | 5,143        | 5,142        | 5,141        |
| <b>Expenditures</b>               | <b>3,675</b> | <b>3,406</b> | <b>4,915</b> | <b>9,952</b> | <b>7,329</b> | <b>7,329</b> |
| Biennial Change in Expenditures   |              |              |              | 7,785        |              | (209)        |
| Biennial % Change in Expenditures |              |              |              | 110          |              | (1)          |
| Full-Time Equivalents             | 30.41        | 29.55        | 39.00        | 72.75        | 69.57        | 67.12        |

## 2360 - Health Care Access

|                                   |              |              |              |              |              |              |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance Forward In                |              | 152          |              |              |              |              |
| Direct Appropriation              | 1,749        | 1,749        | 1,749        | 1,754        | 1,760        | 1,760        |
| Transfers In                      |              |              | 290          | 290          |              |              |
| Transfers Out                     |              |              | 290          | 290          |              |              |
| Cancellations                     |              | 0            |              |              |              |              |
| Balance Forward Out               | 152          |              |              |              |              |              |
| <b>Expenditures</b>               | <b>1,597</b> | <b>1,901</b> | <b>1,749</b> | <b>1,754</b> | <b>1,760</b> | <b>1,760</b> |
| Biennial Change in Expenditures   |              |              |              | 5            |              | 17           |
| Biennial % Change in Expenditures |              |              |              | 0            |              | 0            |

# Revenue

# Agency Financing by Fund

(Dollars in Thousands)

|                       | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |       |
|-----------------------|----------------|----------------|----------------|------------------|---------------|-------|
|                       |                |                |                |                  | FY20          | FY21  |
| Full-Time Equivalents | 17.45          | 18.93          | 16.20          | 16.00            | 15.44         | 14.90 |

## 2710 - Highway Users Tax Distribution

|                                   |              |              |              |              |              |              |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance Forward In                |              | 144          | 0            |              |              |              |
| Direct Appropriation              | 2,183        | 2,183        | 2,184        | 2,190        | 2,195        | 2,195        |
| Transfers In                      |              |              | 343          | 343          |              |              |
| Transfers Out                     |              |              | 343          | 343          |              |              |
| Cancellations                     |              | 31           |              |              |              |              |
| Balance Forward Out               | 143          |              |              |              |              |              |
| <b>Expenditures</b>               | <b>2,040</b> | <b>2,296</b> | <b>2,184</b> | <b>2,190</b> | <b>2,195</b> | <b>2,195</b> |
| Biennial Change in Expenditures   |              |              |              | 38           |              | 16           |
| Biennial % Change in Expenditures |              |              |              | 1            |              | 0            |
| Full-Time Equivalents             | 21.28        | 19.88        | 18.58        | 18.50        | 17.85        | 17.23        |

## 2800 - Environmental

|                                   |            |            |            |            |            |            |
|-----------------------------------|------------|------------|------------|------------|------------|------------|
| Balance Forward In                |            | 14         |            |            |            |            |
| Direct Appropriation              | 303        | 303        | 303        | 304        | 305        | 305        |
| Cancellations                     |            | 0          |            |            |            |            |
| Balance Forward Out               | 14         |            |            |            |            |            |
| <b>Expenditures</b>               | <b>289</b> | <b>317</b> | <b>303</b> | <b>304</b> | <b>305</b> | <b>305</b> |
| Biennial Change in Expenditures   |            |            |            | 1          |            | 3          |
| Biennial % Change in Expenditures |            |            |            | 0          |            | 0          |
| Full-Time Equivalents             | 3.36       | 4.10       | 3.22       | 3.25       | 3.14       | 3.03       |

# Revenue

# Agency Change Summary

(Dollars in Thousands)

|  | FY19           | FY20           | FY21           | Biennium<br>2020-21 |
|--|----------------|----------------|----------------|---------------------|
| <b>Direct</b>                                      |                |                |                |                     |
| <b>Fund: 1000 - General</b>                        |                |                |                |                     |
| FY2019 Appropriations                              | 156,073        | 156,073        | 156,073        | 312,146             |
| <b>Base Adjustments</b>                            |                |                |                |                     |
| All Other One-Time Appropriations                  |                | (12)           | (12)           | (24)                |
| Pension Allocation                                 |                | 373            | 373            | 746                 |
| Approved Transfer Between Appropriation            |                | 0              | 0              | 0                   |
| <b>Forecast Base</b>                               | <b>156,073</b> | <b>156,434</b> | <b>156,434</b> | <b>312,868</b>      |
| <b>Fund: 2360 - Health Care Access</b>             |                |                |                |                     |
| FY2019 Appropriations                              | 1,754          | 1,754          | 1,754          | 3,508               |
| <b>Base Adjustments</b>                            |                |                |                |                     |
| Pension Allocation                                 |                | 6              | 6              | 12                  |
| Approved Transfer Between Appropriation            |                | 0              | 0              | 0                   |
| <b>Forecast Base</b>                               | <b>1,754</b>   | <b>1,760</b>   | <b>1,760</b>   | <b>3,520</b>        |
| <b>Fund: 2710 - Highway Users Tax Distribution</b> |                |                |                |                     |
| FY2019 Appropriations                              | 2,190          | 2,190          | 2,190          | 4,380               |
| <b>Base Adjustments</b>                            |                |                |                |                     |
| Pension Allocation                                 |                | 5              | 5              | 10                  |
| Approved Transfer Between Appropriation            |                | 0              | 0              | 0                   |
| <b>Forecast Base</b>                               | <b>2,190</b>   | <b>2,195</b>   | <b>2,195</b>   | <b>4,390</b>        |
| <b>Fund: 2800 - Environmental</b>                  |                |                |                |                     |
| FY2019 Appropriations                              | 304            | 304            | 304            | 608                 |
| <b>Base Adjustments</b>                            |                |                |                |                     |
| Pension Allocation                                 |                | 1              | 1              | 2                   |
| <b>Forecast Base</b>                               | <b>304</b>     | <b>305</b>     | <b>305</b>     | <b>610</b>          |
| <b>Open</b>  |                |                |                |                     |
| <b>Fund: 1000 - General</b>                        |                |                |                |                     |
| FY2019 Appropriations                              | 2,260          | 2,260          | 2,260          | 4,520               |
| <b>Base Adjustments</b>                            |                |                |                |                     |
| Forecast Open Appropriation Adjustment             |                | (1,260)        | (1,260)        | (2,520)             |
| <b>Forecast Base</b>                               | <b>2,260</b>   | <b>1,000</b>   | <b>1,000</b>   | <b>2,000</b>        |
| <b>Dedicated</b>                                   |                |                |                |                     |
| <b>Fund: 2000 - Restrict Misc Special Revenue</b>  |                |                |                |                     |
| Planned Spending                                   | 9,952          | 7,329          | 7,329          | 14,658              |

**Revenue**

**Agency Change Summary**

*(Dollars in Thousands)*

|   | FY19  | FY20  | FY21  | Biennium<br>2020-21 |
|---|-------|-------|-------|---------------------|
| Forecast Base                                     | 9,952 | 7,329 | 7,329 | 14,658              |
| <b><i>Revenue Change Summary</i></b>              |       |       |       |                     |
| <b><i>Dedicated</i></b>                           |       |       |       |                     |
| <b>Fund: 2000 - Restrict Misc Special Revenue</b> |       |       |       |                     |
| Forecast Revenues                                 | 7,328 | 7,328 | 7,328 | 14,656              |
| <b><i>Non-Dedicated</i></b>                       |       |       |       |                     |
| <b>Fund: 1000 - General</b>                       |       |       |       |                     |
| Forecast Revenues                                 | 8     | 8     | 8     | 16                  |



**Program: Tax System Management**[www.revenue.state.mn.us](http://www.revenue.state.mn.us)**AT A GLANCE**

In 2017, the Minnesota Department of Revenue:

- Interacted with 595,000 corporations, S corporations, partnerships, and other businesses
- Issued 867,000 property tax refunds
- Awarded 30 Volunteer Income Tax Assistance (VITA) grants to organizations that provide tax assistance to minority and low-income communities.
- Provided over 160 free classes for business taxpayers and tax preparers
- Attended five events for military service members and families to promote their eligibility for tax benefits

**PURPOSE & CONTEXT**

The Department of Revenue's Tax System Management program provides the technology and human resources needed to administer tax laws. The program provides tax information and education, filing and paying services, property tax and state aid administration, and tax enforcement.

These Tax System Management activities help ensure that individuals, businesses, and policymakers have:

- Information and services they need to accurately, voluntarily, and conveniently file and pay their taxes
- Confidence that everyone reports, pays and receives the right amount: no more or no less
- Accurate, impartial, and complete information to make informed decisions

**SERVICES PROVIDED**

The Tax Management System is responsible for collecting over \$23 billion each year to fund essential services to Minnesotans including: local government and school district aid; services for children, families and seniors; early childhood, K-12 and higher education; health and human services; transportation; public safety; environmental, energy, and agricultural programs; and other important services.

Minnesota's tax system is fueled by the vast majority of people who voluntarily file and pay on time, and who rely on the department for: education and outreach; a robust and reliable filing system; and confidence in the system. When taxpayers do not meet their obligations under the law, we work to bring them into compliance through collection and enforcement efforts.

We provide a variety of services in the Tax System Management program. Specific activities are listed below and are described in more detail in their Budget Activity Narratives.

- Payment and Return Processing
- Administration of State Taxes
- Appeals, Legal Services, and Tax Research
- Agency-wide Operations Support and Oversight

## RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i>   | <i>Previous</i> | <i>Current</i> | <i>Dates</i>                       |
|------------------------|--|-----------------|----------------|------------------------------------|
| Quantity               | Number of incoming customer requests (includes email, phone, letter, web and walk ins) | 480,760         | 518,326        | Previous is FY16, Current is FY17  |
| Quality                | Percentage of customers that file and pay on time.                                     | 95.3%           | 95.5%          | Previous is CY16, Current is CY17  |
| Quality                | Percentage of customers that file their returns electronically                         | 84.7%           | 85.1%          | Previous is CY16, Current is CY17. |

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**Legal Citation:** M.S. 270C.03 establishes the Department of Revenue's legal authority.  
([www.revisor.mn.gov/statutes/?id=270C.03](http://www.revisor.mn.gov/statutes/?id=270C.03))

# Tax System Management

# Program Expenditure Overview

(Dollars in Thousands)

|                                       | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base  |                |
|---------------------------------------|----------------|----------------|----------------|------------------|----------------|----------------|
|                                       |                |                |                |                  | FY20           | FY21           |
| <b><u>Expenditures by Fund</u></b>    |                |                |                |                  |                |                |
| 1000 - General                        | 104,845        | 121,197        | 113,865        | 135,072          | 128,243        | 128,243        |
| 2000 - Restrict Misc Special Revenue  | 2,977          | 2,820          | 4,101          | 8,653            | 6,429          | 6,429          |
| 2360 - Health Care Access             | 1,597          | 1,901          | 1,749          | 1,754            | 1,760          | 1,760          |
| 2710 - Highway Users Tax Distribution | 2,040          | 2,296          | 2,184          | 2,190            | 2,195          | 2,195          |
| 2800 - Environmental                  | 289            | 317            | 303            | 304              | 305            | 305            |
| <b>Total</b>                          | <b>111,748</b> | <b>128,531</b> | <b>122,202</b> | <b>147,973</b>   | <b>138,932</b> | <b>138,932</b> |
| Biennial Change                       |                |                |                | 29,895           |                | 7,689          |
| Biennial % Change                     |                |                |                | 12               |                | 3              |

## **Expenditures by Activity**

|  |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Payment and Return Processing            |                |                | 33,181         | 45,372         | 40,432         | 40,432         |
| Administration of State Taxes            |                |                | 64,706         | 73,374         | 70,853         | 70,853         |
| Appeals, Legal Services and Tax Research |                |                | 8,685          | 9,957          | 10,034         | 10,034         |
| Agency-wide Operations and Oversight     |                |                | 15,630         | 19,270         | 17,613         | 17,613         |
| Efficient Tax Service                    | 111,748        | 128,531        |                |                |                |                |
| <b>Total</b>                             | <b>111,748</b> | <b>128,531</b> | <b>122,202</b> | <b>147,973</b> | <b>138,932</b> | <b>138,932</b> |

## **Expenditures by Category**

|                              |                |                |                |                |                |                |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Compensation                 | 79,890         | 86,117         | 88,638         | 98,124         | 95,116         | 95,116         |
| Operating Expenses           | 31,335         | 40,135         | 32,989         | 49,277         | 43,244         | 43,244         |
| Grants, Aids and Subsidies   | 399            | 401            | 400            | 400            | 400            | 400            |
| Capital Outlay-Real Property | 3              | 1,248          | (11)           |                |                |                |
| Other Financial Transaction  | 122            | 630            | 186            | 172            | 172            | 172            |
| <b>Total</b>                 | <b>111,748</b> | <b>128,531</b> | <b>122,202</b> | <b>147,973</b> | <b>138,932</b> | <b>138,932</b> |

## **Full-Time Equivalent**

|  |        |          |          |          |          |          |
|--|--------|----------|----------|----------|----------|----------|
|  | 994.95 | 1,051.65 | 1,061.09 | 1,164.68 | 1,088.52 | 1,050.83 |
|--|--------|----------|----------|----------|----------|----------|

# Tax System Management

# Program Financing by Fund

(Dollars in Thousands)

|                                   | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base  |                |
|-----------------------------------|----------------|----------------|----------------|------------------|----------------|----------------|
|                                   |                |                |                |                  | FY20           | FY21           |
| <b>1000 - General</b>             |                |                |                |                  |                |                |
| Balance Forward In                |                | 7,141          |                | 8,390            |                |                |
| Direct Appropriation              | 111,612        | 114,619        | 123,344        | 127,457          | 128,328        | 128,328        |
| Transfers In                      |                |                | 8,692          | 12,055           |                |                |
| Transfers Out                     | 47             | 563            | 9,781          | 12,370           | 85             | 85             |
| Cancellations                     |                | 0              |                | 460              |                |                |
| Balance Forward Out               | 6,720          |                | 8,389          |                  |                |                |
| <b>Expenditures</b>               | <b>104,845</b> | <b>121,197</b> | <b>113,865</b> | <b>135,072</b>   | <b>128,243</b> | <b>128,243</b> |
| Biennial Change in Expenditures   |                |                |                | 22,896           |                | 7,549          |
| Biennial % Change in Expenditures |                |                |                | 10               |                | 3              |
| Full-Time Equivalents             | 931.46         | 987.57         | 991.52         | 1,062.93         | 990.96         | 956.70         |

## 2000 - Restrict Misc Special Revenue

|                                   |              |              |              |              |              |              |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance Forward In                | 2,568        | 3,528        | 4,750        | 6,468        | 4,243        | 4,242        |
| Receipts                          | 3,937        | 4,043        | 5,657        | 6,428        | 6,428        | 6,428        |
| Transfers In                      |              |              | 4,912        |              |              |              |
| Transfers Out                     |              |              | 4,750        |              |              |              |
| Balance Forward Out               | 3,528        | 4,750        | 6,469        | 4,243        | 4,242        | 4,241        |
| <b>Expenditures</b>               | <b>2,977</b> | <b>2,820</b> | <b>4,101</b> | <b>8,653</b> | <b>6,429</b> | <b>6,429</b> |
| Biennial Change in Expenditures   |              |              |              | 6,956        |              | 104          |
| Biennial % Change in Expenditures |              |              |              | 120          |              | 1            |
| Full-Time Equivalents             | 21.40        | 21.17        | 31.57        | 64.00        | 61.13        | 58.97        |

## 2360 - Health Care Access

|                                   |              |              |              |              |              |              |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance Forward In                |              | 152          |              |              |              |              |
| Direct Appropriation              | 1,749        | 1,749        | 1,749        | 1,754        | 1,760        | 1,760        |
| Transfers In                      |              |              | 290          | 290          |              |              |
| Transfers Out                     |              |              | 290          | 290          |              |              |
| Cancellations                     |              | 0            |              |              |              |              |
| Balance Forward Out               | 152          |              |              |              |              |              |
| <b>Expenditures</b>               | <b>1,597</b> | <b>1,901</b> | <b>1,749</b> | <b>1,754</b> | <b>1,760</b> | <b>1,760</b> |
| Biennial Change in Expenditures   |              |              |              | 5            |              | 17           |
| Biennial % Change in Expenditures |              |              |              | 0            |              | 0            |
| Full-Time Equivalents             | 17.45        | 18.93        | 16.20        | 16.00        | 15.44        | 14.90        |

(Dollars in Thousands)

|  | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |      |
|--|----------------|----------------|----------------|------------------|---------------|------|
|  |                |                |                |                  | FY20          | FY21 |

**2710 - Highway Users Tax Distribution**

|                                   |              |              |              |              |              |              |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Balance Forward In                |              | 144          | 0            |              |              |              |
| Direct Appropriation              | 2,183        | 2,183        | 2,184        | 2,190        | 2,195        | 2,195        |
| Transfers In                      |              |              | 343          | 343          |              |              |
| Transfers Out                     |              |              | 343          | 343          |              |              |
| Cancellations                     |              | 31           |              |              |              |              |
| Balance Forward Out               | 143          |              |              |              |              |              |
| <b>Expenditures</b>               | <b>2,040</b> | <b>2,296</b> | <b>2,184</b> | <b>2,190</b> | <b>2,195</b> | <b>2,195</b> |
| Biennial Change in Expenditures   |              |              |              | 38           |              | 16           |
| Biennial % Change in Expenditures |              |              |              | 1            |              | 0            |
| Full-Time Equivalents             | 21.28        | 19.88        | 18.58        | 18.50        | 17.85        | 17.23        |

**2800 - Environmental**

|                                   |            |            |            |            |            |            |
|-----------------------------------|------------|------------|------------|------------|------------|------------|
| Balance Forward In                |            | 14         |            |            |            |            |
| Direct Appropriation              | 303        | 303        | 303        | 304        | 305        | 305        |
| Cancellations                     |            | 0          |            |            |            |            |
| Balance Forward Out               | 14         |            |            |            |            |            |
| <b>Expenditures</b>               | <b>289</b> | <b>317</b> | <b>303</b> | <b>304</b> | <b>305</b> | <b>305</b> |
| Biennial Change in Expenditures   |            |            |            | 1          |            | 3          |
| Biennial % Change in Expenditures |            |            |            | 0          |            | 0          |
| Full-Time Equivalents             | 3.36       | 4.10       | 3.22       | 3.25       | 3.14       | 3.03       |

**Program: Tax System Management****Activity: Payment and Return Processing**[www.revenue.state.mn.us](http://www.revenue.state.mn.us)

### AT A GLANCE

In 2017, Payment and Return Processing:

- Processed 2.9 million individual income tax returns
- Sent over 1.9 million individual income tax refunds to Minnesotans
- Processed \$24.7 billion dollars in tax payments
- Opened and sorted 2.5 million pieces of mail
- Served businesses with 61,704 calls to Business Registration
- Sent over 3 million pieces of mail to Minnesotans to help them meet their tax obligations
- Audited 20 business tax type returns during the processing cycle

### PURPOSE & CONTEXT

Payment and Return Processing serves individual and business taxpayers and other state agencies. These services include reviewing and processing paper and electronic returns, refunds, and payments submitted to the Department of Revenue. This activity also includes technology development, implementation and support for agency-wide technology needs.

### SERVICES PROVIDED

Key Payment and Return Processing activities include:

- Keeping pace with changing technology and fraud schemes
- Providing safe, secure, and convenient ways for filing and paying
- Accurately reviewing and processing returns, payments, and refunds
- Checking returns to prevent fraudulent returns and refunds
- Processing payments and deposits in a timely manner
- Providing technology solutions that facilitate and support tax administration, security of taxpayer data, and continuous business improvements in taxpayer services

We leverage strategic investments in technology to meet the department's mission, vision, and strategies. Investments in the Integrated Tax System and security are key priorities.

The Tax Operations Division within the Payment and Return Processing activity serves all department employees and external customers by providing technology solutions that facilitate tax administration, provide for security of taxpayer data, and support continuous improvements in our taxpayer services.

Information technology (IT) functions are provided under a service agreement with Minnesota IT Services (MN.IT). MN.IT provides the department with hardware, software, and IT professionals to implement, run, and maintain the hardware and software needed to administer the tax code.

MN.IT serves all Department of Revenue employees and external customers of the agency by providing technology solutions that facilitate tax administration, provide for security of taxpayer data, and support continuous business improvements in taxpayer services.

## RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i>  | <i>Previous</i> | <i>Current</i> | <i>Dates</i>                          |
|------------------------|---|-----------------|----------------|---------------------------------------|
| Quantity               | Total returns processed (all tax types)   | 5.78 million    | 5.85 million   | Previous is CY16,<br>Current is CY17. |
| Quantity               | Quality control reviews of processing and payments work by employees                              | 595             | 2,446          | Previous is CY16,<br>Current is CY17. |
| Quality                | C-Corporation, Partnership, Fiduciary, and S Corporation electronic returns posted within 30 days | 96%             | 100%           | Previous is CY16,<br>Current is CY17. |
| Quality                | Printing/Folding/Inserting services completed within 1 day of receipt                             | 100%            | 99%            | Previous is CY16,<br>Current is CY17. |
| Quality                | Down time of the Integrated Tax Management System services to external customers (e-Services)     | <1%             | <1%            | Previous is CY16,<br>Current is CY17. |

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M.S. 270C.03 establishes the Department of Revenue's legal authority.  
[www.revisor.mn.gov/statutes/?id=270C.03](http://www.revisor.mn.gov/statutes/?id=270C.03)

# Payment and Return Processing

# Activity Expenditure Overview

(Dollars in Thousands)

|  | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |               |
|--|----------------|----------------|----------------|------------------|---------------|---------------|
|  |                |                |                |                  | FY20          | FY21          |
| <b><u>Expenditures by Fund</u></b>     |                |                |                |                  |               |               |
| 1000 - General                         |                |                | 32,650         | 44,843           | 39,902        | 39,902        |
| 2360 - Health Care Access              |                |                | 236            | 234              | 235           | 235           |
| 2710 - Highway Users Tax Distribution  |                |                | 295            | 295              | 295           | 295           |
| <b>Total</b>                           |                |                | <b>33,181</b>  | <b>45,372</b>    | <b>40,432</b> | <b>40,432</b> |
| Biennial Change                        |                |                |                | 78,553           |               | 2,311         |
| Biennial % Change                      |                |                |                |                  |               | 3             |
| <b><u>Expenditures by Category</u></b> |                |                |                |                  |               |               |
| Compensation                           |                |                | 12,899         | 14,845           | 14,221        | 14,221        |
| Operating Expenses                     |                |                | 20,196         | 30,374           | 26,058        | 26,058        |
| Capital Outlay-Real Property           |                |                | 2              |                  |               |               |
| Other Financial Transaction            |                |                | 84             | 153              | 153           | 153           |
| <b>Total</b>                           |                |                | <b>33,181</b>  | <b>45,372</b>    | <b>40,432</b> | <b>40,432</b> |
| <b><u>Full-Time Equivalents</u></b>    |                |                |                |                  |               |               |
|  |                |                | <b>185.54</b>  | <b>211.00</b>    | <b>191.06</b> | <b>184.38</b> |



# Payment and Return Processing

# Activity Financing by Fund

(Dollars in Thousands)

|                                   | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |               |
|-----------------------------------|----------------|----------------|----------------|------------------|---------------|---------------|
|                                   |                |                |                |                  | FY20          | FY21          |
| <b>1000 - General</b>             |                |                |                |                  |               |               |
| Balance Forward In                |                |                |                | 4,826            |               |               |
| Direct Appropriation              |                |                | 35,961         | 36,092           | 39,902        | 39,902        |
| Transfers In                      |                |                | 2,715          | 3,925            |               |               |
| Transfers Out                     |                |                | 1,200          |                  |               |               |
| Balance Forward Out               |                |                | 4,826          |                  |               |               |
| <b>Expenditures</b>               |                |                | <b>32,650</b>  | <b>44,843</b>    | <b>39,902</b> | <b>39,902</b> |
| Biennial Change in Expenditures   |                |                |                | 77,493           |               | 2,311         |
| Biennial % Change in Expenditures |                |                |                |                  |               | 3             |
| Full-Time Equivalents             |                |                | 185.54         | 211.00           | 191.06        | 184.38        |

## 2360 - Health Care Access

|                                   |  |  |            |            |            |            |
|-----------------------------------|--|--|------------|------------|------------|------------|
| Direct Appropriation              |  |  | 103        | 103        | 235        | 235        |
| Transfers In                      |  |  | 184        | 182        |            |            |
| Transfers Out                     |  |  | 51         | 51         |            |            |
| <b>Expenditures</b>               |  |  | <b>236</b> | <b>234</b> | <b>235</b> | <b>235</b> |
| Biennial Change in Expenditures   |  |  |            | 470        |            | 0          |
| Biennial % Change in Expenditures |  |  |            |            |            | 0          |

## 2710 - Highway Users Tax Distribution

|                                   |  |  |            |            |            |            |
|-----------------------------------|--|--|------------|------------|------------|------------|
| Direct Appropriation              |  |  | 563        | 564        | 295        | 295        |
| Transfers In                      |  |  | 75         | 74         |            |            |
| Transfers Out                     |  |  | 343        | 343        |            |            |
| <b>Expenditures</b>               |  |  | <b>295</b> | <b>295</b> | <b>295</b> | <b>295</b> |
| Biennial Change in Expenditures   |  |  |            | 590        |            | 0          |
| Biennial % Change in Expenditures |  |  |            |            |            | 0          |

**Program: Tax System Management****Activity: Administration of State Taxes**[www.revenue.state.mn.us](http://www.revenue.state.mn.us)

### AT A GLANCE

In 2017, within the Department of Revenue Tax Administration divisions:

- Income Tax and Withholding provided program and compliance oversight for the collection of \$10.931 billion in individual income taxes
- Corporate Tax provided program and compliance oversight for the collection of \$1.205 billion in various corporate taxes
- Special Taxes provided program and compliance oversight in the administration of more than 47 unique taxes and fees
- Criminal Investigations completed the investigation of 49 tax noncompliance cases
- Sales and Use Tax handled 58,000 phone calls, 13,000 emails, 3,100 web messages and 250 walk in taxpayer requests
- Income Tax and Withholding handled 232,2000 phone calls, 39,000 emails and 30,450 web messages and 2,860 walk in taxpayer requests
- Special Taxes completed 3,445 outreach trainings, stamp sales transactions, and county visits
- Sales and Use Tax conducted 98 external classes for customers and 125 internal classes for employees

### PURPOSE & CONTEXT

State Tax Administration provides information and services to our customers so they can understand and fulfill their tax obligations. It also includes enforcement efforts such as fraud prevention, audits, and investigations.

The Department of Revenue administers 31 state taxes including: individual income tax; sales and use tax; corporate franchise tax and other business income taxes; estate tax; motor fuels excise tax; alcoholic beverage taxes; cigarette tax and tobacco products tax; controlled substances tax; property tax, mortgage registry tax, and deed transfer tax; lawful gambling taxes; insurance premium taxes; MinnesotaCare taxes; mining taxes; state property tax; air flight property tax; rural electric co-ops tax; and solid waste management tax.

State Tax Administration serves Minnesota individual and business taxpayers, tax professionals and preparers, local tax administrators, legislators and staff, nonprofit groups, governor and staff, and members of the news media – among others.

We also oversee local property tax administration and state aids, serving taxpayers, local administrators, and state policymakers. These activities promote equity and uniformity throughout the state's complex property tax system.

### SERVICES PROVIDED

Key tax administration activities include:

- Providing customers the information, training and services they need to voluntarily comply with tax laws
- Keeping pace with changing technology and laws
- Responding to customer inquiries, in the format desired by the taxpayer (walk-in, call-in, and click-in)
- Protecting customer data
- Effectively using state resources to identify and audit noncompliant taxpayers (individual and business)

- Providing education, guidance, and assistance to county assessors, auditors, and treasurers
- Overseeing local property tax administration to promote compliance and uniformity
- Administering a range of local aid payments
- Collecting, analyzing, and providing data to stakeholders
- Supporting the Minnesota State Board of Assessors

## RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i>  | <i>Previous</i> | <i>Current</i> | <i>Dates</i>                          |
|------------------------|---|-----------------|----------------|---------------------------------------|
| Quantity               | Tax Administration incoming customer interactions (phone, mail, web, email, and walk ins) | 408,500         | 461,700        | Previous is FY16, Current is FY17     |
| Quantity               | Number of eCRVs processed (Electronic Certificate of Real Estate Value)                   | 144,435         | 146,141        | Previous is CY16, Current is CY17     |
| Quantity               | Number of investigations completed  | 64              | 49             | Previous is CY2015, current is CY2017 |
| Results                | Number of criminal cases charged out by prosecutors                                       | 29              | 22             | Previous is CY2015, current is CY2017 |
| Quality                | Tax types that can file electronically  | 53%             | 80%            | Previous is FY16, Current is FY17     |

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M.S 270C.03 establishes the Department of Revenue’s legal authority.  
[www.revisor.mn.gov/statutes/?id=270C.03](http://www.revisor.mn.gov/statutes/?id=270C.03)

# Administration of State Taxes

# Activity Expenditure Overview

(Dollars in Thousands)

|  | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |               |
|--|----------------|----------------|----------------|------------------|---------------|---------------|
|  |                |                |                |                  | FY20          | FY21          |
| <b><u>Expenditures by Fund</u></b>     |                |                |                |                  |               |               |
| 1000 - General                         |                |                | 57,162         | 61,394           | 60,862        | 60,862        |
| 2000 - Restrict Misc Special Revenue   |                |                | 3,838          | 8,261            | 6,261         | 6,261         |
| 2360 - Health Care Access              |                |                | 1,513          | 1,520            | 1,525         | 1,525         |
| 2710 - Highway Users Tax Distribution  |                |                | 1,889          | 1,895            | 1,900         | 1,900         |
| 2800 - Environmental                   |                |                | 303            | 304              | 305           | 305           |
| <b>Total</b>                           |                |                | <b>64,706</b>  | <b>73,374</b>    | <b>70,853</b> | <b>70,853</b> |
| Biennial Change                        |                |                |                | 138,080          |               | 3,626         |
| Biennial % Change                      |                |                |                |                  |               | 3             |
| <b><u>Expenditures by Category</u></b> |                |                |                |                  |               |               |
| Compensation                           |                |                | 59,500         | 63,571           | 62,936        | 62,936        |
| Operating Expenses                     |                |                | 4,784          | 9,384            | 7,498         | 7,498         |
| Grants, Aids and Subsidies             |                |                | 400            | 400              | 400           | 400           |
| Capital Outlay-Real Property           |                |                | (13)           |                  |               |               |
| Other Financial Transaction            |                |                | 34             | 19               | 19            | 19            |
| <b>Total</b>                           |                |                | <b>64,706</b>  | <b>73,374</b>    | <b>70,853</b> | <b>70,853</b> |
| <b><u>Full-Time Equivalents</u></b>    |                |                |                |                  |               |               |
|  |                |                | <b>701.24</b>  | <b>760.30</b>    | <b>730.07</b> | <b>704.93</b> |

# Administration of State Taxes

# Activity Financing by Fund

(Dollars in Thousands)

|                                   | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |               |
|-----------------------------------|----------------|----------------|----------------|------------------|---------------|---------------|
|                                   |                |                |                |                  | FY20          | FY21          |
| <b>1000 - General</b>             |                |                |                |                  |               |               |
| Balance Forward In                |                |                |                | 1,856            |               |               |
| Direct Appropriation              |                |                | 61,506         | 61,626           | 60,862        | 60,862        |
| Transfers In                      |                |                | 277            | 575              |               |               |
| Transfers Out                     |                |                | 2,765          | 2,503            |               |               |
| Cancellations                     |                |                |                | 160              |               |               |
| Balance Forward Out               |                |                | 1,856          |                  |               |               |
| <b>Expenditures</b>               |                |                | <b>57,162</b>  | <b>61,394</b>    | <b>60,862</b> | <b>60,862</b> |
| Biennial Change in Expenditures   |                |                |                | 118,556          |               | 3,168         |
| Biennial % Change in Expenditures |                |                |                |                  |               | 3             |
| Full-Time Equivalents             |                |                | 634.52         | 660.55           | 633.80        | 612.04        |

## 2000 - Restrict Misc Special Revenue

|                                   |  |  |              |              |              |              |
|-----------------------------------|--|--|--------------|--------------|--------------|--------------|
| Balance Forward In                |  |  |              | 6,144        | 4,143        | 4,142        |
| Receipts                          |  |  | 5,465        | 6,260        | 6,260        | 6,260        |
| Transfers In                      |  |  | 4,518        |              |              |              |
| Balance Forward Out               |  |  | 6,145        | 4,143        | 4,142        | 4,141        |
| <b>Expenditures</b>               |  |  | <b>3,838</b> | <b>8,261</b> | <b>6,261</b> | <b>6,261</b> |
| Biennial Change in Expenditures   |  |  |              | 12,099       |              | 423          |
| Biennial % Change in Expenditures |  |  |              |              |              | 3            |
| Full-Time Equivalents             |  |  | 28.72        | 62.00        | 59.84        | 57.73        |

## 2360 - Health Care Access

|                                   |  |  |              |              |              |              |
|-----------------------------------|--|--|--------------|--------------|--------------|--------------|
| Direct Appropriation              |  |  | 1,407        | 1,412        | 1,525        | 1,525        |
| Transfers In                      |  |  | 106          | 108          |              |              |
| <b>Expenditures</b>               |  |  | <b>1,513</b> | <b>1,520</b> | <b>1,525</b> | <b>1,525</b> |
| Biennial Change in Expenditures   |  |  |              | 3,033        |              | 17           |
| Biennial % Change in Expenditures |  |  |              |              |              | 1            |
| Full-Time Equivalents             |  |  | 16.20        | 16.00        | 15.44        | 14.90        |

## 2710 - Highway Users Tax Distribution

|                      |  |  |       |       |       |       |
|----------------------|--|--|-------|-------|-------|-------|
| Balance Forward In   |  |  | 0     |       |       |       |
| Direct Appropriation |  |  | 1,621 | 1,626 | 1,900 | 1,900 |
| Transfers In         |  |  | 268   | 269   |       |       |

# Administration of State Taxes

# Activity Financing by Fund

(Dollars in Thousands)

|                                   | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |              |
|-----------------------------------|----------------|----------------|----------------|------------------|---------------|--------------|
|                                   |                |                |                |                  | FY20          | FY21         |
| <b>Expenditures</b>               |                |                | <b>1,889</b>   | <b>1,895</b>     | <b>1,900</b>  | <b>1,900</b> |
| Biennial Change in Expenditures   |                |                |                | 3,784            |               | 16           |
| Biennial % Change in Expenditures |                |                |                |                  |               | 0            |
| Full-Time Equivalents             |                |                | 18.58          | 18.50            | 17.85         | 17.23        |

## 2800 - Environmental

|                                   |  |  |            |            |            |            |
|-----------------------------------|--|--|------------|------------|------------|------------|
| Direct Appropriation              |  |  | 303        | 304        | 305        | 305        |
| <b>Expenditures</b>               |  |  | <b>303</b> | <b>304</b> | <b>305</b> | <b>305</b> |
| Biennial Change in Expenditures   |  |  |            | 607        |            | 3          |
| Biennial % Change in Expenditures |  |  |            |            |            | 0          |
| Full-Time Equivalents             |  |  | 3.22       | 3.25       | 3.14       | 3.03       |

**Program: Tax System Management****Activity: Appeals, Legal Services, and Tax Research**[www.revenue.state.mn.us](http://www.revenue.state.mn.us)

### AT A GLANCE

In 2017, Appeals, Legal Services and Tax Research:

- Closed 1,316 administrative appeals, of which 3.2% were appealed to court
- Worked on 117 cases filed in small claims and Tax Court
- Published five Revenue Notices
- Completed on-time revenue estimates for 98.8% of the bills heard in tax committees
- Responded to 45 Data Practices requests

### PURPOSE & CONTEXT

The Appeals, Legal Services and Tax Research Divisions provide tax policy development and tax administration support through legal and policy guidance to Department of Revenue employees and customers and by providing information and analysis about Minnesota's tax system.

Appeals, Legal Services, and Tax Research serves individual and business taxpayers, tax administrators, the governor and staff, legislators and staff, state agencies, local governments, and nonprofit organizations.

### SERVICES PROVIDED

#### Appeals and Legal Services Division

This division comprises the following units: Appeals; Legal Services; and Litigation, Disclosure and Records Management. See below for details.

#### Appeals

This unit provides an informal forum for the reconsideration of tax audits, refund denials, and penalties issued as tax orders by the department. Taxpayers who disagree with these orders may file an administrative appeal with the Department of Revenue or appeal to Minnesota Tax Court or District Court, depending on the type of order.

Other key activities include:

- Providing feedback about appeal resolutions to the department's audit and collection divisions
- Working with the Attorney General's Office staff on cases that are litigated in court
- Handling small claims cases that are filed in Tax Court

#### Legal Services

This unit works closely with the Commissioner of Revenue, the Governor's Office, and the Legislature to develop state policy and clarify tax issues to ensure that the revenue system is fair, efficient, reliable, competitive, and understandable.

Legal Services attorneys serve as legal counsel to the Department of Revenue by providing legal and policy advice to department staff about tax matters and actively participating on division policy teams. Our attorneys:

- Draft tax-related legislation and testify before legislative committees about the legal aspects of each bill
- Draft and amend Minnesota Rules that interpret tax laws so they can be applied to everyday use
- Create Revenue Notices that advise taxpayers about the department's position regarding tax laws

The department’s Rules and Revenue Notices are published in the State Register and posted on our website.

Legal Services also provides training to department employees about tax law changes and other tax-related subjects. These activities support tax policy development and tax administration.

Litigation, Disclosure and Records Management

This unit manages the compliance activities associated with state and federal requirements related to tax returns and return information. Key activities include:

- Providing guidance on the retention of all department records
- Directing responses to data practices requests for department information
- Managing the department’s small claims Tax Court cases and significant litigation by acting as liaison between the department and the Attorney General’s Office.

**Tax Research Division**

The Tax Research Division provides customers with information and analysis about Minnesota’s tax system. Our researchers provide accurate, complete, and timely information to state policymakers, government officials, the media, and the public so recipients can make well-informed decisions. Key activities include:

- Providing policy guidance
- Estimating the impacts of proposed legislation
- Forecasting future state revenues
- Preparing studies and reports mandated by the Legislature

Tax Research creates and maintains databases of tax data and complex models for analyzing the tax system. Our key products include the Tax Incidence Study, Tax Expenditure Budget, Tax Handbook, and annual tax statistics for the department’s website.

**RESULTS**

| <i>Type of Measure</i> | <i>Name of Measure</i>   | <i>Previous</i> | <i>Current</i> | <i>Dates</i>                              |
|------------------------|--|-----------------|----------------|---|
| Quality                | Percentage of customers who resolved their appeal with the department without appealing to Tax Court | 95.9%           | 96.8%          | Previous is FY16, current is FY17         |
| Quantity               | Revenue Notices published  | 5               | 12             | Previous is FY17, current is FY18         |
| Quantity               | Revenue Analyses prepared  | 716             | 710            | Previous is FY15-16, current is FY2017-18 |
| Quantity               | Data Practices requests  | 22              | 45             | Previous is FY16, Current is FY17         |

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M.S 270C.03 establishes the Department of Revenue’s legal authority.  
[www.revisor.mn.gov/statutes/?id=270C.03](http://www.revisor.mn.gov/statutes/?id=270C.03)



# Appeals, Legal Services and Tax Research

# Activity Expenditure Overview

(Dollars in Thousands)

|  | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |      |
|--|----------------|----------------|----------------|------------------|---------------|------|
|  |                |                |                |                  | FY20          | FY21 |

### Expenditures by Fund

|                   |  |  |              |              |               |               |
|-------------------|--|--|--------------|--------------|---------------|---------------|
| 1000 - General    |  |  | 8,685        | 9,957        | 10,034        | 10,034        |
| <b>Total</b>      |  |  | <b>8,685</b> | <b>9,957</b> | <b>10,034</b> | <b>10,034</b> |
| Biennial Change   |  |  |              | 18,642       |               | 1,426         |
| Biennial % Change |  |  |              |              |               | 8             |

### Expenditures by Category

|                             |  |  |              |              |               |               |
|-----------------------------|--|--|--------------|--------------|---------------|---------------|
| Compensation                |  |  | 6,902        | 7,598        | 7,761         | 7,761         |
| Operating Expenses          |  |  | 1,782        | 2,359        | 2,273         | 2,273         |
| Other Financial Transaction |  |  | 1            |              |               |               |
| <b>Total</b>                |  |  | <b>8,685</b> | <b>9,957</b> | <b>10,034</b> | <b>10,034</b> |

### Full-Time Equivalents

|  |  |  |       |       |       |       |
|--|--|--|-------|-------|-------|-------|
|  |  |  | 66.57 | 74.88 | 72.74 | 70.19 |
|--|--|--|-------|-------|-------|-------|

# Appeals, Legal Services and Tax Research

# Activity Financing by Fund

(Dollars in Thousands)

|                                   | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |               |
|-----------------------------------|----------------|----------------|----------------|------------------|---------------|---------------|
|                                   |                |                |                |                  | FY20          | FY21          |
| <b>1000 - General</b>             |                |                |                |                  |               |               |
| Balance Forward In                |                |                |                | 566              |               |               |
| Direct Appropriation              |                |                | 7,551          | 7,293            | 10,034        | 10,034        |
| Transfers In                      |                |                | 1,700          | 2,398            |               |               |
| Cancellations                     |                |                |                | 300              |               |               |
| Balance Forward Out               |                |                | 566            |                  |               |               |
| <b>Expenditures</b>               |                |                | <b>8,685</b>   | <b>9,957</b>     | <b>10,034</b> | <b>10,034</b> |
| Biennial Change in Expenditures   |                |                |                | 18,642           |               | 1,426         |
| Biennial % Change in Expenditures |                |                |                |                  |               | 8             |
| Full-Time Equivalents             |                |                | 66.57          | 74.88            | 72.74         | 70.19         |
| <b>2360 - Health Care Access</b>  |                |                |                |                  |               |               |
| Direct Appropriation              |                |                | 113            | 113              | 0             | 0             |
| Transfers Out                     |                |                | 113            | 113              |               |               |

**Program: Tax System Management****Activity: Agency-wide Operations and Oversight**[www.revenue.state.mn.us](http://www.revenue.state.mn.us)

### AT A GLANCE

In 2017, Operations and Oversight divisions:

- Partnered with agency leaders to fill 410 positions
- Launched an agency-wide, four-year diversity and inclusion strategic plan to increase employee engagement across the organization and recruit, hire and train a diverse workforce
- Managed 11 locations throughout the state and ensured physical security standards are maintained
- Delivered 72 development courses to 2,842 learners in FY 2018
- Facilitated an agency-wide budget workgroup process to manage and administer agency budget of approximately \$160 million
- Published 47 press releases and responded to over 160 press inquiries
- Created and maintained over 80 individual and business tax forms
- Facilitated 30 agency-wide projects and provided data and other support on 128 division- or unit-level projects
- Identified through a survey that 79.5% of department employees believe the agency's culture supports continuous improvement to our work and services

### PURPOSE & CONTEXT

Operations and Oversight provides the overall strategic and day-to-day functions required to administer programs across the Department of Revenue. Activities include agency leadership, strategic planning and oversight, workforce recruitment, development, training and retention, internal and external communication with employees and customers, financial and program oversight and accountability, and agency planning, program and financial evaluation and development.

We serve all department employees, individual and business taxpayers, tax administrators, the governor and staff, legislators and staff, state agencies, local governments, and nonprofit organizations.

Operations and Oversight helps the Department of Revenue accomplish its goals through the following strategies:

- Promote the mission and values of the department through executive leadership, policy development, strategic planning, and internal and external communications.
- Provide statutorily required services and guidance in the areas of finance, human resources administration, and employee development.
- Use best and current practices to manage information technology, planning and performance, and diversity and inclusion activities.
- Hire and maintain a high-quality and diverse workforce.
- Safeguard the state's assets and comply with federal and state regulations and agency policies through compliance with established procedures and internal controls.

## SERVICES PROVIDED

Operations and Oversight provides a wide range of services including budget management, financial transactions, financial reporting and analysis, procurement and inventory management, internal audit, asset and property management, recruitment and selection, job classification, salary and benefit administration, labor contract administration, employee training and internal and external communications.

We work closely with MN.IT Revenue and other stakeholders to ensure continuous operation and accessibility to technology systems. Our planning and performance unit conducts research and evaluation projects, prepares legislative and other reports, and manages continuous improvement activities. We also develop and update business continuity and risk management plans.

## RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i>  | <i>Previous</i>                    | <i>Current</i>                     | <i>Dates</i>                      |
|------------------------|---|------------------------------------|------------------------------------|-----------------------------------|
| Quantity               | Website visits (yearly)   | 2.8 million                        | 3.0 million                        | Previous is CY16, Current is CY17 |
| Quantity               | Social media followers (Facebook and Twitter)   | 46,100                             | 57,500                             | Previous is CY16, Current is CY17 |
| Quantity               | Email subscription lists and number of subscribers  | 156 lists with 293,000 subscribers | 217 lists with 328,200 subscribers | Previous is CY16, Current is CY17 |
| Quantity               | Agency-wide business improvement projects   | 36                                 | 30                                 | Previous is CY16, Current is CY17 |
| Quantity               | Fiscal note requests received   | 52                                 | 93                                 | Previous is FY16, Current is FY17 |
| Quality                | Number of adverse Department of Revenue Comprehensive Annual Financial Report (CAFR) audit findings | 0                                  | 0                                  | Previous is FY16, Current is FY17 |
| Results                | Employee turnover rate  | 5.6%                               | 4.7%                               | Previous is FY16, Current is FY17 |

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M.S 270C.03 establishes the Department of Revenue's legal authority. ([www.revisor.mn.gov/statutes/?id=270C.03](http://www.revisor.mn.gov/statutes/?id=270C.03))

## Agency-wide Operations and Oversight

## Activity Expenditure Overview

(Dollars in Thousands)

|  | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |               |
|--|----------------|----------------|----------------|------------------|---------------|---------------|
|  |                |                |                |                  | FY20          | FY21          |
| <b><u>Expenditures by Fund</u></b>     |                |                |                |                  |               |               |
| 1000 - General                         |                |                | 15,368         | 18,878           | 17,445        | 17,445        |
| 2000 - Restrict Misc Special Revenue   |                |                | 262            | 392              | 168           | 168           |
| <b>Total</b>                           |                |                | <b>15,630</b>  | <b>19,270</b>    | <b>17,613</b> | <b>17,613</b> |
| Biennial Change                        |                |                |                | 34,900           |               | 326           |
| Biennial % Change                      |                |                |                |                  |               | 1             |
| <b><u>Expenditures by Category</u></b> |                |                |                |                  |               |               |
| Compensation                           |                |                | 9,337          | 12,110           | 10,198        | 10,198        |
| Operating Expenses                     |                |                | 6,227          | 7,160            | 7,415         | 7,415         |
| Other Financial Transaction            |                |                | 66             |                  |               |               |
| <b>Total</b>                           |                |                | <b>15,630</b>  | <b>19,270</b>    | <b>17,613</b> | <b>17,613</b> |
| <b><u>Full-Time Equivalent</u></b>     |                |                |                |                  |               |               |
|  |                |                | <b>107.74</b>  | <b>118.50</b>    | <b>94.65</b>  | <b>91.33</b>  |

## Agency-wide Operations and Oversight

## Activity Financing by Fund

(Dollars in Thousands)

|                                   | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |               |
|-----------------------------------|----------------|----------------|----------------|------------------|---------------|---------------|
|                                   |                |                |                |                  | FY20          | FY21          |
| <b>1000 - General</b>             |                |                |                |                  |               |               |
| Balance Forward In                |                |                |                | 1,142            |               |               |
| Direct Appropriation              |                |                | 12,599         | 12,664           | 17,530        | 17,530        |
| Transfers In                      |                |                | 4,000          | 5,157            |               |               |
| Transfers Out                     |                |                | 89             | 85               | 85            | 85            |
| Balance Forward Out               |                |                | 1,142          |                  |               |               |
| <b>Expenditures</b>               |                |                | <b>15,368</b>  | <b>18,878</b>    | <b>17,445</b> | <b>17,445</b> |
| Biennial Change in Expenditures   |                |                |                | 34,246           |               | 644           |
| Biennial % Change in Expenditures |                |                |                |                  |               | 2             |
| Full-Time Equivalents             |                |                | 104.89         | 116.50           | 93.36         | 90.09         |

### 2000 - Restrict Misc Special Revenue

|                                   |  |  |            |            |            |            |
|-----------------------------------|--|--|------------|------------|------------|------------|
| Balance Forward In                |  |  |            | 324        | 100        | 100        |
| Receipts                          |  |  | 192        | 168        | 168        | 168        |
| Transfers In                      |  |  | 394        |            |            |            |
| Balance Forward Out               |  |  | 324        | 100        | 100        | 100        |
| <b>Expenditures</b>               |  |  | <b>262</b> | <b>392</b> | <b>168</b> | <b>168</b> |
| Biennial Change in Expenditures   |  |  |            | 654        |            | (318)      |
| Biennial % Change in Expenditures |  |  |            |            |            | (49)       |
| Full-Time Equivalents             |  |  | 2.85       | 2.00       | 1.29       | 1.24       |

### 2360 - Health Care Access

|                      |  |  |     |     |   |   |
|----------------------|--|--|-----|-----|---|---|
| Direct Appropriation |  |  | 126 | 126 | 0 | 0 |
| Transfers Out        |  |  | 126 | 126 |   |   |

**Program: Debt Collection Management**[www.revenue.state.mn.us](http://www.revenue.state.mn.us)**AT A GLANCE**

In 2017, the Minnesota Department of Revenue:

- Collected over \$323 million owed to Minnesota governments
- Resolved 217,000 tax debt cases
- Answered over 325,500 incoming phone calls each year from customers who owe debt
- Assisted more than 2,200 walk-in customers

**PURPOSE & CONTEXT**

The Department of Revenue's Debt Collection Management program collects past-due tax debts and debts owed to other state agencies in Minnesota. We facilitate all aspects of debt collection, making it more efficient for government as a whole by centralizing the work instead of duplicating it in each agency.

This centralized approach also makes it easier for a debtor who may owe debt to multiple agencies by providing a one-stop resolution center to settle their state government debts. We help people who owe understand their obligations and work to set up payment plans when appropriate.

The Department of Revenue started collecting non-tax debts for other state agencies in 1995, when legislation centralized debt collection services. In 2008, new legislation allowed local governments to refer their debts to us. We now collect 171 types of fees, fines, taxes, and payments for a range of public agencies.

**SERVICES PROVIDED****Helping Customers**

A large part of the department's role is helping customers understand their obligation and working to get – and keep – them in compliance. To do that, we provide education and outreach to customers through:

- Training events
- Outreach events
- Videos
- Website content
- Phone calls
- Emails
- Letters
- In-person customer contact

**Collection Process**

When a debt is not paid to Minnesota, a state agency, or a local jurisdiction, that debt is referred to the Department of Revenue. The collection process begins the same way for all debtors. We send the customer a notice with details on the debt, their rights, and how they can resolve the debt.

Many customers work with us at this point to resolve their debt by making a full payment or by setting up a payment plan. If the customer fails to respond to the written notice, we take actions to collect the debt. Each case is different and these collection actions may vary based on many factors. Depending on the circumstances, we may:

- Levy wages or financial accounts
- File liens against property
- Offset (take) tax or other refunds
- Hold owners or corporate officers personally liable for business debts
- Revoke professional or business licenses
- Seize business or personal property

We ensure that everyone reports, pays, and receives the right amount by:

- Printing letters, processing payments and returns, registering customers in the system, making financial adjustments, and handling and distributing incoming correspondence
- Reconciling accounts, and issuing payments to banks, the general fund, and other agencies
- Issuing legal opinions, providing representation on legal matters, resolving internal and tax court appeals and administrative hearings
- Programming the technical systems needed to track and process debts
- Protecting customer data
- Communicating and reaching out to the public through direct and digital communication and in the news media

### RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i>              | <i>Previous</i> | <i>Current</i> | <i>Dates</i>                      |
|------------------------|-------------------------------------|-----------------|----------------|-----------------------------------|
| Quantity               | Tax Debt Revenue Collected          | \$271 million   | \$275 million  | Previous is FY16, Current is FY17 |
| Quantity               | Other Agency Debt Revenue Collected | \$46 million    | \$48 million   | Previous is FY16, Current is FY17 |

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Legal Citation: M.S. 16D.08 establishes the Department of Revenue’s Collection Duties and Powers. ([www.revisor.mn.gov/statutes/?id=16D.08](http://www.revisor.mn.gov/statutes/?id=16D.08))



## Debt Collection Management

## Program Expenditure Overview

(Dollars in Thousands)

|  | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |               |
|--|----------------|----------------|----------------|------------------|---------------|---------------|
|  |                |                |                |                  | FY20          | FY21          |
| <b><u>Expenditures by Fund</u></b>     |                |                |                |                  |               |               |
| 1000 - General                         | 27,761         | 30,926         | 29,418         | 31,845           | 29,085        | 29,085        |
| 2000 - Restrict Misc Special Revenue   | 698            | 586            | 814            | 1,299            | 900           | 900           |
| <b>Total</b>                           | <b>28,459</b>  | <b>31,512</b>  | <b>30,232</b>  | <b>33,144</b>    | <b>29,985</b> | <b>29,985</b> |
| Biennial Change                        |                |                |                | 3,405            |               | (3,406)       |
| Biennial % Change                      |                |                |                | 6                |               | (5)           |
| <b><u>Expenditures by Activity</u></b> |                |                |                |                  |               |               |
| Debt Collection                        | 28,459         | 31,512         | 30,232         | 33,144           | 29,985        | 29,985        |
| <b>Total</b>                           | <b>28,459</b>  | <b>31,512</b>  | <b>30,232</b>  | <b>33,144</b>    | <b>29,985</b> | <b>29,985</b> |
| <b><u>Expenditures by Category</u></b> |                |                |                |                  |               |               |
| Compensation                           | 24,252         | 25,003         | 25,987         | 26,081           | 26,081        | 26,081        |
| Operating Expenses                     | 4,164          | 6,491          | 4,220          | 7,063            | 3,904         | 3,904         |
| Capital Outlay-Real Property           | 31             |                |                |                  |               |               |
| Other Financial Transaction            | 11             | 18             | 24             |                  |               |               |
| <b>Total</b>                           | <b>28,459</b>  | <b>31,512</b>  | <b>30,232</b>  | <b>33,144</b>    | <b>29,985</b> | <b>29,985</b> |
| <b><u>Full-Time Equivalent</u></b>     | <b>328.33</b>  | <b>332.29</b>  | <b>330.92</b>  | <b>345.30</b>    | <b>332.88</b> | <b>320.94</b> |

# Debt Collection Management

# Program Financing by Fund

(Dollars in Thousands)

|                                   | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base |               |
|-----------------------------------|----------------|----------------|----------------|------------------|---------------|---------------|
|                                   |                |                |                |                  | FY20          | FY21          |
| <b>1000 - General</b>             |                |                |                |                  |               |               |
| Balance Forward In                |                | 1,792          |                | 760              |               |               |
| Direct Appropriation              | 28,616         | 28,616         | 28,575         | 28,616           | 28,106        | 28,106        |
| Open Appropriation                | 922            | 518            | 624            | 2,260            | 1,000         | 1,000         |
| Transfers In                      |                |                | 1,000          | 230              |               |               |
| Transfers Out                     |                |                | 22             | 21               | 21            | 21            |
| Cancellations                     |                | 0              |                |                  |               |               |
| Balance Forward Out               | 1,777          |                | 760            |                  |               |               |
| <b>Expenditures</b>               | <b>27,761</b>  | <b>30,926</b>  | <b>29,418</b>  | <b>31,845</b>    | <b>29,085</b> | <b>29,085</b> |
| Biennial Change in Expenditures   |                |                |                | 2,576            |               | (3,093)       |
| Biennial % Change in Expenditures |                |                |                | 4                |               | (5)           |
| Full-Time Equivalent              | 319.32         | 323.91         | 323.49         | 336.55           | 324.44        | 312.79        |

## 2000 - Restrict Misc Special Revenue

|                                   |            |            |            |              |            |            |
|-----------------------------------|------------|------------|------------|--------------|------------|------------|
| Balance Forward In                | 681        | 964        | 1,415      | 1,299        | 900        | 900        |
| Receipts                          | 980        | 1,038      | 860        | 900          | 900        | 900        |
| Transfers In                      |            |            | 1,253      |              |            |            |
| Transfers Out                     |            |            | 1,415      |              |            |            |
| Balance Forward Out               | 964        | 1,415      | 1,299      | 900          | 900        | 900        |
| <b>Expenditures</b>               | <b>698</b> | <b>586</b> | <b>814</b> | <b>1,299</b> | <b>900</b> | <b>900</b> |
| Biennial Change in Expenditures   |            |            |            | 829          |            | (313)      |
| Biennial % Change in Expenditures |            |            |            | 65           |            | (15)       |
| Full-Time Equivalent              | 9.01       | 8.38       | 7.43       | 8.75         | 8.44       | 8.15       |

# Efficient Tax Service

# Activity Expenditure Overview

(Dollars in Thousands)

|                                       | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base<br>FY20 FY21 |  |
|---------------------------------------|----------------|----------------|----------------|------------------|----------------------------|--|
| <b><u>Expenditures by Fund</u></b>    |                |                |                |                  |                            |  |
| 1000 - General                        | 104,845        | 121,197        |                |                  |                            |  |
| 2000 - Restrict Misc Special Revenue  | 2,977          | 2,820          |                |                  |                            |  |
| 2360 - Health Care Access             | 1,597          | 1,901          |                |                  |                            |  |
| 2710 - Highway Users Tax Distribution | 2,040          | 2,296          |                |                  |                            |  |
| 2800 - Environmental                  | 289            | 317            |                |                  |                            |  |
| <b>Total</b>                          | <b>111,748</b> | <b>128,531</b> |                |                  |                            |  |
| Biennial Change                       |                |                |                | (240,280)        | 0                          |  |
| Biennial % Change                     |                |                |                | (100)            |                            |  |

## **Expenditures by Category**

|                              |                |                |  |  |  |  |
|------------------------------|----------------|----------------|--|--|--|--|
| Compensation                 | 79,890         | 86,117         |  |  |  |  |
| Operating Expenses           | 31,335         | 40,135         |  |  |  |  |
| Grants, Aids and Subsidies   | 399            | 401            |  |  |  |  |
| Capital Outlay-Real Property | 3              | 1,248          |  |  |  |  |
| Other Financial Transaction  | 122            | 630            |  |  |  |  |
| <b>Total</b>                 | <b>111,748</b> | <b>128,531</b> |  |  |  |  |

## **Full-Time Equivalents**

|  |        |          |  |  |  |  |
|--|--------|----------|--|--|--|--|
|  | 994.95 | 1,051.65 |  |  |  |  |
|--|--------|----------|--|--|--|--|

# Efficient Tax Service

# Activity Financing by Fund

(Dollars in Thousands)

|                                   | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base<br>FY20 FY21 |   |
|-----------------------------------|----------------|----------------|----------------|------------------|----------------------------|---|
| <b>1000 - General</b>             |                |                |                |                  |                            |   |
| Balance Forward In                |                | 7,141          |                |                  |                            |   |
| Direct Appropriation              | 111,612        | 114,619        | 5,727          | 9,782            | 0                          | 0 |
| Transfers Out                     | 47             | 563            | 5,727          | 9,782            |                            |   |
| Cancellations                     |                | 0              |                |                  |                            |   |
| Balance Forward Out               | 6,720          |                |                |                  |                            |   |
| <b>Expenditures</b>               | <b>104,845</b> | <b>121,197</b> |                |                  |                            |   |
| Biennial Change in Expenditures   |                |                |                | (226,042)        |                            | 0 |
| Biennial % Change in Expenditures |                |                |                | (100)            |                            |   |
| Full-Time Equivalents             | 931.46         | 987.57         |                |                  |                            |   |

## 2000 - Restrict Misc Special Revenue

|                                   |              |              |       |         |  |   |
|-----------------------------------|--------------|--------------|-------|---------|--|---|
| Balance Forward In                | 2,568        | 3,528        | 4,750 |         |  |   |
| Receipts                          | 3,937        | 4,043        |       |         |  |   |
| Transfers Out                     |              |              | 4,750 |         |  |   |
| Balance Forward Out               | 3,528        | 4,750        |       |         |  |   |
| <b>Expenditures</b>               | <b>2,977</b> | <b>2,820</b> |       |         |  |   |
| Biennial Change in Expenditures   |              |              |       | (5,797) |  | 0 |
| Biennial % Change in Expenditures |              |              |       | (100)   |  |   |
| Full-Time Equivalents             | 21.40        | 21.17        |       |         |  |   |

## 2360 - Health Care Access

|                                   |              |              |  |         |  |   |
|-----------------------------------|--------------|--------------|--|---------|--|---|
| Balance Forward In                |              | 152          |  |         |  |   |
| Direct Appropriation              | 1,749        | 1,749        |  |         |  |   |
| Cancellations                     |              | 0            |  |         |  |   |
| Balance Forward Out               | 152          |              |  |         |  |   |
| <b>Expenditures</b>               | <b>1,597</b> | <b>1,901</b> |  |         |  |   |
| Biennial Change in Expenditures   |              |              |  | (3,498) |  | 0 |
| Biennial % Change in Expenditures |              |              |  | (100)   |  |   |
| Full-Time Equivalents             | 17.45        | 18.93        |  |         |  |   |

## 2710 - Highway Users Tax Distribution

|                      |       |       |  |  |  |  |
|----------------------|-------|-------|--|--|--|--|
| Balance Forward In   |       | 144   |  |  |  |  |
| Direct Appropriation | 2,183 | 2,183 |  |  |  |  |

**Efficient Tax Service**

**Activity Financing by Fund**

*(Dollars in Thousands)*

|                                   | Actual<br>FY16 | Actual<br>FY17 | Actual<br>FY18 | Estimate<br>FY19 | Forecast Base<br>FY20 FY21 |   |
|-----------------------------------|----------------|----------------|----------------|------------------|----------------------------|---|
| Cancellations                     |                | 31             |                |                  |                            |   |
| Balance Forward Out               | 143            |                |                |                  |                            |   |
| <b>Expenditures</b>               | <b>2,040</b>   | <b>2,296</b>   |                |                  |                            |   |
| Biennial Change in Expenditures   |                |                |                | (4,336)          |                            | 0 |
| Biennial % Change in Expenditures |                |                |                | (100)            |                            |   |
| Full-Time Equivalents             | 21.28          | 19.88          |                |                  |                            |   |

**2800 - Environmental**

|                                   |            |            |  |       |  |   |
|-----------------------------------|------------|------------|--|-------|--|---|
| Balance Forward In                |            | 14         |  |       |  |   |
| Direct Appropriation              | 303        | 303        |  |       |  |   |
| Cancellations                     |            | 0          |  |       |  |   |
| Balance Forward Out               | 14         |            |  |       |  |   |
| <b>Expenditures</b>               | <b>289</b> | <b>317</b> |  |       |  |   |
| Biennial Change in Expenditures   |            |            |  | (606) |  | 0 |
| Biennial % Change in Expenditures |            |            |  | (100) |  |   |
| Full-Time Equivalents             | 3.36       | 4.10       |  |       |  |   |