

FINANCE AND ADMINISTRATION--REVENUE SERVICES (630)

FISCAL YEAR 2018

AS ENACTED BY ACT 680 OF 2017

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The Revenue Division is responsible for administration and enforcement of State taxing laws, vehicle and driver licenses imposed under Arkansas law and Federal law. Offices within the Division and their responsibilities are the Office of the Assistant Commissioner for Policy and Legal which includes the Hearings and Appeals Section; the Office of Income Tax administers Individual and Corporate Income Taxes and Income Tax Systems, which processes income tax returns; the Office of Field Audit; Office of Motor Vehicle administers licensing, registration and titling of vehicles; Office of Excise Tax Administration is responsible for Sales Tax, Motor Fuel Tax, Miscellaneous Tax, Tax Credits and tax administration of Bingo and Raffles; Office of Driver Services which includes, Issuance, Technical Services, Safety Responsibility, Driver Control and Commercial Driver Licenses; Office of Assistant Commissioner for Operations and Administration which consists of the Cashier Section and General Services sections; Office of Revenue Legal Counsel which represents the Division in litigation involving taxes, fees, licenses and programs administered by the Division; and the Office of State Revenue Office Administration administers the County automobile registration and renewal offices.

TOTAL APPROPRIATION

The total appropriation for the Revenue Division for FY2018 is \$1,281,024,838.

FUNDING SOURCES

This agency's appropriations are funded with tax refunds, cash funds, State Central Services Fund, and special revenues.

II) CHANGE LEVEL REQUESTS

Commercial Drivers License Program (Appropriation IJN)

This appropriation provides for program operations through fees collected for licenses. The increase of \$2,000,000 each year provides for anticipated contract costs.

Revenue Services Division - Operations (Appropriation 281)

This appropriation provides for agency operations.

Regular Salaries and Matching - Provides a reduction of \$652,298 for transfer of 3 positions and the reduction of 35 currently authorized positions. There are also 14 new positions related to the Agency's new responsibilities under the Arkansas Medical Marijuana Amendment (AMMA).

Operating Expenses - Provides an increase of \$17,816 to handle new responsibilities related to the AMMA's state and sales tax regulations.

Capital Outlay - Provides for \$550,000 for replacement of 20 agency and high-mileage vehicles, including appropriation related to handling new responsibilities due to the AMMA.

Revenue Miscellaneous Cash (Appropriation M50)

This appropriation provides for the collection of fees and distribution to other entities.

Distribution of Fees/Service Charges - Provides an increase of \$7,000,000 due to the increase in fees collected and remitted for the E911 service charges required for prepaid cell phone services.

III) ADDITIONAL POSITIONS (Total FY2017 Authorized Positions: 1,501)

Total Positions FY2018: 1,477

Total Base Level Positions: 1,501

Increase / (Decrease) Over Base Level: (24)

Extra Help Positions FY2018: 221 (Total FY2017 Authorized Extra Help: 221)

IV) SPECIAL LANGUAGE

APPROPRIATION TRANSFERS: Authorizes the transfer between Refund line items with report to Legislative Council on amounts and reasons for transfer.

EXTRA HELP EXEMPTION: States extra Help positions are exempt from limitation of hours with report to Legislative Council when temporary or part-time employees are employed by DFA for longer than 7 months.

***REVISED LANGUAGE* AUTHORITY TO EMPLOY CERTIFIED LAW ENFORCEMENT OFFICERS:**

Gives Department authority to employ certified law enforcement officers to provide security for Department buildings, grounds, property, employees and customers.

CONTINGENT POSITIONS: Authorizes the establishment of 50 contingency data entry positions to be utilized as deemed necessary by the Director of DFA after seeking prior review by Legislative Council/Joint Budget; allows transfers from the Revenue Services Division Appropriation from Maintenance and Operations, Professional Fees and Services or Data Processing line items to Regular Salaries or Personal Services Matching line items.

***LANGUAGE TO BE DELETED* COMMERCIAL DRIVER LICENSE FUND:** Language requires excess funds of the Commercial Driver License Fund over an amount equal to three most recent fiscal year budgets be transferred into the State Central Services Fund.

Revised: April 2017