

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1006

That the Senate recede from its amendments as printed on pages 1418-1421 of the House Journal and pages 1104-1107 of the Senate Journal and that Engrossed House Bill No. 1006 be amended as follows:

Page 1, replace lines 16 through 24 with:

"Salaries and wages	\$22,867,956	(\$273,760)	\$22,594,196
Operating expenses	7,112,460	353,660	7,466,120
Capital assets	6,000	0	6,000
Homestead tax credit	15,800,000	2,200,000	18,000,000
Disabled veterans' tax credit	<u>8,410,200</u>	<u>7,889,800</u>	<u>16,300,000</u>
Total all funds	\$54,196,616	\$10,169,700	\$64,366,316
Less estimated income	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Total general fund	\$54,071,616	\$10,169,700	\$64,241,316
Full-time equivalent positions	123.00	(5.00)	118.00"

Page 2, after line 12, insert:

**"SECTION 4. STATEWIDE LITIGATION FUNDING POOL - PAYMENT OF TAX COMMISSIONER LITIGATION-RELATED EXPENSES.** The tax commissioner may submit litigation-related expenses to the attorney general which the attorney general shall pay from the statewide litigation funding pool for litigation expenses incurred by the tax commissioner, for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 2, line 18, replace "twenty-three" with "twenty-four"

Page 2, line 18, replace "six" with "two"

Page 2, line 18, replace "forty-one" with "fifty"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1006 - State Tax Commissioner - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$22,867,956	\$22,342,802	\$251,394	\$22,594,196	\$22,841,932	(\$247,736)
Operating expenses	7,112,460	7,466,120		7,466,120	7,466,120	
Capital assets	6,000	6,000		6,000	6,000	
Homestead tax credit	15,800,000	18,000,000		18,000,000	18,000,000	
Disabled veterans' credit	<u>8,410,200</u>	<u>14,000,000</u>	<u>2,300,000</u>	<u>16,300,000</u>	<u>16,300,000</u>	
Total all funds	\$54,196,616	\$61,814,922	\$2,551,394	\$64,366,316	\$64,614,052	(\$247,736)
Less estimated income	<u>125,000</u>	<u>125,000</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>	<u>0</u>
General fund	\$54,071,616	\$61,689,922	\$2,551,394	\$64,241,316	\$64,489,052	(\$247,736)
FTE	123.00	118.00	0.00	118.00	118.00	0.00

**Department 127 - State Tax Commissioner - Detail of Conference Committee Changes**

	Adjusts Funding for Salary Increases <sup>1</sup>	Adds Funding for Salaries and Wages <sup>2</sup>	Increases Funding for Tax Credit Programs <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	\$3,657	\$247,737		\$251,394
Operating expenses				
Capital assets				
Homestead tax credit				
Disabled veterans' credit			\$2,300,000	2,300,000
<b>Total all funds</b>	<b>\$3,657</b>	<b>\$247,737</b>	<b>\$2,300,000</b>	<b>\$2,551,394</b>
Less estimated income	0	0	0	0
General fund	\$3,657	\$247,737	\$2,300,000	\$2,551,394
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022, the same as the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> Funding of \$247,737 from the general fund is added for salaries and wages to provide total anticipated savings of \$1,074,505 related to vacant positions and employee turnover. The Senate anticipated salaries and wages savings relating to vacant positions and employee turnover of \$826,769. The House anticipated salaries and wages savings of \$1,322,242 from vacant positions and employee turnover.

<sup>3</sup> Funding of \$2.3 million from the general fund is added for the disabled veterans' tax credit related to the expansion of the credit in Senate Bill No. 2213, the same as the Senate. The House did not include this increase.

This amendment also:

- Provides the statutory changes to increase the Tax Commissioner's salary, the same as the Senate. The Tax Commissioner's annual salary would increase from the current level of \$120,014 to \$121,814, effective July 1, 2021, and to \$124,250, effective July 1, 2022, to reflect the 1.5 percent and 2 percent salary increase respectively. The House provided for a 1.5 percent annual salary increase.
- Directs the Attorney General to pay litigation-related expenses from the statewide litigation funding pool on behalf of the Tax Commissioner, the same as the Senate. The House did not include this section.
- Removes a section added by the Senate to exclude the sale or exchange of farm machinery as gross income from farming activities for determining eligibility for a farming-related property tax exemption and removes the effective date related to the property tax exemption.