

New Hampshire Department of Revenue Administration
House Finance – Division I
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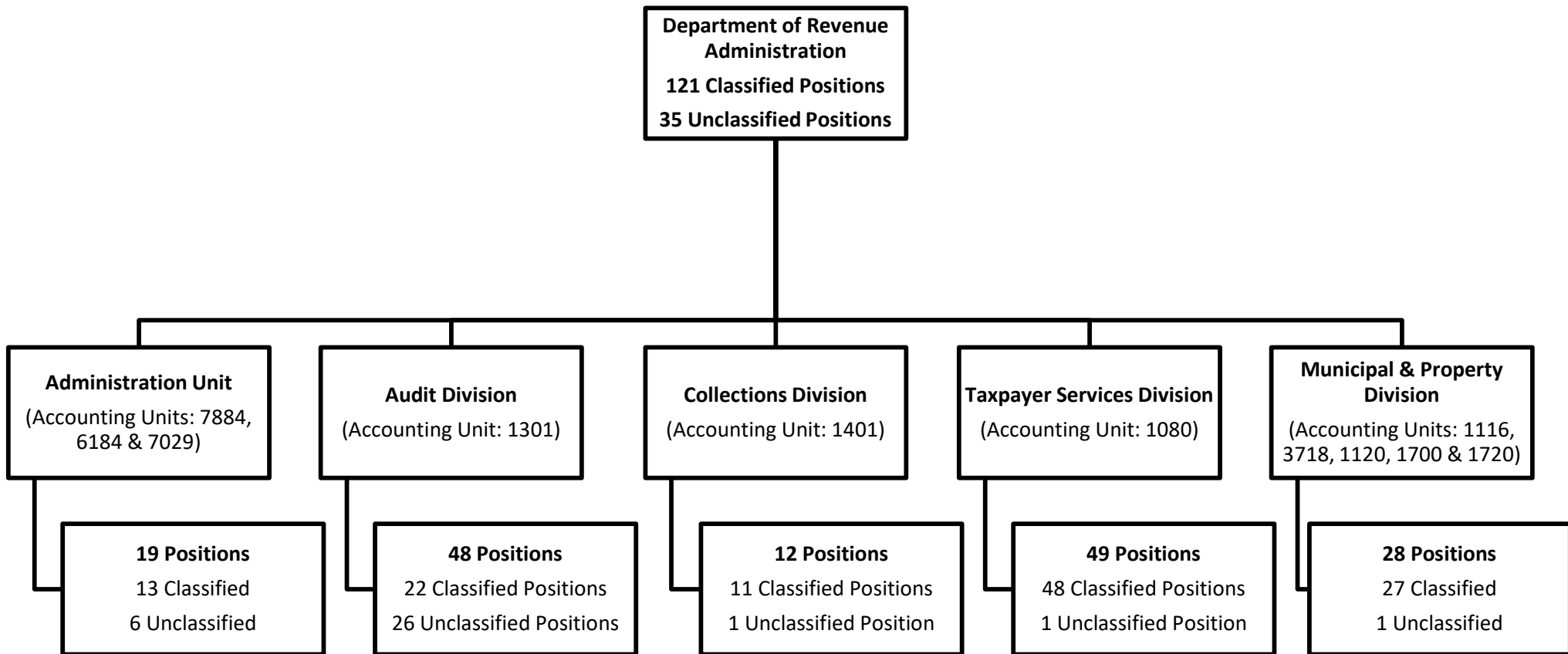


MISSION STATEMENT

The mission of the **Department of Revenue Administration** is to fairly and efficiently administer the tax laws of the State of New Hampshire, collecting the proper amount of taxes due, incurring the least cost to the taxpayers, in a manner that merits the highest degree of public confidence in our integrity. Further, we will provide prompt and constructive assistance to the municipal units of government in matters of budget, finance, and the appraisal of real estate.

Department of Revenue Administration FY2022/FY2023 Organizational Chart

156 Authorized Full Time Positions



FY 2024 / FY 2025 Agency Budget – The Big Picture

| | FY 2022 | FY 2023 | FY 2024 | | FY 2025 | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Actual Expense | Adjusted Authorized | Agency* | Governor | Agency | Governor |
| General Fund | \$ 17,868,603 | \$ 20,668,822 | \$ 23,433,144 | \$ 22,313,114 | \$ 25,419,826 | \$ 22,938,990 |
| Education Trust Fund | \$ 798,226 | \$ 800,000 | \$ 1,500,000 | \$ 1,500,000 | \$ 1,500,000 | \$ 1,500,000 |
| Agency Income | \$ 10,526 | \$ 630,271 | \$ 630,271 | \$ 581,000 | \$ 630,271 | \$ 581,000 |
| Total All Funds | \$ 18,677,355 | \$ 22,099,093 | \$ 25,563,415 | \$ 24,394,114 | \$ 27,550,097 | \$ 25,019,990 |
| Permanent Classified Positions | 121 | 121 | | 121 | | 121 |
| Unclassified Positions | 35 | 35 | | 35 | | 35 |
| Total Number of Positions | 156 | 156 | | 156 | | 156 |
| *Net of 2 Additional Prioritized Needs that are no longer needed (total of \$800,000) | | | | | | |

- Our general fund operating budget is 75% salary and benefits; we’re a department of people, not things or programs.
- Much of the difference between FY 2022 Actual Expense and FY 2023 Adjusted Authorized is due to a vacancy rate of ~15%.
- Current funded position count has decreased from 156 full time classified and unclassified positions in FY21 to 150 positions in FY22 and FY23.
 - Agency request for FY24 and FY25 funds all 156 positions
 - Governor’s Budget for FY24 and FY25 funds 150 positions

FY 2024 / FY 2025 Budget Highlights by Accounting Unit

- Administration – 7884 (page 152)

| | FY2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------------------|-----------------|---------------------|-----------------|-----------------|
| | Actual Expense | Adjusted Authorized | Governor | Governor |
| Total All Funds | \$ 5,529,465.00 | \$ 6,202,060.00 | \$ 8,154,532.00 | \$ 8,445,387.00 |
| Permanent Classified Positions | 13 | 13 | 13 | 13 |
| Unclassified Positions | 6 | 6 | 6 | 6 |
| Total Number of Positions | 19 | 19 | 19 | 19 |

- 027 Transfers to DoIT
 - RIMS Consultants - \$30,160,000 capital appropriation includes hardware maintenance and software licensing through FY 2025, but only includes software maintenance/consulting through the first quarter of FY 2024.
 - Increase primarily due to funding 6 consultants for three quarters of FY 2024 and 5 consultants for all of FY 2025.
- 030 Equipment/070 In-State Travel – increases for the purchase of new state cars and maintenance of existing state cars for in-state travel for Municipal and Property, Audit and Collections activities. Current fleet of state cars is aging with some 10 vehicles that are 2014 or older.
- 066 Employee Training/080 Out-of-State Travel – increases for additional staff to attend Federation of Tax Administrators conferences.

FY 2024 / FY 2025 Budget Highlights by Accounting Unit

- Administration – 7884 (continued)

- Additional Requests:
 - 027 Transfer to DoIT – funding for two positions that are currently unfunded and remain unfunded in the Governor’s budget in order to prepare for 40-60% of DoIT embedded positions at DRA who are eligible for retirement during the FY 2024/FY 2025 biennium, and to increase knowledge transfer from RIMS consultants to state employees for the ongoing maintenance of RIMS.
 - FY 2024 salary and benefits = \$141,627
 - FY 2025 salary and benefits = \$148,417
 - 027 Transfers to DoIT – funding for additional RIMS consultants closer to our current level of support.
 - FY 2024 = \$864,000
 - FY 2025 = \$1,336,320
 - 030 Equipment – additional funds to replace more of aging state vehicle fleet.
 - FY 2024 = \$150,000
 - FY 2025 = \$150,000

FY 2024 / FY 2025 Budget Highlights by Accounting Unit (continued)

- Workers Compensation – 7029 (page 153)

| | FY2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------------------|----------------|---------------------|--------------|--------------|
| | Actual Expense | Adjusted Authorized | Governor | Governor |
| Total All Funds | \$ 22,352.00 | \$ 2,530.00 | \$ 48,974.00 | \$ 50,499.00 |
| Permanent Classified Positions | - | - | - | - |
| Unclassified Positions | - | - | - | - |
| Total Number of Positions | - | - | - | - |

- 062 Workers Compensation – Increase due to prior year payout.

- Unemployment Compensation – 6184 (page 154)

| | FY2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------------------|----------------|---------------------|-------------|-------------|
| | Actual Expense | Adjusted Authorized | Governor | Governor |
| Total All Funds | \$ - | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 |
| Permanent Classified Positions | - | - | - | - |
| Unclassified Positions | - | - | - | - |
| Total Number of Positions | - | - | - | - |

FY 2024 / FY 2025 Budget Highlights by Accounting Unit (continued)

- Taxpayer Services – 1080 (page 155)

| | FY2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------------------|-----------------|---------------------|-----------------|-----------------|
| | Actual Expense | Adjusted Authorized | Governor | Governor |
| Total All Funds | \$ 3,142,052.00 | \$ 3,935,434.00 | \$ 3,824,599.00 | \$ 3,953,644.00 |
| Permanent Classified Positions | 48 | 48 | 48 | 48 |
| Unclassified Positions | 1 | 1 | 1 | 1 |
| Total Number of Positions | 49 | 49 | 49 | 49 |

- 020 Current Expenses – increase due to increase in number of mailings and increase in postage rates.
- 030 Equipment – increase in FY 2024 for purchase of new mail opening machine.
- Additional Requests:
 - 103 Contracts for OP Services – funding for temporary employees during busy tax filing seasons:
 - FY 2024 = \$20,000
 - FY 2025 = \$20,000

FY 2024 / FY 2025 Budget Highlights by Accounting Unit (continued)

- Audit Division – 1301 (page 156)

| | FY2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------------------|-----------------|---------------------|-----------------|-----------------|
| | Actual Expense | Adjusted Authorized | Governor | Governor |
| Total All Funds | \$ 4,455,337.00 | \$ 5,797,661.00 | \$ 5,581,482.00 | \$ 5,726,131.00 |
| Permanent Classified Positions | 22 | 22 | 22 | 22 |
| Unclassified Positions | 26 | 26 | 26 | 26 |
| Total Number of Positions | 48 | 48 | 48 | 48 |

- 080 Out-of-State Travel – increase in on-site audits, new auditors are training in pairs.
- Additional Requests:
 - Funding for two Multi-State Tax Auditors, positions that are currently unfunded, each would produce an estimated \$1.5m in revenue over the biennium (\$3m total):
 - 011 Personal Services
 - FY 2024 = 130,000
 - FY 2025 = 138,150
 - 060 Benefits
 - FY 2024 = 69,918
 - FY 2025 = 74,596
 - 066 Employee Training
 - FY 2024 = 18,000
 - FY 2025 = 18,000
 - 080 Out-of-State Travel
 - FY 2024 = 50,000
 - FY 2025 = 75,000

FY 2024 / FY 2025 Budget Highlights by Accounting Unit (continued)

- Collection Division – 1401 (page 157)

| | FY2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------------------|----------------|---------------------|-----------------|-----------------|
| | Actual Expense | Adjusted Authorized | Governor | Governor |
| Total All Funds | \$ 919,794.00 | \$ 1,146,451.00 | \$ 1,086,842.00 | \$ 1,134,561.00 |
| Permanent Classified Positions | 11 | 11 | 11 | 11 |
| Unclassified Positions | 1 | 1 | 1 | 1 |
| Total Number of Positions | 12 | 12 | 12 | 12 |

- 018 Overtime – increase due to peak periods of collection activity where work occurs outside or normal hours (i.e., fair season).
- 033 Land Acquisition & Easement – increase due to fees for online lien recording service.
- 066 Employee Training – increase due to newer staff needing additional collection training.

FY 2024 / FY 2025 Budget Highlights by Accounting Unit (continued)

- Municipal and Property Division – 5413 (page 158)

| | FY2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------------------|-----------------|---------------------|-----------------|-----------------|
| | Actual Expense | Adjusted Authorized | Governor | Governor |
| Total All Funds | \$ 2,971,735.00 | \$ 3,223,881.00 | \$ 3,258,812.00 | \$ 3,270,787.00 |
| Permanent Classified Positions | 27 | 27 | 27 | 27 |
| Unclassified Positions | 1 | 1 | 1 | 1 |
| Total Number of Positions | 28 | 28 | 28 | 28 |

- 038 Technology - Software – increase in contract price for technology maintenance contract for tax rate setting portal and equalization application.
- 066 Employee Training/070 In-State Travel/080 Out-of-State Travel – increase due to resuming attendance at conferences/trainings.
- Additional Requests
 - Funding for one Municipal Accounts Auditor, that is currently unfunded, for succession planning.
 - 010 Personal Services
 - FY 2024 = \$49,940
 - FY 2025 = \$52,077
 - 060 Benefits
 - FY 2024 = \$31,691
 - FY 2025 = \$33,609

FY 2024 / FY 2025 Budget Highlights by Accounting Unit (continued)

- Flood Control – 3718 (page 159)

| | FY2022 | FY 2023 | FY 2024 | FY 2025 |
|-----------------|----------------|---------------------|---------------|---------------|
| | Actual Expense | Adjusted Authorized | Governor | Governor |
| Agency Income | \$ 10,521.00 | \$ 630,271.00 | \$ 581,000.00 | \$ 581,000.00 |
| General Fund | \$ 734,916.00 | \$ 256,729.00 | \$ 249,000.00 | \$ 249,000.00 |
| Total All Funds | \$ 745,437.00 | \$ 887,000.00 | \$ 830,000.00 | \$ 830,000.00 |

- The FY 2024 and FY 2025 budget assumes Massachusetts will reimburse their share of 70% of Merrimack River Valley compact as well as 50% of the Connecticut River Valley compact and Connecticut will reimburse their share of 40% of the Connecticut River Valley compact.
- There is a long history of Massachusetts not paying its obligation timely or sufficiently for the Merrimack River Valley compact, although the outstanding amounts for FY 2015 through FY 2022 were recently settled and the payment of \$3,477,195.30 has been received.
- Governor is authorized to draw a warrant for the payment of such reimbursements out of money in the treasury not otherwise appropriated.
 - No payment has been received yet for FY 2023, which was not part of the settlement.

FY 2024 / FY 2025 Budget Highlights by Accounting Unit (continued)

- Land Taxes Lost – 1120 (page 160)

| | FY2022 Actual Expense | FY 2023 Adjusted Authorized | FY 2024 Governor | FY 2025 Governor |
|--------------------------------|--------------------------|--------------------------------|---------------------|---------------------|
| Total All Funds | \$ 88,903.00 | \$ 95,000.00 | \$ 98,000.00 | \$ 98,000.00 |
| Permanent Classified Positions | - | - | - | - |
| Unclassified Positions | - | - | - | - |
| Total Number of Positions | - | - | - | - |

- 033 Land Acquisitions & Easement – reflects current use acreage values and tax rates.

- Current Use Board – 1700 (page 160)

| | FY2022 Actual Expense | FY 2023 Adjusted Authorized | FY 2024 Governor | FY 2025 Governor |
|--------------------------------|--------------------------|--------------------------------|---------------------|---------------------|
| Total All Funds | \$ 978.00 | \$ 2,231.00 | \$ 4,079.00 | \$ 4,132.00 |
| Permanent Classified Positions | - | - | - | - |
| Unclassified Positions | - | - | - | - |
| Total Number of Positions | - | - | - | - |

- Assessing Standards Board – 1720 (page 161)

| | FY2022 Actual Expense | FY 2023 Adjusted Authorized | FY 2024 Governor | FY 2025 Governor |
|--------------------------------|--------------------------|--------------------------------|---------------------|---------------------|
| Total All Funds | \$ 3,076.00 | \$ 4,345.00 | \$ 4,294.00 | \$ 4,349.00 |
| Permanent Classified Positions | - | - | - | - |
| Unclassified Positions | - | - | - | - |
| Total Number of Positions | - | - | - | - |

- Appropriations for Administratively Attached Boards reflect amounts for per diem rates and in-state travel reimbursement for attending board meetings.

FY 2024 / FY 2025 Budget Highlights by Accounting Unit (continued)

- Low and Moderate Income Hardship Grants – 1857 (page 162)

| | FY2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------------------|----------------|---------------------|-----------------|-----------------|
| | Actual Expense | Adjusted Authorized | Governor | Governor |
| Total All Funds | \$ 798,226.00 | \$ 800,000.00 | \$ 1,500,000.00 | \$ 1,500,000.00 |
| Permanent Classified Positions | - | - | - | - |
| Unclassified Positions | - | - | - | - |
| Total Number of Positions | - | - | - | - |

- 083 Hardship Grants – Chapter 95, Laws of 2021 increased the income limitations and the maximum amount of tax relief available for the Low and Moderate Income Property Tax Relief (L&M) program.
 - Change effective for April 1, 2021 property tax year with 5,918 claims issued totaling \$1,403,845, compared to 5,572 claims totaling \$800,000 for the April 1, 2020 year.
 - FY 2023 difference between the appropriation of \$800,000 to actual expense will be covered pursuant to RSA 198:61 where the Governor is authorized to draw a warrant from the Education Trust Fund to satisfy the State’s L&M obligation.
 - Increase in appropriation for FY 2024 and FY 2025 is to sufficiently fund the program pursuant to the 2021 legislative changes.