Agency 16 - Department Of Revenue

Statutory Authority:

The Nebraska Department of Revenue was officially created by the 1969 Legislature's enactment of Sections 77-360, R.R.S. 1943, effective on January 1, 1970, and the Tax Commissioner was designated as the Department's chief executive or director. The Tax Commissioner's office originated during the Constitutional Convention in 1919-1920. Article IV, Section 28, of the Constitution and Section 77-361 of the Revised Statutes of Nebraska, 1943, gives the Department of Revenue under the direction of the Tax Commissioner, jurisdiction and authority over the administration of all revenue laws of the state.

Vision Statement:

The Department of Revenue will strive to administer the revenue and lottery laws of the State in the most efficient and effective manner possible using current technology to more efficiently collect revenues via electronic means.

Mission Statement:

The Department of Revenue's mission is to serve the public by administering the state revenue laws with integrity, efficiency and consistency.

Goals:

1) Provide all taxpayers in the State the most efficient service in all areas of tax compliance and processing.
2) Provide the state adequate tax law enforcement for all tax categories, including Gaming and Motor Fuels.
3) Provide Revenue statistical support and research services to the legislature and other agencies of state government.
4) Implement new initiatives as directed by statute for property tax, gaming, finance and research, and motor fuels.
5) Pursue alternative tax filing methods to obtain easier and more timely filings.
6) Derive new Lottery products and delivery methods to raise funding for specified programs.

Financial Data:

	Actual FY04	Approp FY05	Request FY06	Recom FY06	Request FY07	Recom FY07
General Fund	66,404,293	69,824,769	78,369,964	74,147,517	81,785,763	77,411,588
Cash Fund	18,978,535	18,959,979	18,346,722	18,466,267	18,396,740	18,694,127
Federal Fund	20	25,000	18,830	18,830	18,830	18,830
Revolving Fund	3,225	6,970	6,970	6,914	6,970	6,914
Other Fund	0	0	0	0	0	0
Total Agency	85,386,073	88,816,718	96,742,486	92,639,528	100,208,303	96,131,459

Agency 16 - Department Of Revenue
Program 013 - Tax Commissioner's Salary

Program Objectives:

The salary of the Tax Commissioner is submitted as a separate program request because the Tax Commissioner is a constitutionally designated officer. Statutory authority of the Tax Commissioner is to serve as the chief executive office of the Department of Revenue. As CEO of Revenue, the Tax Commissioner is responsible for the development of policies and procedures for revenue collection at the state and local levels and is also responsible for the administration and collection of all state revenues as provided by law.

Financial Data:

	Actual FY04	Approp FY05	Request FY06	Recom FY06	Request FY07	Recom FY07
General Fund	105,013	111,241	111,241	114,529	111,241	117,937
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	105,013	111,241	111,241	114,529	111,241	117,937

Performance Measures:

The goal of the Tax Commissioner is to operate the Department of Revenue in the most efficient, effective and economical manner possible while still achieving all the legislative mandates prescribed by statute. The goals and objectives outlined for the agency are the goals the Tax Commissioner is striving to achieve. Evaluation measures for this program are the accomplishment of the overall goals outlined for the agency in the agency narrative.

Agency 16 - Department Of Revenue
Program 102 - Revenue Administration

Program Objectives:

The objectives of Revenue Administration are: 1) to administer the state's revenue laws through enforcement and collection activities; 2) to provide assistance to Nebraska Taxpayers; and, 3) to provide statistical information and projections of anticipated tax revenues to the Legislature and other interested parties. The Department directly administers all state tax revenues with the exception of liquor and insurance taxes. Audits are performed on selected taxpayers located throughout the nation to determine that all appropriate taxes are reported and paid the state. The Department maintains branch offices located throughout Nebraska as well as a toll free taxpayer assistance line.

Financial Data:

	Actual FY04	Approp FY05	Request FY06	Recom FY06	Request FY07	Recom FY07
General Fund	19,733,113	20,875,428	20,797,925	21,112,988	20,877,701	21,727,651
Cash Fund	112,095	224,510	1,224,510	1,226,431	974,510	979,682
Federal Fund	0	0	0	0	0	0
Revolving Fund	3,225	6,970	6,970	6,914	6,970	6,914
Other Fund	0	0	0	0	0	0
Total	19,848,433	21,106,908	22,029,405	22,346,333	21,859,181	22,714,247

Performance Measures:

The objective of this program is to provide fair and equitable tax administration and to collect state tax revenues in the most efficient and effective manner for taxpayers of the state.

Agency 16 - Department Of Revenue
Program 104 - County Property Tax Relief

Program Objectives:

The County Property Tax Relief Program was created by LB 695 in 1998 and is found in Section 77-3618 R.R.S. The program is used to distribute money to county governments to provide property tax relief and equalize county capacity to pay for public services from property taxes. Funds are distributed on or before September 1 each year according to the formula created in this section. There was $-0- General Funds appropriation to this program for FY 2003-04 and FY 2004-05.

Financial Data:

	Actual FY04	Approp FY05	Request FY06	Recom FY06	Request FY07	Recom FY07
General Fund	0	0	2,592,000	0	2,592,000	0
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	0	0	2,592,000	0	2,592,000	0

Performance Measures:

Agency 16 - Department Of Revenue
Program 108 - Homestead Reimbursement To Counties

Program Objectives:

This program provides property tax relief to special categories of homeowners through state funded reimbursements to local governments for property taxes not collected due to homestead exemptions granted.

Financial Data:

	Actual FY04	Approp FY05	Request FY06	Recom FY06	Request FY07	Recom FY07
General Fund	46,566,167	48,838,100	54,868,798	52,920,000	58,204,821	55,566,000
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	46,566,167	48,838,100	54,868,798	52,920,000	58,204,821	55,566,000

Performance Measures:

This program provides for the reimbursement to counties of a limited homestead exemption from the General Fund for the revenue lost due to this provision of statutes. Payment is made to the counties from January to June. The program will be measured by the distribution of homestead payments in the most efficient and effective manner by the Department. This will be evaluated and measured by the Tax Commissioner.

Agency 16 - Department Of Revenue
Program 111 - Motor Fuel Administration

Program Objectives:

This program's objectives include:
1) administering all motor fuel tax programs;
2) providing assistance to taxpayers regarding motor fuels tax programs; and,
3) ensuring compliance with laws through an increased emphasis on collections, audit and investigation activities.

Financial Data:

	Actual FY04	Approp FY05	Request FY06	Recom FY06	Request FY07	Recom FY07
General Fund	0	0	0	0	0	0
Cash Fund	1,946,025	2,071,766	2,085,276	2,128,282	2,090,659	2,194,386
Federal Fund	20	25,000	18,830	18,830	18,830	18,830
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	1,946,045	2,096,766	2,104,106	2,147,112	2,109,489	2,213,216

Performance Measures:

In support of these objectives, Motor Fuel Administration set the following goals:
1) Maintain audit presence across the state. Audit one taxpayer in each county every 5 years.
2) Audit 3 - 4 large suppliers each year.
3) Audit one terminal per year.
4) Audit every ethanol producer in program every three years.
5) Audit refund claims totaling $10,000 or more in one year.
6) Audit some retailers.
7) Provide CPE for auditors.
8) Data enter Export schedules from other states within 2 weeks of receipt.
9) Deposit all funds the same day received.
10) Process refund claims within 30-45 days of receipt.
11) Conduct reviews on selected retailers, with emphasis on border counties.
12) Develop more edits and pre-checks so that cross matching deals with true missed loads.
13) Work with Weights and Measures to develop a shared data base of motor fuel retailers.
14) Schedule an Account Update Process for summer 2007.
15) Increase usage of website and e-mail.
16) Participate in regional and national groups (NETASK and FTA).
17) Ensure training of both staff and taxpayers.

Agency 16 - Department Of Revenue
Program 160 - Lottery Administration

Program Objectives:

The mission of the Nebraska Lottery is to maximize Lottery ticket sales and to transfer a minimum of $20,229,702 of Lottery ticket revenue to the four recipient funds. Also, to provide a good entertainment option with a high level of integrity within the game structure, distribution channels and Lottery operations.

Financial Data:

	Actual FY04	Approp FY05	Request FY06	Recom FY06	Request FY07	Recom FY07
General Fund	0	0	0	0	0	0
Cash Fund	15,074,213	14,403,562	12,761,051	12,800,249	13,048,571	13,145,219
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	15,074,213	14,403,562	12,761,051	12,800,249	13,048,571	13,145,219

Performance Measures:

Agency 16 - Department Of Revenue
Program 165 - Charitable Gaming

Program Objectives:

The purpose of the Charitable Gaming Division, as stated in Neb. Rev. Stat. Section 9-1,101 (R.S.Supp. 2002) is to administer and enforce the provisions of the Nebraska Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and Raffle Act and Neb. Rev. Stat. Section 9-701 (R.S.Supp. 2004) dealing with gift enterprises.

Financial Data:

	Actual FY04	Approp FY05	Request FY06	Recom FY06	Request FY07	Recom FY07
General Fund	0	0	0	0	0	0
Cash Fund	1,846,202	2,260,141	2,275,885	2,311,305	2,283,000	2,374,840
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	1,846,202	2,260,141	2,275,885	2,311,305	2,283,000	2,374,840

Performance Measures:

The objectives for this program are to:

1) insure only qualified individuals and businesses are authorized to conduct charitable gaming activities,

2) insure that all charitable gaming revenues are fully reported and accounted for and used only for those purposes permitted by law; prevent the purposes for which the profits of charitable gaming activities are to be used from being subverted by improper elements,

3) protect the health and welfare of the public and insure that charitable gaming activities are being conducted only by those methods permitted in each of the acts.