

The Department of Revenue was established in 1945 by the Missouri Constitution to serve as the central collection agency for all state revenue. The primary duties of the Department are to collect taxes, title and register motor vehicles, and license drivers. The Department of Revenue consists of the following divisions:

The **Taxation Division** administers Missouri's tax laws. It processes tax returns and applications, conducts audits, collects taxes owed but not paid, answers questions from taxpayers, and distributes funds collected to state and local taxing jurisdictions. This division has five bureaus: Business Tax, Income Tax, Processing, Collections and Tax Assistance, and Field Compliance.

The **Motor Vehicle and Driver Licensing Division** administers Missouri's laws that relate to titling and registration of motor vehicles, trailers, all-terrain vehicles, manufactured homes, and marine craft, as well as licensing drivers. This division consists of three bureaus: Motor Vehicle, Driver License, and License Offices.

The **General Counsel's Office** ensures the Department's compliance with law and internal policies, advises the director and divisions on legal matters relative to the Department, investigates incidents related to regulatory functions, and represents the Department in courts and administrative tribunals. The division consists of four bureaus: General Counsel's Office, Criminal Tax Investigation, Internal Audit and Compliance, and Compliance and Investigation.

The **Administration Division** provides administrative support to all other areas of the Department. This division includes three bureaus: Human Resources and Total Rewards, Financial Services, and General Services.

The Director's Office is also part of the Administration Division. The Director's Office includes the director, chief operating officer, key administrative staff, the Communications Office and the Legislative Office.

The State Tax Commission and Lottery Commission are administered separately.

- The **State Tax Commission** is the agency responsible for ensuring that Missouri property tax assessments are fair, uniform, and equitable throughout the entire State. The Commission has supervisory authority over all assessment officials in the State, monitors the level and quality of assessment programs, and takes corrective action of inequitable assessments.
- The **Missouri Lottery** is a revenue source for Missouri public education. The core functions of the Lottery are: a) recruit and license Lottery retailers; b) create, market and distribute Lottery products; c) collect revenues from retailers; d) pay Lottery prizes and retailer commissions; e) ensure the security and integrity of Lottery operations and games; and f) transfer profits to the Lottery Proceeds Fund for appropriation.

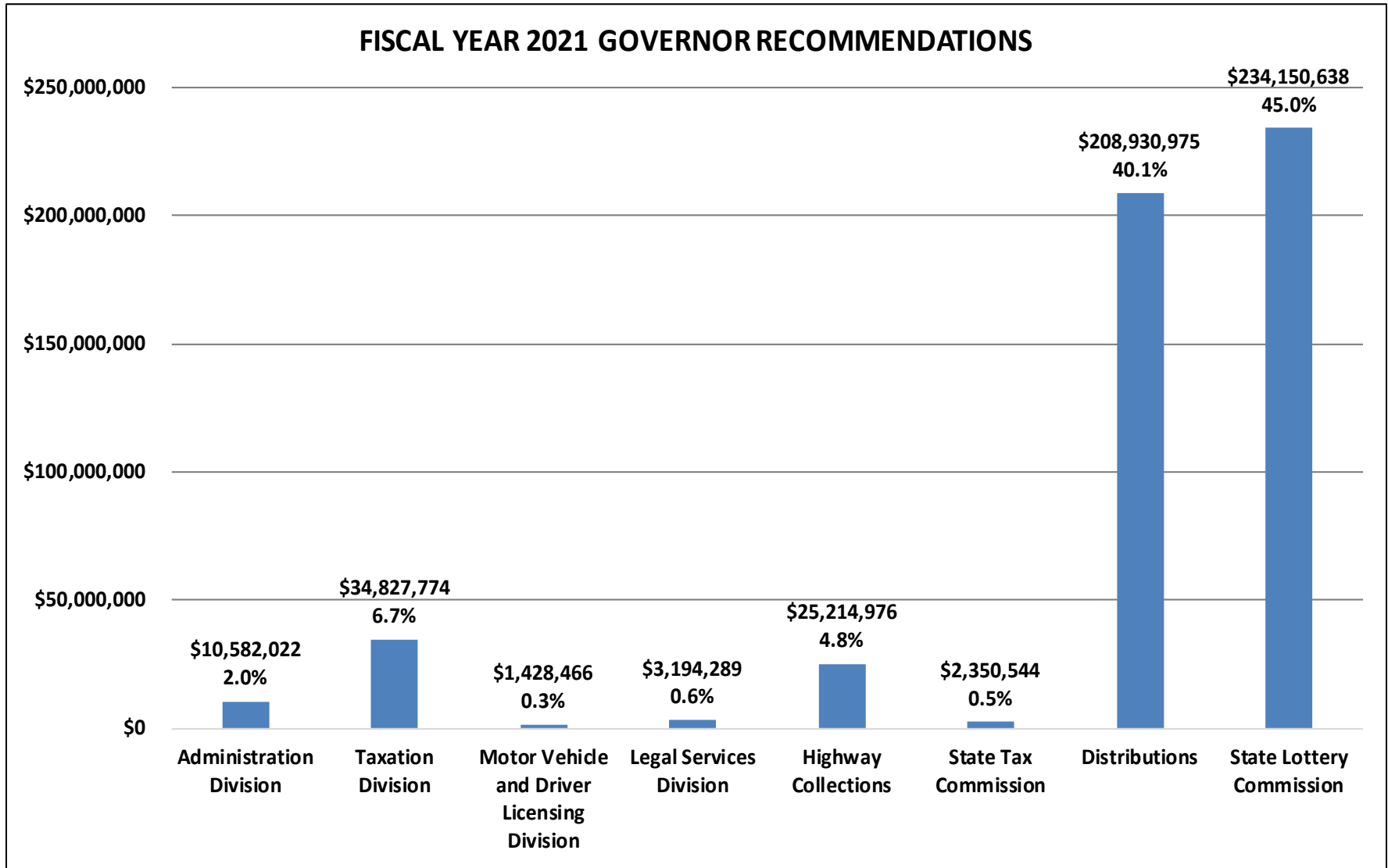


DEPARTMENT OF REVENUE

FINANCIAL SUMMARY

	FY 2019 EXPENDITURE	FY 2020 APPROPRIATION	FY 2021 REQUEST	FY 2021 GOVERNOR RECOMMENDS
Administration Division	\$ 8,424,334	\$ 10,921,207	\$ 10,942,075	\$ 10,582,022
Taxation Division	29,255,232	29,939,676	30,298,511	34,827,774
Motor Vehicle and Driver Licensing Division	641,293	1,413,104	1,422,212	1,428,466
Legal Services Division	2,224,150	3,171,764	3,222,595	3,194,289
Highway Collections	22,037,450	25,112,606	25,433,586	25,214,976
State Tax Commission	2,119,440	2,267,110	2,330,761	2,350,544
Distributions	201,654,474	209,080,439	209,115,035	208,930,975
State Lottery Commission	238,701,274	233,934,595	239,077,339	234,150,638
State Legal Expense Fund Transfer	0	1	1	1
DEPARTMENTAL TOTAL	\$ 505,057,647	\$ 515,840,502 *	\$ 521,842,115	\$ 520,679,685
General Revenue Fund	59,346,668	64,793,381	65,460,400	69,713,935
Federal Funds	2,349,155	4,121,909	4,127,289	4,131,100
Child Support Enforcement Fund	1,236,190	2,116,921	2,117,321	1,490,654
Health Initiatives Fund	48,670	64,771	65,734	66,294
Port Authority AIM Zone Fund	0	100,000	100,000	100,000
Petroleum Storage Tank Insurance Fund	28,101	30,598	31,034	31,334
Motor Vehicle Commission Fund	683,629	984,286	994,415	1,001,179
Conservation Commission Fund	500,045	610,195	619,073	625,168
State Highways and Transportation Department Fund	13,163,757	13,980,080	14,145,748	14,264,745
Lottery Enterprise Fund	64,626,056	59,860,658	65,002,121	60,075,420
Petroleum Inspection Fund	16,228	38,758	39,289	39,653
Motor Fuel Tax Fund	188,980,617	195,000,000	195,000,000	195,000,000
State Lottery Fund	174,075,218	174,075,218	174,075,218	174,075,218
Department of Revenue Specialty Plate Fund	0	17,060	17,165	17,237
Tobacco Control Special Fund	3,313	46,667	47,308	47,748
Total Full-time Equivalent Employees	1,287.07	1,278.05	1,279.05	1,276.05
General Revenue Fund	863.20	847.02	847.02	844.02
Federal Funds	3.50	4.74	4.74	4.74
Other Funds	420.37	426.29	427.29	427.29

* Does not include \$2,296,895 recommended in the Fiscal Year 2020 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Revenue supplemental appropriations.



**DEPARTMENT OF REVENUE
ADMINISTRATION DIVISION**

FINANCIAL SUMMARY

	FY 2019 EXPENDITURE	FY 2020 APPROPRIATION	FY 2021 GOVERNOR RECOMMENDS
Administration Division	\$ 4,743,029	\$ 7,427,451	\$ 7,388,266
Postage	3,681,305	3,393,756	3,093,756
Port Aim Zones	0	100,000	100,000
TOTAL	\$ 8,424,334	\$ 10,921,207	\$ 10,582,022
General Revenue Fund	4,990,368	5,125,697	5,371,103
Federal Funds	2,147,192	3,526,563	3,528,393
Other Funds	1,286,774	2,268,947	1,682,526
Total Full-time Equivalent Employees	31.96	44.66	43.66

The Administration Division provides executive leadership and administrative support for all department programs including, but not limited to, setting policy, strategic planning, leadership, and overall direction of the department. This division also provides administrative support to the department in the areas of accounting, cash management, procurement, mail processing, archiving, stores, inventory distribution, delivery services, form development, payroll processing, recruitment, training and communication, and child support oversight.

Fiscal Year 2021 Governor's Recommendations

- \$450,000 for investments to enhance quality and efficiencies, focus on service culture, and workforce development.
- \$124,124 for performance incentives for high-achieving department employees, including \$82,297 general revenue.
- \$19,407 for pay plan, including \$18,562 general revenue.
- \$22,778 for the remaining pay periods of the Fiscal Year 2020 approved pay plan, including \$21,546 general revenue.
- \$2,956 for the remaining pay periods of the Fiscal Year 2020 approved pay plan associated with the recently completed compensation study to move to market-based minimums.
- (\$953,177) and (one) staff core reduction from the Fiscal Year 2020 appropriation level, including (\$326,236) general revenue.
- (\$5,273) reallocated to various divisions for mileage reimbursements costs, including (\$3,719) general revenue.

**DEPARTMENT OF REVENUE
TAXATION DIVISION**

FINANCIAL SUMMARY

	FY 2019 EXPENDITURE	FY 2020 APPROPRIATION	FY 2021 GOVERNOR RECOMMENDS
Taxation Division	\$ 21,616,730	\$ 22,439,676	\$ 22,985,331
Integrated Tax System	7,638,502	7,500,000	11,842,443
TOTAL	\$ 29,255,232	\$ 29,939,676	\$ 34,827,774
General Revenue Fund	28,668,743	29,202,070	34,072,041
Other Funds	586,489	737,606	755,733
Total Full-time Equivalent Employees	590.05	509.00	505.00

The Taxation Division administers and enforces tax laws. The division deposits all tax revenue, issues refunds, and collects and distributes local taxes. The division's collection activities include account management, lien filing, delinquent tax collections (including identifying non-compliant businesses and individuals), tax clearances, and debt offsets. The division has six in-state field offices (St. Louis, Kansas City, Springfield, Jefferson City, Joplin, and Cape Girardeau) that audit businesses required to pay taxes to the State of Missouri. The division's auditors are also stationed in five out-of-state offices (Chicago, Dallas, Georgia, Colorado, and New York) to foster Missouri tax law compliance.

Fiscal Year 2021 Governor's Recommendations

- \$4,342,443 for updates, maintenance, and support of the Revenue Premier system.
- \$195,000 for investments to enhance quality and efficiencies, focus on service culture, and workforce development.
- \$199,997 for pay plan, including \$192,678 general revenue.
- \$294,864 for the remaining pay periods of the Fiscal Year 2020 approved pay plan, including \$284,204 general revenue.
- \$72,532 for the remaining pay periods of the Fiscal Year 2020 approved pay plan associated with the recently completed compensation study to move to market-based minimums, including \$72,384 general revenue.
- \$1,982 reallocated from the Administration Division for mileage reimbursement costs.
- (\$218,720) and (four) staff core reduction from the Fiscal Year 2020 appropriation level.

**DEPARTMENT OF REVENUE
MOTOR VEHICLE AND DRIVER LICENSING DIVISION**

FINANCIAL SUMMARY

	FY 2019 EXPENDITURE	FY 2020 APPROPRIATION	FY 2021 GOVERNOR RECOMMENDS
Motor Vehicle and Driver Licensing Division			
TOTAL	\$ 641,293	\$ 1,413,104	\$ 1,428,466
General Revenue Fund	424,454	777,771	787,680
Federal Funds	0	163,595	163,666
Other Funds	216,839	471,738	477,120
Total Full-time Equivalent Employees	13.90	32.05	32.05

The Motor Vehicle and Driver Licensing Division administers Missouri laws that license drivers and suspend, revoke, and disqualify driver licenses; titles/registers motor vehicles, boats, and trailers; and collects required fees and taxes. The division licenses approximately 6,000 dealers and oversees dealer operations to ensure compliance with dealer licensing laws. The division also manages the operations of 177 licensing offices throughout the state and coordinates requests for proposals for these offices.

Fiscal Year 2021 Governor's Recommendations

- \$6,254 for pay plan, including \$4,034 general revenue.
- \$9,108 for the remaining pay periods of the Fiscal Year 2020 approved pay plan, including \$5,875 general revenue.

**DEPARTMENT OF REVENUE
LEGAL SERVICES DIVISION**

FINANCIAL SUMMARY

	FY 2019 EXPENDITURE	FY 2020 APPROPRIATION	FY 2021 GOVERNOR RECOMMENDS
Legal Services Division			
TOTAL	\$ 2,224,150	\$ 3,171,764	\$ 3,194,289
General Revenue Fund	1,596,113	2,207,767	2,210,233
Federal Funds	201,963	431,751	439,041
Other Funds	426,074	532,246	545,015
Total Full-time Equivalent Employees	45.19	64.30	63.30

The Legal Services/General Counsel Division supports the department’s revenue tax law administration, driver licensing and motor vehicle title/registration administration, and provides legal counsel and representation to the Director of Revenue and divisions. The division includes the Criminal Tax Investigation and the Compliance and Investigation Bureaus, which investigate suspected law violations, prepare cases for prosecution, and perform audits of internal department functions and the license offices throughout the state.

Fiscal Year 2021 Governor’s Recommendations

- \$28,024 for pay plan, including \$20,701 general revenue.
- \$42,067 for the remaining pay periods of the Fiscal Year 2020 approved pay plan, including \$31,146 general revenue.
- \$8,016 for the remaining pay periods of the Fiscal Year 2020 approved pay plan associated with the recently completed compensation study to move to market-based minimums, including \$6,474 general revenue.
- \$374 reallocated from the Administration Division for mileage reimbursement costs, including \$101 general revenue.
- (\$55,956) and (one) staff core reduction from the Fiscal Year 2020 appropriation level.

**DEPARTMENT OF REVENUE
HIGHWAY COLLECTIONS**

FINANCIAL SUMMARY

	FY 2019 EXPENDITURE	FY 2020 APPROPRIATION	FY 2021 GOVERNOR RECOMMENDS
Highway Collections - Taxation Division	\$ 1,124,932	\$ 1,297,476	\$ 1,326,423
Highway Collections - Motor Vehicle and Driver Licensing Division	12,791,284	14,539,709	14,453,246
Highway Collections - Legal Services Division	2,066,788	2,453,440	2,522,976
Highway Collections - Attorney Fees	0	1,000	1,000
Highway Collections - Postage	2,864,078	2,952,658	2,952,658
Highway Collections - Administration Division	2,527,901	3,148,036	3,238,386
Highway Collections - Postage - Driver License	662,467	720,287	720,287
TOTAL	\$ 22,037,450	\$ 25,112,606	\$ 25,214,976
General Revenue Fund	8,873,693	11,132,526	10,991,358
Other Funds	13,163,757	13,980,080	14,223,618
Total Full-time Equivalent Employees	415.64	437.54	441.54

The Missouri Constitution, Article IV, Sections 30(a), 30(b), and 30(c) requires all state revenues from the existing motor vehicle fuel tax, vehicle taxes, and fees paid by highway users (less collection costs of up to three percent of the amount collected and State Highway Patrol enforcement costs) be used for state and local highways, roads, and bridges, and for constructing and maintaining the state highway system. The Department of Revenue collects and remits these revenues to the State Highways and Transportation Department Fund. Highway Collections functions are distributed between the department's Taxation Division, Motor Vehicle and Driver Licensing Division, Administration Division, and Legal Services/General Counsel Division.

Fiscal Year 2021 Governor's Recommendations

- \$203,640 and four staff for investments to enhance quality and efficiencies, focus on service culture, and workforce development.
- \$42,130 State Highways and Transportation Department Fund and one staff to implement SB 368 (2019), HB 831 (2019), and HB 898 (2019).
- \$155,821 for pay plan, including \$77,701 general revenue.
- \$225,736 for the remaining pay periods of the Fiscal Year 2020 approved pay plan, including \$112,674 general revenue.
- \$52,320 for the remaining pay periods of the Fiscal Year 2020 approved pay plan associated with the recently completed compensation study to move to market-based minimums, including \$42,344 general revenue.
- \$397 reallocated from the Administration Division for mileage reimbursement costs, including \$147 general revenue.
- (\$577,674) and (one) staff core reduction from the Fiscal Year 2020 appropriation level.

**DEPARTMENT OF REVENUE
STATE TAX COMMISSION**

FINANCIAL SUMMARY

	FY 2019 EXPENDITURE	FY 2020 APPROPRIATION	FY 2021 GOVERNOR RECOMMENDS
State Tax Commission			
TOTAL	\$ 2,119,440	\$ 2,267,110	\$ 2,350,544
General Revenue Fund	2,119,440	2,267,110	2,350,544
Total Full-time Equivalent Employees	36.47	37.00	37.00

A constitutionally created quasi-judicial administrative agency, the State Tax Commission performs six basic functions: equalize inter- and intra-county assessments; conduct de novo judicial hearings regarding valuation and classification appeals from local boards of equalization; formulate and implement statewide assessment policies and procedures to comport with statutory and constitutional mandates; supervise local assessing officials and local assessment programs to ensure compliance with statewide requirements; conduct ratio studies to determine the assessment level in each county and to measure the quality of the assessments; and assess the distributable property of railroads and other public utilities.

Fiscal Year 2021 Governor’s Recommendations

- \$21,272 for pay plan.
- \$30,976 for the remaining pay periods of the Fiscal Year 2020 approved pay plan.
- \$29,697 for the remaining pay periods of the Fiscal Year 2020 approved pay plan associated with the recently completed compensation study to move to market-based minimums.
- \$1,489 reallocated from the Administration Division for mileage reimbursement costs.

**DEPARTMENT OF REVENUE
DISTRIBUTIONS**

FINANCIAL SUMMARY

	FY 2019 EXPENDITURE	FY 2020 APPROPRIATION	FY 2021 GOVERNOR RECOMMENDS
Prosecuting Attorneys and Collection Agencies Fees	\$ 2,273,776	\$ 2,900,000	\$ 2,900,000
County Filing Fees	58,716	200,000	200,000
State Share of Assessment Maintenance Costs	9,956,004	10,022,739	10,054,275
Appropriated Tax Credits	0	200,000	0
Motor Fuel Tax Distribution to Cities and Counties	188,980,617	195,000,000	195,000,000
Emblem Use Fee Distribution	1,000	1,000	20,000
County Stock Insurance Tax	124,906	135,700	135,700
Debt Offset For Tax Credits Transfer	69,122	150,000	150,000
Income Tax Check-Off Refund Designations	190,333	471,000	471,000
TOTAL	\$ 201,654,474	\$ 209,080,439	\$ 208,930,975
General Revenue Fund	12,673,857	14,080,439	13,930,975
Other Funds	188,980,617	195,000,000	195,000,000
Total Full-time Equivalent Employees	0.00	0.00	0.00

PROSECUTING ATTORNEYS AND COLLECTION AGENCIES FEES

Section 136.150, RSMo, provides a 20 percent collection fee to circuit or prosecuting attorneys for delinquent taxes, licenses, or fees recovered on behalf of the state. The department deposits the collection fee in the county treasury with one-half of the fee for use by the attorney’s office and one-half to be expended as the county determines.

Section 140.850, RSMo, authorizes the Department of Revenue to use private attorneys or professional collection agencies to collect delinquent taxes owed by resident and non-resident taxpayers (individuals and businesses). The statute restricts the fee to not more than 25 percent of the amount collected.

Fiscal Year 2021 Governor’s Recommendations

Continue funding at the current level.

COUNTY FILING FEES

The Department of Revenue is authorized to file certificates of lien with the circuit courts for income, withholding, sales, and use tax delinquencies under Sections 144.380 and 143.902, RSMo. Under Section 144.380(4), RSMo, county recorders may charge the department a fee of \$3.00 per tax lien for filing and \$1.50 per release of a filed tax lien. The department collects these fees from the delinquent taxpayers.

Fiscal Year 2021 Governor’s Recommendations

Continue funding at the current level.

**DEPARTMENT OF REVENUE
DISTRIBUTIONS**

STATE SHARE OF ASSESSMENT MAINTENANCE COSTS

The state reimburses a portion of local assessor maintenance assessment costs and expenses.

Fiscal Year 2021 Governor's Recommendations

- \$31,536 for assessment maintenance costs and expenses due to increased statewide parcel count.

APPROPRIATED TAX CREDITS

Fiscal Year 2021 Governor's Recommendations

- (\$200,000) core reduction from the Fiscal Year 2020 appropriation level.

MOTOR FUEL TAX DISTRIBUTION TO CITIES AND COUNTIES

Missouri Constitution Article IV, Section 30(a)(2) requires a 15 percent allocation of the Motor Fuel Tax collections net proceeds to the incorporated cities, towns, and villages of the state to assist in the maintenance of streets and highways.

Missouri Constitution Article IV, Section 30(a)(1) requires a 10 percent allocation of the Motor Fuel Tax collections net proceeds to the counties to assist in the maintenance of county roads, highways, and bridges. In addition, Missouri Constitution Article IV, Section 30(a)(2) requires distributing 15 percent of the net proceeds resulting from any increase in the Motor Fuel Tax rate over the rate in effect on March 31, 1992, to the counties to assist in the maintenance of county roads, highways, and bridges.

Fiscal Year 2021 Governor's Recommendations

Continue funding at the current level.

EMBLEM USE FEE DISTRIBUTION

Individuals requesting a specialty license plate contribute an emblem use fee to the organization sponsoring the specialty plate. If statute allows the individual to remit the emblem use authorization fee to the Department of Revenue, the department must remit these fees to the applicable organization.

Fiscal Year 2021 Governor's Recommendations

- \$19,000 for distributions due to increased emblem use fee contributions, pursuant to HB 898 (2019).

**DEPARTMENT OF REVENUE
DISTRIBUTIONS**

COUNTY STOCK INSURANCE TAX

The Department of Revenue uses this appropriation to meet the apportionment requirements for the County Stock Insurance Tax required by Section 148.330, RSMo, while holding school districts and counties harmless to reductions from premium tax credits provided to insurance companies.

Fiscal Year 2021 Governor's Recommendations

Continue funding at the current level.

DEBT OFFSET FOR TAX CREDITS TRANSFER

Section 135.815, RSMo, requires that tax credit applicants first use any award to pay off any delinquent income, sales, use, or insurance taxes. After applying all credits toward any delinquencies, the applicant can be issued any remaining credits. The Department of Revenue uses this appropriation to satisfy delinquencies.

Fiscal Year 2021 Governor's Recommendations

Continue funding at the current level.

INCOME TAX CHECK-OFF REFUND DESIGNATIONS

State statutes permit individuals and corporations to contribute a portion of their income tax refund to numerous separate state trust funds and separate charitable trust funds. The taxpayer designates a distribution amount to the various trust funds to transfer from the General Revenue Fund.

Fiscal Year 2021 Governor's Recommendations

Continue funding at the current level.

**DEPARTMENT OF REVENUE
STATE LOTTERY COMMISSION**

FINANCIAL SUMMARY

	FY 2019 EXPENDITURE	FY 2020 APPROPRIATION	FY 2021 GOVERNOR RECOMMENDS
Lottery Commission - Operating	\$ 64,626,056	\$ 59,859,377	\$ 60,075,420
Lottery Commission - Prizes	174,075,218	174,075,218	174,075,218
TOTAL	\$ 238,701,274	\$ 233,934,595	\$ 234,150,638
Other Funds	238,701,274	233,934,595	234,150,638
Total Full-time Equivalent Employees	153.86	153.50	153.50

Approved by the voters of Missouri, the Missouri Constitution, Article III, Section 39(b), established the Missouri State Lottery. The Missouri State Lottery transfers all profits to help fund public institutions of elementary, secondary, and higher education. Lottery functions include: recruiting and licensing Lottery retailers; creating, marketing, and distributing Lottery products; collecting revenue from Lottery retailers; paying out Lottery prizes and retailer commissions; and ensuring the security and integrity of the Lottery operations and games.

Fiscal Year 2021 Governor’s Recommendations

- \$74,330 Lottery Enterprise Fund for pay plan.
- \$107,769 Lottery Enterprise Fund for the remaining pay periods of the Fiscal Year 2020 approved pay plan.
- \$32,913 Lottery Enterprise Fund for the remaining pay periods of the Fiscal Year 2020 approved pay plan associated with the recently completed compensation study to move to market-based minimums.
- \$1,031 Lottery Enterprise Fund reallocated from the Administration Division for mileage reimbursement costs.

LOTTERY TRANSFER TO EDUCATION

FINANCIAL SUMMARY

	FY 2019 EXPENDITURE	FY 2020 APPROPRIATION	FY 2021 GOVERNOR RECOMMENDS
Other Funds	\$ 323,000,000	\$ 333,000,000	\$ 333,000,000

Section 39(b) of Article III of the Missouri Constitution provides for the transfer of net proceeds to help fund public institutions of elementary, secondary, and higher education.

Fiscal Year 2021 Governor’s Recommendations

Continue funding at the current level.