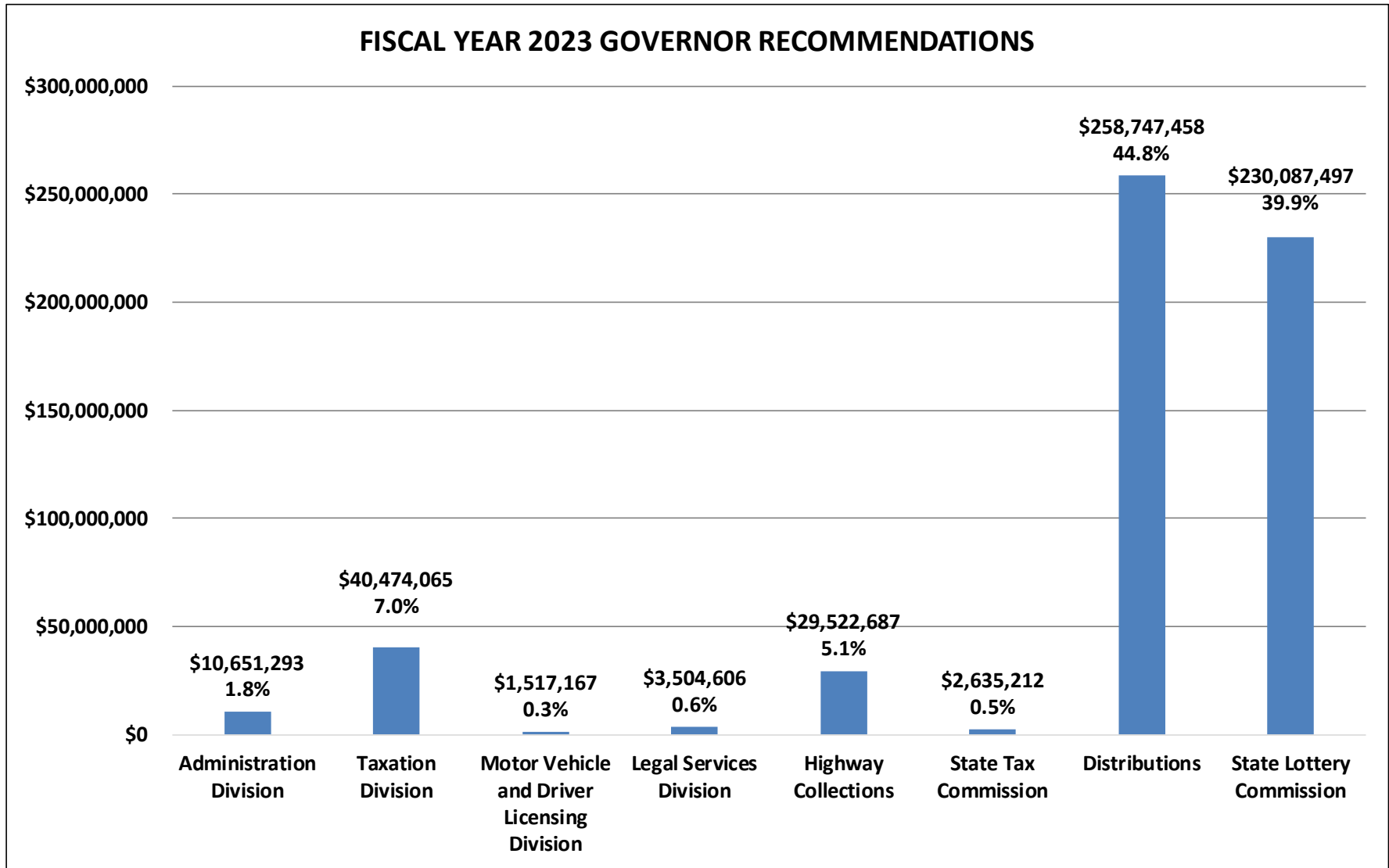


DEPARTMENT OF REVENUE

FINANCIAL SUMMARY

| | FY 2021 EXPENDITURE | FY 2022 APPROPRIATION | FY 2023 REQUEST | FY 2023 GOVERNOR RECOMMENDS |
|--|------------------------|--------------------------|-----------------------|-----------------------------------|
| Administration Division | \$ 7,321,585 | \$ 10,306,244 | \$ 10,511,270 | \$ 10,651,293 |
| Taxation Division | 28,550,517 | 30,085,914 | 33,314,965 | 40,474,065 |
| Motor Vehicle and Driver Licensing Division | 1,026,717 | 1,578,466 | 1,584,720 | 1,517,167 |
| Legal Services Division | 2,562,362 | 3,018,716 | 3,317,339 | 3,504,606 |
| Highway Collections | 23,104,702 | 25,666,052 | 26,716,651 | 29,522,687 |
| State Tax Commission | 2,102,754 | 2,452,330 | 2,525,354 | 2,635,212 |
| Distributions | 193,581,921 | 209,486,122 | 209,639,068 | 258,747,458 |
| State Lottery Commission | 232,271,196 | 229,551,999 | 229,626,659 | 230,087,497 |
| State Legal Expense Fund Transfer | 0 | 1 | 1 | 1 |
| DEPARTMENTAL TOTAL | \$ 490,521,754 | \$ 512,145,844 | \$ 517,236,027 | \$ 577,139,986 |
| General Revenue Fund | 59,400,474 | 64,248,965 | 68,342,819 | 76,210,483 |
| Federal Funds | 1,820,212 | 4,130,415 | 4,133,268 | 4,152,203 |
| Child Support Enforcement Fund | 989,927 | 1,490,654 | 1,490,928 | 1,493,429 |
| Health Initiatives Fund | 60,331 | 66,296 | 66,858 | 73,608 |
| Port Authority AIM Zone Fund | 0 | 500,000 | 500,000 | 500,000 |
| Petroleum Storage Tank Insurance Fund | 28,341 | 31,334 | 31,634 | 35,451 |
| Motor Vehicle Commission Fund | 814,978 | 1,001,179 | 1,007,943 | 1,063,175 |
| Veterans Health and Care Fund | 0 | 0 | 0 | 150,000 |
| Conservation Commission Fund | 609,263 | 625,168 | 631,263 | 725,071 |
| State Highways and Transportation Department Fund | 13,678,903 | 15,395,196 | 15,734,845 | 17,712,911 |
| Lottery Enterprise Fund | 54,695,978 | 55,476,781 | 55,551,441 | 56,012,279 |
| Petroleum Inspection Fund | 31,993 | 39,653 | 40,017 | 45,636 |
| Motor Fuel Tax Fund | 180,806,648 | 195,000,000 | 195,000,000 | 244,208,290 |
| State Lottery Fund | 177,575,218 | 174,075,218 | 174,075,218 | 174,075,218 |
| Motor Vehicle Administration Technology Fund | 0 | 0 | 564,296 | 613,759 |
| Department of Revenue Specialty Plate Fund | 500 | 17,237 | 17,309 | 17,817 |
| Tobacco Control Special Fund | 8,988 | 47,748 | 48,188 | 50,656 |
| Total Full-time Equivalent Employees | 1,230.72 | 1,260.05 | 1,343.05 | 1,322.05 |
| General Revenue Fund | 803.18 | 812.02 | 855.02 | 850.02 |
| Federal Funds | 2.53 | 4.74 | 4.74 | 4.74 |
| Other Funds | 425.01 | 443.29 | 483.29 | 467.29 |

¹ Does not include \$2,106,846 appropriated in House Bill 14 (2022) introduced January 5, 2022 during the second regular session of the 101st General Assembly and does not include \$56,282,881 recommended in Fiscal Year 2022 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 2021 EXPENDITURE | FY 2022 APPROPRIATION | FY 2023 GOVERNOR RECOMMENDS |
|---|--------------------------------|----------------------------------|--|
| Administration Division | \$ 4,319,281 | \$ 6,712,488 | \$ 6,866,977 |
| Postage | 3,002,304 | 3,093,756 | 3,284,316 |
| Port Aim Zones | 0 | 500,000 | 500,000 |
| TOTAL | \$ 7,321,585 | \$ 10,306,244 | \$ 10,651,293 |
| General Revenue Fund | 4,612,221 | 4,737,152 | 5,072,800 |
| Federal Funds | 1,668,853 | 3,527,693 | 3,534,319 |
| Other Funds | 1,040,511 | 2,041,399 | 2,044,174 |
| Total Full-time Equivalent Employees | 34.35 | 41.11 | 41.11 |

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 2023 Governor's Recommendations

- \$190,560 for postage cost increases.
- \$140,023 for the remaining pay periods of the pay plan proposed to begin February 1, 2022, including \$131,467 general revenue.
- \$14,466 for the remaining pay periods of the Fiscal Year 2022 approved pay plan, including \$13,621 general revenue.

**DEPARTMENT OF REVENUE
TAXATION DIVISION**

FINANCIAL SUMMARY

| | FY 2021 EXPENDITURE | FY 2022 APPROPRIATION | FY 2023 GOVERNOR RECOMMENDS |
|---|--------------------------------|----------------------------------|--|
| Taxation Division | \$ 21,059,891 | \$ 22,273,239 | \$ 32,824,065 |
| Integrated Tax System | 7,490,626 | 7,500,000 | 7,650,000 |
| 911 Service Board Trust Fund | 0 | 312,675 | 0 |
| TOTAL | \$ 28,550,517 | \$ 30,085,914 | \$ 40,474,065 |
| General Revenue Fund | 27,827,144 | 29,330,179 | 39,451,015 |
| Other Funds | 723,373 | 755,735 | 1,023,050 |
| Total Full-time Equivalent Employees | 530.85 | 489.00 | 523.00 |

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 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 to foster Missouri tax law compliance.

Fiscal Year 2023 Governor’s Recommendations

- \$8,653,926 and 34 staff to implement the online use tax provisions in SB 153 (2021).
- \$150,000 Missouri Veterans Health and Care Fund for tax system upgrades.
- \$2,188,300 for the remaining pay periods of the pay plan proposed to begin February 1, 2022, including \$2,078,306 general revenue.
- \$196,075 for the remaining pay periods of the Fiscal Year 2022 approved pay plan, including \$188,754 general revenue.
- (\$800,150) core reduction for one-time expenditures.

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

FINANCIAL SUMMARY

| | FY 2021 EXPENDITURE | FY 2022 APPROPRIATION | FY 2023 GOVERNOR RECOMMENDS |
|---|--------------------------------|----------------------------------|--|
| Motor Vehicle and Driver Licensing Division | | | |
| TOTAL | \$ 1,026,717 | \$ 1,578,466 | \$ 1,517,167 |
| General Revenue Fund | 737,892 | 937,680 | 844,244 |
| Federal Funds | 0 | 163,666 | 163,931 |
| Other Funds | 288,825 | 477,120 | 508,992 |
| Total Full-time Equivalent Employees | 18.77 | 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 dealers and oversees dealer operations to ensure compliance with dealer licensing laws. The division also manages the operations of licensing offices throughout the state and coordinates requests for proposals for these offices.

Fiscal Year 2023 Governor's Recommendations

- \$82,447 for the remaining pay periods of the pay plan proposed to begin February 1, 2022, including \$52,530 general revenue.
- \$6,254 for the remaining pay periods of the Fiscal Year 2022 approved pay plan, including \$4,034 general revenue.
- (\$150,000) core reduction for one-time expenditures.

**DEPARTMENT OF REVENUE
LEGAL SERVICES DIVISION**

FINANCIAL SUMMARY

| | FY 2021 EXPENDITURE | FY 2022 APPROPRIATION | FY 2023 GOVERNOR RECOMMENDS |
|---|--------------------------------|----------------------------------|--|
| Legal Services Division | | | |
| TOTAL | \$ 2,562,362 | \$ 3,018,716 | \$ 3,504,606 |
| General Revenue Fund | 1,919,391 | 2,034,645 | 2,472,026 |
| Federal Funds | 151,359 | 439,056 | 453,953 |
| Other Funds | 491,612 | 545,015 | 578,627 |
| Total Full-time Equivalent Employees | 50.83 | 58.80 | 62.80 |

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 2023 Governor’s Recommendations

- \$272,144 and four staff for the internal audit program.
- \$187,267 for the remaining pay periods of the pay plan proposed to begin February 1, 2022, including \$146,096 general revenue.
- \$26,479 for the remaining pay periods of the Fiscal Year 2022 approved pay plan, including \$19,141 general revenue.

**DEPARTMENT OF REVENUE
HIGHWAY COLLECTIONS**

FINANCIAL SUMMARY

| | FY 2021 EXPENDITURE | FY 2022 APPROPRIATION | FY 2023 GOVERNOR RECOMMENDS |
|--|--------------------------------|----------------------------------|--|
| Highway Collections - Taxation Division | \$ 1,157,860 | \$ 1,326,431 | \$ 1,720,166 |
| Highway Collections - Motor Vehicle and Driver Licensing Division | 13,812,352 | 15,465,455 | 18,161,057 |
| Highway Collections - Legal Services Division | 2,221,250 | 2,419,992 | 2,624,133 |
| Highway Collections - Attorney Fees | 0 | 1,000 | 1,000 |
| Highway Collections - Postage | 2,694,328 | 2,777,658 | 2,959,065 |
| Highway Collections - Administration Division | 2,673,625 | 3,130,229 | 3,476,249 |
| Highway Collections - Postage - Driver License | 545,287 | 545,287 | 581,017 |
| TOTAL | \$ 23,104,702 | \$ 25,666,052 | \$ 29,522,687 |
| General Revenue Fund | 9,425,799 | 10,270,856 | 11,196,017 |
| Other Funds | 13,678,903 | 15,395,196 | 18,326,670 |
| Total Full-time Equivalent Employees | 408.61 | 448.59 | 472.59 |

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 2023 Governor's Recommendations

- \$660,225 State Highways and Transportation Department Fund to operate temporary license offices.
- \$626,889 State Highways and Transportation Department Fund for increased costs related to the manufacture and production of license plates and titles.
- \$564,296 Motor Vehicle Administration Technology Fund and 15 staff for the Motor Vehicle/Driver's License's modernization project.
- \$206,440 for postage cost increases, including \$71,460 general revenue.
- \$179,200 State Highways and Transportation Department Fund and five staff for the implementation of the motor fuel tax refund created under SB 262 (2021).
- \$149,027 State Highways and Transportation Department Fund and four staff to allow electronic submission of medical certifications by Commercial Driver's License holders.
- \$73,886 for development and delivery of process improvement and performance management within the department, including \$66,497 general revenue.
- \$1,926,061 for the remaining pay periods of the pay plan proposed to begin February 1, 2022, including \$712,010 general revenue.
- \$158,111 for the remaining pay periods of the Fiscal Year 2022 approved pay plan, including \$75,194 general revenue.
- (\$687,500) State Highways and Transportation Department Fund core reduction for one-time expenditures.

**DEPARTMENT OF REVENUE
STATE TAX COMMISSION**

FINANCIAL SUMMARY

| | FY 2021 EXPENDITURE | FY 2022 APPROPRIATION | FY 2023 GOVERNOR RECOMMENDS |
|---|--------------------------------|----------------------------------|--|
| State Tax Commission | | | |
| TOTAL | \$ 2,102,754 | \$ 2,452,330 | \$ 2,635,212 |
| General Revenue Fund | 2,102,754 | 2,452,330 | 2,635,212 |
| Total Full-time Equivalent Employees | 34.46 | 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 2023 Governor’s Recommendations

- \$139,744 for the remaining pay periods of the pay plan proposed to begin February 1, 2022.
- \$43,138 for the remaining pay periods of the Fiscal Year 2022 approved pay plan.

**DEPARTMENT OF REVENUE
DISTRIBUTIONS**

FINANCIAL SUMMARY

| | FY 2021 EXPENDITURE | FY 2022 APPROPRIATION | FY 2023 GOVERNOR RECOMMENDS |
|--|--------------------------------|----------------------------------|--|
| Prosecuting Attorneys and Collection Agencies Fees | \$ 2,216,456 | \$ 2,900,000 | \$ 2,900,000 |
| County Filing Fees | 4,913 | 200,000 | 200,000 |
| State Share of Assessment Maintenance Costs | 10,054,275 | 10,595,322 | 10,648,368 |
| Motor Fuel Tax Distribution to Cities and Counties | 180,806,648 | 195,000,000 | 244,208,290 |
| Emblem Use Fee Distribution | 25,828 | 34,100 | 34,100 |
| County Stock Insurance Tax | 129,932 | 135,700 | 135,700 |
| Debt Offset For Tax Credits Transfer | 96,145 | 150,000 | 150,000 |
| Income Tax Check-Off Refund Designations | 247,724 | 471,000 | 471,000 |
| TOTAL | \$ 193,581,921 | \$ 209,486,122 | \$ 258,747,458 |
| General Revenue Fund | 12,775,273 | 14,486,122 | 14,539,168 |
| Other Funds | 180,806,648 | 195,000,000 | 244,208,290 |
| 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 2023 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 2023 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 2023 Governor's Recommendations

- \$53,046 for assessment maintenance costs and expenses due to increased statewide parcel count.

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 2023 Governor's Recommendations

- \$49,208,290 Motor Fuel Tax Fund for increased motor fuel tax collections.

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 2023 Governor's Recommendations

Continue funding at the current level.

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 2023 Governor's Recommendations

Continue funding at the current level.

**DEPARTMENT OF REVENUE
DISTRIBUTIONS**

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 2023 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 2023 Governor's Recommendations

Continue funding at the current level.

**DEPARTMENT OF REVENUE
STATE LOTTERY COMMISSION**

FINANCIAL SUMMARY

| | FY 2021 EXPENDITURE | FY 2022 APPROPRIATION | FY 2023 GOVERNOR RECOMMENDS |
|---|--------------------------------|----------------------------------|--|
| Lottery Commission - Operating | \$ 54,695,978 | \$ 55,476,781 | \$ 56,012,279 |
| Lottery Commission - Prizes | <u>177,575,218</u> | <u>174,075,218</u> | <u>174,075,218</u> |
| TOTAL | \$ 232,271,196 | \$ 229,551,999 | \$ 230,087,497 |
| Other Funds | 232,271,196 | 229,551,999 | 230,087,497 |
| Total Full-time Equivalent Employees | 152.85 | 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 2023 Governor's Recommendations

- \$460,838 Lottery Enterprise Fund for the remaining pay periods of the pay plan proposed to begin February 1, 2022.
- \$74,660 Lottery Enterprise Fund for the remaining pay periods of the Fiscal Year 2022 approved pay plan.

LOTTERY TRANSFER TO EDUCATION

FINANCIAL SUMMARY

| | FY 2021 EXPENDITURE | FY 2022 APPROPRIATION | FY 2023 GOVERNOR RECOMMENDS |
|--------------------|--------------------------------|----------------------------------|--|
| Other Funds | \$ 345,032,500 | \$ 338,132,500 | \$ 338,132,500 |

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 2023 Governor's Recommendations

Continue funding at the current level.