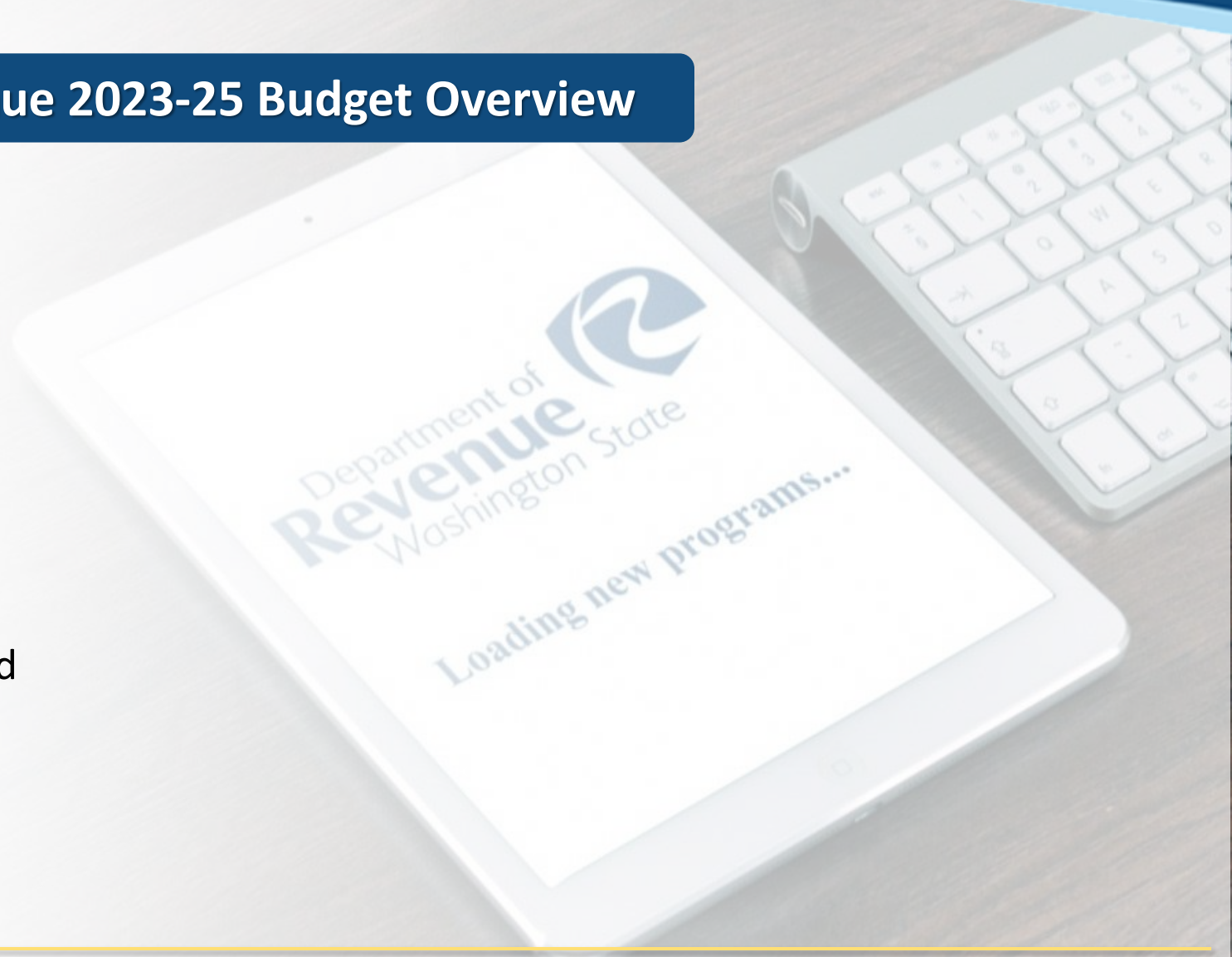




Department of Revenue 2023-25 Budget Overview



Presented by Sandi Fairchild
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2023-25 Biennial Budget Overview

Total Enacted 23-25 Budget \$918 Million

- \$531 Million authorized for specific dedicated expenditures
 - Includes Working Families Tax Credit Remittances
- \$387 Million for overall operational costs of the department

Total FTEs 1,495





2023-25 Biennial Budget Overview

- Working Families Tax Credit Technical Corrections (\$24,123,000 General Fund State)
 - Reestablish base funding as identified in the department's fiscal note.
 - *\$19,806,000 funded in DOR's budget and \$4,317,000 provided in the statewide technology pool.*
 - *Not approved - Realign budget with legislation. Allowing payments to be treated as a reduction of revenue as stated in the legislation.*
- Capital Gains Technical Correction (\$6,573,000 General Fund State)
 - Reestablish base funding as identified in the department's fiscal note.
 - *\$3,330,000 funded in DOR's budget and \$3,243,000 provided in the statewide technology pool.*
- Certificate of Participation Technical Correction (\$5,628,000 General Fund State, \$5,628,000 Business License)
 - Removes funding provided to the department to pay for financing of the department's tax and licensing system. The loan is paid in full, and funding is no longer needed to cover the debt service.
- Unclaimed Property Appropriation Technical Correction ESSB 5531 (Net Zero)
 - Funding provided for this legislation was placed in the General Fund and should have been placed in the Unclaimed Property Fund.





2023-25 Biennial Budget Request

- Working Families Tax Credit Implementation Support (Requested \$27,601,000 Provided \$12,601,000)
 - Resources to ensure adequate staffing resources, maintain and enhance fraud mitigation & identity protection strategies, increase accessibility, and expand outreach.
 - *Expansion of outreach grants funded at \$5 million and not \$20 million.*
- Unclaimed Property (Requested \$4,675,000 Provided \$2,644,000)
 - *Resources for expanded marketing activities to allow for year-round advertising and to increase the types of advertising. Additional staffing is included to support increasing number of claims submitted.*
- Pro-Equity Anti-Racism (PEAR) Support (\$221,000 General Fund State)
 - *Resources to support Governor Inslee's March 2022 Executive Order 22-04, implementing the Washington State PEAR Plan and Playbook which will improve how we serve our diverse communities.*





2023-25 Biennial Budget Request

- Business Licensing Service Appropriation Adjustment (Net Zero Adjustment)
 - Discontinue General Fund State support to cover the programs portion of enhancements made to the department's Automated Tax and Licensing System.
 - Reduce the Business License Fund Balance to allow for the balance to meet the statutory required balance by fiscal year 2025.
- Facilities Lease Rate Adjustments (\$1,606,000 Multiple Funds)
 - Resources to support anticipated increases in lease rates associated with 9 of the department's 15 facilities.
- Tax and Licensing System Maintenance (\$1,453,000 Multiple Funds)
 - Resources to support annual increases in the cost for ongoing essential vendor-provided maintenance and support for the department's automated tax and licensing system.



2023-25 Biennial Budget Request

- Business Continuity Solution (\$2,514,000 General Fund State)
 - Resources to establish a cloud-based, business continuity solution to prevent a major disruption of service in the event of a cyberthreat or natural disaster.
- Administrative Modifications (\$78,000 Unclaimed Property Account)
 - Resources to support costs associated with the department's proposal to provide a business license delinquency fee waiver if the licensee requests the waiver and meets certain conditions.



2023-25 Biennial Budget Request

\$4,083,000 2023 Revenue Legislation – Bills Include:

HB 1018 – Hog Fuel

HB 1163 – Leasehold Excise Tax

HB 1265 – Adult Family Homes

HB 1355 – Disabled Veterans and Seniors

HB 1425 – Facilitating Municipal Annexations

HB 1431 – Meals in Senior Living Communities

HB 1527 – Tech Cor./Local Tax Increment
Financing

HB 1573 – Tax Pref.- Dairy/Fruit/Veg/Seafood
Proc.

HB 1711 – Internet projects/Tribal

HB 1756 – Clean Energy Tax Changes

HB 1764 – Public Road Construction/Taxation

SB 5218 – Complex Rehabilitation Tech. Products

SB 5096 – Employee Ownership

SB 5166 – B&O Tax Deduction for Coop Finance Org.

SB 5258 – Condominium/Townhouse Homeownership

SB 5447 – Alternative Jet Fuel

SB 5144 - Batteries

SB 5199 – Newspaper Publishers

SB 5634 – Problem Gambling

SB 5001 - Public Facility Districts

SB 5045 - Rental of Accessory Dwelling Units





2023-25 Biennial Budget Request

Legislation With Specified Funding –

- \$ 19,000 HB 1303 Property Tax Administration
- \$ 31,000 Tax and Revenue Laws Administration
- \$ 42,000 Delivery of Alcohol
- \$ 48,000 Petroleum Products Tax Administration
- \$ 300,000 Wealth Tax Study
- \$ 250,000 State and Local Tax Transparency/Online Searchable Database
- \$7,221,000 HB 1477 Working Families Tax Credit Eligibility



2023-25 Biennial Budget Request

Questions ?