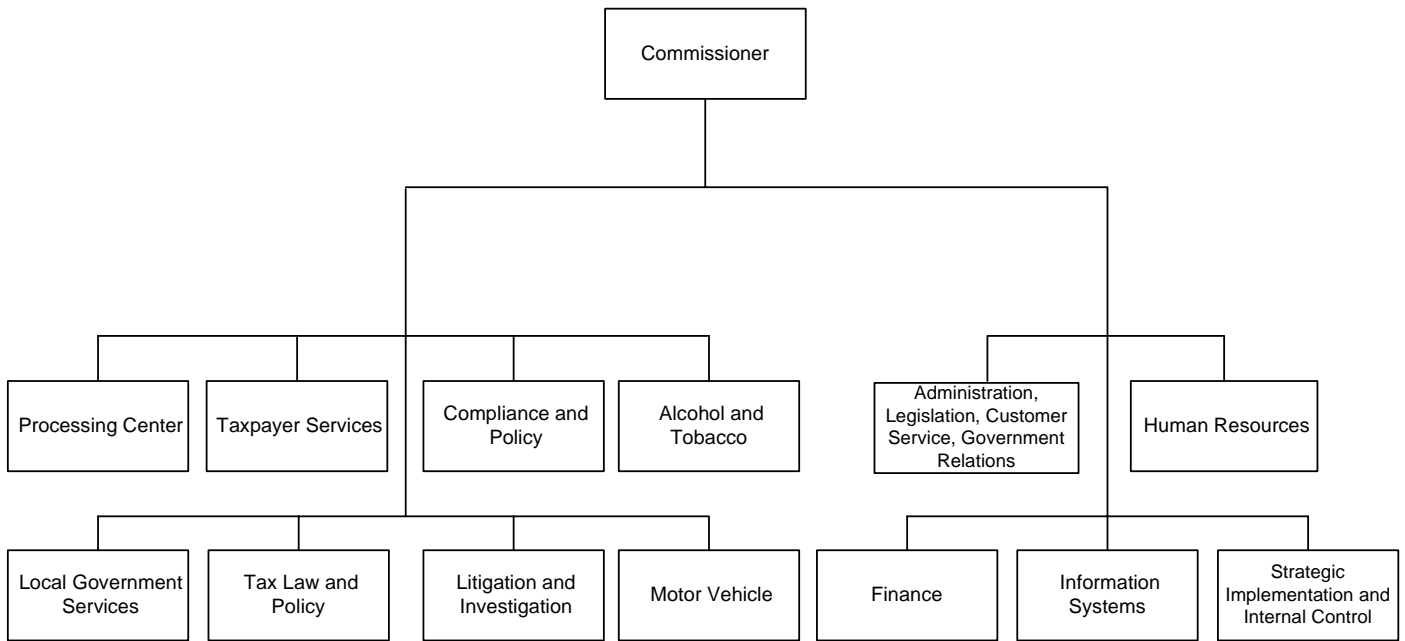


DEPARTMENT OF REVENUE

ORGANIZATIONAL CHART



DEPARTMENT OF REVENUE

ROLES AND RESPONSIBILITIES

Since 1938, the Department of Revenue has been responsible for administering the state's tax laws and collecting and processing state revenue. Additionally, the department is charged with enforcing laws and regulations pertaining to the control of alcoholic beverages and tobacco products, overseeing county property tax systems, and managing unclaimed property. Auditors, accountants, collectors, field representatives, and various specialists and administrative personnel work as authorized agents of the department's commissioner to carry out the Department of Revenue's responsibilities. In a typical year, these agents maintain and update millions of taxpayer accounts and enforce compliance with numerous laws and regulations.

The Department of Revenue processes more than 9 million documents per year, including more than 1.6 million electronic tax returns, and issues more than \$2 billion in tax refunds annually.

ORGANIZATION

To accomplish its duties, the department is comprised of the following seven divisions that report to the Commissioner:

- Administrative Division
- Taxpayer Services Division
- Compliance and Policy Division
- Alcohol and Tobacco Division
- Local Government Services Division
- Information Technology Division
- Processing Center

Each division plays a strategic role in meeting departmental goals and objectives.

TAX ADMINISTRATION AND COLLECTION

The Department of Revenue net state revenue collections for FY 2006 totaled \$16.4 billion. The major taxes and fees collected by the department include Personal Income Taxes, General Sales and Use Taxes, Corporation Income and License Taxes, Selective Sales Taxes (Motor Fuels, Liquor, etc.), Estate Taxes, and Property Taxes.

In addition to collecting and processing state revenue, each year the department also collects over \$4 billion in taxes designated for local counties, schools and municipalities. This amount includes a 1% sales tax in Fulton and DeKalb Counties that is used as dedicated revenue for the construction and operation of the Metropolitan Atlanta Rapid Transit Authority (MARTA). Other 1% sales taxes designated for local entities are the local option sales tax, the special purpose local option sales tax, the homestead local option sales tax, and the education local option sales tax.

ALCOHOL AND TOBACCO REGULATION

The department enforces all laws and regulations pertaining to the manufacture, possession, transportation, and sale of alcoholic beverages and the possession, transportation, and sale of tobacco products within the state, as well as, the operation of coin-operated amusement machines. The department's Alcohol and Tobacco Division is comprised of a criminal investigative unit and an audit and operations unit. Agents assigned to the investigative unit carryout specialized investigations that focus on licensing and enforcement agencies and lend assistance to outside parties. The audit and operations staff conducts audits of manufacturers, shippers, and distributors of alcoholic beverages and tobacco products. In addition, they promote voluntary compliance with the state's alcoholic beverage and tobacco excise tax laws.

STATE BOARD OF EQUALIZATION

The State Board of Equalization is attached to the Department of Revenue for administrative purposes only. The board appoints hearing officers that evaluate appeals by local governing authorities on issues relating to the Revenue Commissioner's disapproval of county tax digests.

AUTHORITY

Title 48 of the Official Code of Georgia Annotated.

DEPARTMENT OF REVENUE
PROGRAM BUDGET AND PERFORMANCE MEASURES - FY 2008

DEPARTMENT BUDGET SUMMARY	FY 2007	Changes	FY 2008
	Current Budget		Recommended
State General Funds	\$548,661,784	\$9,045,500	\$557,707,284
Tobacco Settlement Funds	150,000		150,000
TOTAL STATE FUNDS	\$548,811,784	\$9,045,500	\$557,857,284
Other Funds	7,005,348		7,005,348
TOTAL FUNDS	555,817,132	\$9,045,500	\$564,862,632

BUDGET RECOMMENDATIONS BY DEPARTMENT (Information Only):

Statewide Budget Changes:

1. Annualize the cost of the FY 2007 salary adjustment.	\$663,125
2. Provide for a general salary increase of 3% effective January 1, 2008, provide for performance increases and for supplemental salary adjustments for employees in specified critical jobs.	978,617
3. Reflect an adjustment in the employer share of State Health Benefit Plan premiums from 16.713% to 22.843%.	2,831,781
4. Reflect an adjustment in Workers' Compensation premiums.	396,939
5. Increase the Georgia Building Authority (GBA) real estate rental rate for office space.	68,033
Total Change	<u>\$4,938,495</u>

BUDGET RECOMMENDATIONS BY PROGRAM:

ADMINISTRATION

Recommended Change:

1. Fund statewide budget changes.	\$186,216
2. Realize CNG savings by reducing telecommunications.	(1,335)
Total Change	<u>\$184,881</u>

Program Budget:	FY 2007	FY 2008
	Current Budget	Recommended
State General Funds	\$4,053,813	\$4,238,694
Total Funds	<u>\$4,053,813</u>	<u>\$4,238,694</u>

CUSTOMER SERVICE

Purpose: Assure that all state revenue collection activities proceed in a manner consistent with promoting voluntary compliance and the Taxpayer Bill of Rights.

Performance Measures:

	FY 2005	FY 2006	FY 2007	FY 2008
	Actual	Actual	Estimated	Estimated
1. Customer Service: Percent of persons surveyed who attended taxpayer education workshops who reported that the programs were beneficial	70%	95%	95%	95%
2. Value of unclaimed property returned to rightful owners or heirs (in millions)	\$7	\$9	\$10	\$11
3. Number of claims unresolved after 90 days	1,169	50	50	50

DEPARTMENT OF REVENUE
PROGRAM BUDGET AND PERFORMANCE MEASURES - FY 2008

Recommended Change:

1. Fund statewide budget changes.	\$579,997
2. Transfer the State Board of Equalization program to the Customer Service program as a subprogram.	5,000
Total Change	\$584,997

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$10,709,219	\$11,294,216
Other Funds	2,110,135	2,110,135
Total Funds	\$12,819,354	\$13,404,351

STATE BOARD OF EQUALIZATION

Purpose: Examine the proposed assessments of each class of taxpayers or property and the digest of proposed assessments as a whole to determine that they are reasonably apportioned among the several tax jurisdictions and reasonably uniform with the values set on other classes of property throughout the state.

Recommended Change:

1. Transfer the State Board of Equalization program to Customer Service as a subprogram.	(\$5,000)
Total Change	(\$5,000)

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$5,000	\$0
Total Funds	\$5,000	\$0

DOCUMENTS PROCESSING AND DEPOSITS

Purpose: Ensure that all tax payments are received, credited, and deposited according to sound business practices and the law, and ensure that all tax returns are reviewed and recorded to accurately update taxpayer information.

Performance Measures:	FY 2005	FY 2006	FY 2007	FY 2008
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
1. Customer Service: Average time lapse in days between receipt and deposit of a check in a coupon payment	2.5	2.5	2	1
2. Number of sales tax returns processed through error resolution	787,500	750,000	615,000	615,000
3. Number of documents processed (in millions)	7.9	8	7.8	8

Recommended Change:

1. Fund statewide budget changes.	\$1,476,546
2. Realize CNG savings by reducing regular operating expenses.	(198,447)
Total Change	\$1,278,099

DEPARTMENT OF REVENUE
PROGRAM BUDGET AND PERFORMANCE MEASURES - FY 2008

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$40,595,061	\$41,873,160
Other Funds	426,769	426,769
Total Funds	<u>\$41,021,830</u>	<u>\$42,299,929</u>

INDUSTRY REGULATION

Purpose: Provide regulation of the distribution, sale, and consumption of alcoholic beverages and tobacco products and ensure all coin operated amusement machines are properly licensed and decaled.

Performance Measures:	FY 2005	FY 2006	FY 2007	FY 2008
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
1. Number of alcohol license investigations conducted	1,338	1,377	1,200	1,250
2. Number of investigations of illegal alcohol sales to underage persons that lead to a sanction of some type	285	448	400	390
3. Number of citations issued	1,880	1,684	1,500	1,700

Recommended Change:

1. Fund statewide budget changes.				\$232,197
Total Change				<u>\$232,197</u>

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$4,496,971	\$4,729,168
Tobacco Settlement Funds	150,000	150,000
Total Funds	<u>\$4,646,971</u>	<u>\$4,879,168</u>

SALVAGE INSPECTION

Purpose: Inspect rebuilt salvage vehicles.

Performance Measures:	FY 2005	FY 2006	FY 2007	FY 2008
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
1. Number of rebuilt salvage vehicle reinspections	22,618	23,208	24,400	24,400

Recommended Change:

1. Fund statewide budget changes.				\$90,209
Total Change				<u>\$90,209</u>

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$1,581,159	\$1,671,368
Total Funds	<u>\$1,581,159</u>	<u>\$1,671,368</u>

DEPARTMENT OF REVENUE
PROGRAM BUDGET AND PERFORMANCE MEASURES - FY 2008

TAG AND TITLE REGISTRATION

Purpose: Establish motor vehicle ownership.

Performance Measures:	FY 2005	FY 2006	FY 2007	FY 2008
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
1. Amount of revenue from motor vehicle registration (in millions)	\$184.4	\$195.7	\$201.5	\$201.5
2. Number of titles processed (in-person and by batch in millions)	\$2.7	\$2.8	\$2.9	\$2.9
3. Amount of revenue generated from the issuance of motor vehicle titles (in millions)	\$51.5	\$52.2	\$54.0	\$54.0

Recommended Change:

1. Fund statewide budget changes.	\$706,597
2. Realize CNG savings by reducing telecommunications.	(30,409)
Total Change	\$676,188

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$22,541,777	\$23,217,965
Other Funds	652,681	652,681
Total Funds	\$23,194,458	\$23,870,646

TAX COMPLIANCE

Purpose: Ensure that all taxpayers pay the correct amount of taxes owed under the law.

Performance Measures:	FY 2005	FY 2006	FY 2007	FY 2008
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
1. Number of proposed assessments issued	367,925	395,470	230,000	230,000
2. Percent of business audits that find businesses not in compliance with the tax laws	38%	41%	45%	45%
3. Average revenue per audit for all business audits	\$2,006	\$1,771	\$1,800	1,900

Recommended Change:

1. Fund statewide budget changes.	\$1,666,733
2. Realize CNG savings (\$244,404) and provide additional funds (\$492,792) to add 12 compliance auditors.	737,196
3. Provide funds for the implementation of a data warehouse to allow for the identification of underreporting and non-reporting taxpayers.	3,600,000
Total Change	\$6,003,929

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$28,603,204	\$34,607,133
Other Funds	3,815,763	3,815,763
Total Funds	\$32,418,967	\$38,422,896

DEPARTMENT OF REVENUE
PROGRAM BUDGET AND PERFORMANCE MEASURES - FY 2008

HOMEOWNERS' TAX RELIEF GRANT

Purpose: Provide homeowners' tax relief grants to counties and local school districts, for which the eligible assessed value of each qualified homestead in the state shall be \$8,000 for the taxable year beginning January 1, 2007.

Performance Measures:	FY 2005	FY 2006	FY 2007	FY 2008
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
1. Number of local taxing jurisdictions receiving grants	419	424	430	435
2. Number of homesteads qualifying for the grants (in millions)	6	7.3	7.4	7.6

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$432,290,501	\$432,290,501
Total Funds	\$432,290,501	\$432,290,501

CAPITAL OUTLAY SUMMARY

	FY 2008		
	<u>Yr.</u>	<u>Principal</u>	<u>Debt Service</u>
1. Funding for the integration of core systems as part of the tax integration project	5	\$7,000,000	\$1,596,000
2. Development and Implementation of Enterprise Data Warehouse	5	4,000,000	912,000
Total		\$11,000,000	\$2,508,000

DEPARTMENT OF REVENUE
DEPARTMENT BUDGET FINANCIAL SUMMARY BY OBJECT CLASS - FY 2008

Object Classes / Fund Sources	FY 2005 Expenditures	FY 2006 Expenditures	FY 2007 Current Budget	FY 2008 Agency Request Total	FY 2008 Governor's Recommendation
Personal Services	\$59,836,465	\$72,463,163	\$71,746,575	\$72,409,700	\$76,861,441
Regular Operating Expenses	6,450,119	10,777,357	9,064,832	9,064,832	9,603,581
Travel	1,105,439	1,222,327			
Motor Vehicle Purchases	46,111	285,923	64,110	64,110	64,110
Equipment	233,866	210,808	283,156	283,156	1,473,156
Computer Charges	13,091,377	22,768,983	2,263,503	2,263,503	2,263,503
Real Estate Rentals	6,839,501	7,241,376	7,538,475	7,538,475	7,362,104
Telecommunications	1,236,547	2,756,656	19,305,606	19,305,606	19,333,862
Per Diem and Fees	651,390	801,571			
Capital Outlay	2,120,536				350,000
Contractual Services	5,843,689	6,175,711	7,475,295	7,475,295	9,475,295
MV Tags and Decals		5,322,674	2,000,000	2,000,000	2,000,000
County Tax Officials Retirement and FICA	3,785,079	4,785,079	3,785,079	3,785,079	3,785,079
Homeowners' Tax Relief Grants	420,437,228	410,072,377	432,290,501	432,290,501	432,290,501
TOTAL FUNDS	\$521,677,347	\$544,884,005	\$555,817,132	\$556,480,257	\$564,862,632
<u>Less:</u>					
Federal Funds	\$542,577	\$315,536			
Other Funds	15,426,202	20,198,939	\$7,005,348	\$7,005,348	\$7,005,348
DOAS Indirect Funds	2,544,988				
Subtotal	\$18,513,767	\$20,514,475	\$7,005,348	\$7,005,348	\$7,005,348
State General Funds	\$503,013,580	\$524,219,530	\$548,661,784	\$549,324,909	\$557,707,284
Tobacco Settlement Funds	150,000	150,000	150,000	150,000	150,000
TOTAL STATE FUNDS	\$503,163,580	\$524,369,530	\$548,811,784	\$549,474,909	\$557,857,284
Positions	1,075	1,366	1,365	1,365	1,377
Motor Vehicles	74	94	94	94	94