



Colorado General Assembly
Joint Budget Committee

Joint Budget Committee Staff

FY 2016-17 Budget Briefing Summary

Department of Revenue-Corrected 1/19/16

The Department has three functional groups: Taxation Business Group; Division of Motor Vehicles; and Enforcement Business Group. The Taxation Business Group collects revenue for the state and for many local governments and assists taxpayers in tax related matters; the Division of Motor Vehicles regulates motor vehicle safety, issues personal identification documents, and regulates commercial vehicles; and the Enforcement Business Group regulates alcohol, tobacco, marijuana, horse racing and off-track betting, limited gaming, and automobile dealers and sales persons. The three functional areas are supported by the Executive Director's Office and Information Technology Divisions. The Department also operates the State Lottery, a TABOR enterprise supported by lottery ticket sales. The Department's FY 2015-16 appropriation represents 1.2 percent of statewide operating appropriations and 1.0 percent of statewide General Fund appropriations.

FY 2015-16 Appropriation and FY 2016-17 Request

	Department of Revenue					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$323,064,380	\$97,544,431	\$219,381,391	\$5,314,170	\$824,388	1,363.7
Other Legislation	<u>1,113,077</u>	<u>77,166</u>	<u>1,035,911</u>	<u>0</u>	<u>0</u>	<u>3.4</u>
TOTAL	\$324,177,457	\$97,621,597	\$220,417,302	\$5,314,170	\$824,388	1,367.1
FY 2016-17 Requested Appropriation						
FY 2015-16 Appropriation	\$324,177,457	97,621,597	\$220,417,302	\$5,314,170	\$824,388	1,367.1
Centrally appropriated line items	2,135,161	244,082	1,274,969	616,110	0	6.6
R2 Earned income tax credit	1,304,530	1,304,530	0	0	0	16.7
R1 Division of Motor Vehicles funding deficit	836,501	0	836,501	0	0	0.0
Non-prioritized requested changes	101,758	38,367	63,391	0	0	0.0
Annualize prior year budget actions	78,863	(4,095,661)	4,174,524	0	0	0.0
Annualize prior year legislation	66,674	(31,433)	98,107	0	0	2.4
R3 Postage fund mix adjustment	0	(23,813)	23,813	0	0	0.0
R4 Long Bill alignment	0	0	0	0	0	0.0
Revenue adjustment	<u>(562,295)</u>	<u>(892,295)</u>	<u>330,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$328,138,649	\$94,165,374	\$227,218,607	\$5,930,280	\$824,388	1,392.8
Increase/(Decrease)	\$3,961,192	(\$3,456,223)	\$6,801,305	\$616,110	\$0	25.7
Percentage Change	1.2%	(3.5%)	3.1%	11.6%	0.0%	1.9%

Summary of Issues Presented to the Joint Budget Committee

R1 Division of Motor Vehicles funding deficit: The request includes an increase of \$3.1 million Highway User Tax Fund (HUTF) off-the-top, subject to the 6 percent growth allowed with an offsetting decrease of approximately \$2.4 million from the Licensing Services Cash Fund to continue efforts to provide a consistent customer services experience. The request requires legislative change to allow the Department of Revenue to receive off-the-top appropriations from the (HUTF), subject to the 6 percent allowable growth.

R2 Earned income tax credit: The request includes an increase of \$1,304,530 General Fund and 16.7 FTE to implement the Earned Income Tax Credit existing in current law and to prevent and detect fraud with the tax credit.

Cost of administering the Limited Gaming Program: Created in the Colorado Constitution, the Limited Gaming Program includes the Division of Limited Gaming and the Limited Gaming Commission. The Constitution states that the General Assembly cannot condition any appropriations for administering the Limited Gaming Program and that they are included in the state budget for informational purposes. Reduced limited gaming revenues resulting from the economic downturn is driving an interest from limited gaming revenue recipients to question whether administrative expenses of the Limited Gaming Program are reasonable.

Drivers licenses for the unlawfully present update: During the FY 2014-15 Supplemental Budget Cycle and the FY 2015-16 Budget Cycle, the Joint Budget Committee provided additional funding from the Licensing Services Cash Fund to the Division of Motor Vehicles to operate the drivers licensing program for non-U.S. Citizens to meet the demand encountered by the Division when it began operating the program in August 2014. The appropriation included both a Long Bill footnote and a request for information, submitted monthly, gauging activity of the program.

For More Information

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To read the entire briefing: http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/2015-16/revbrf.pdf