

FY 2024/FY 2025 Efficiency Budget

New Hampshire Department of Revenue Administration

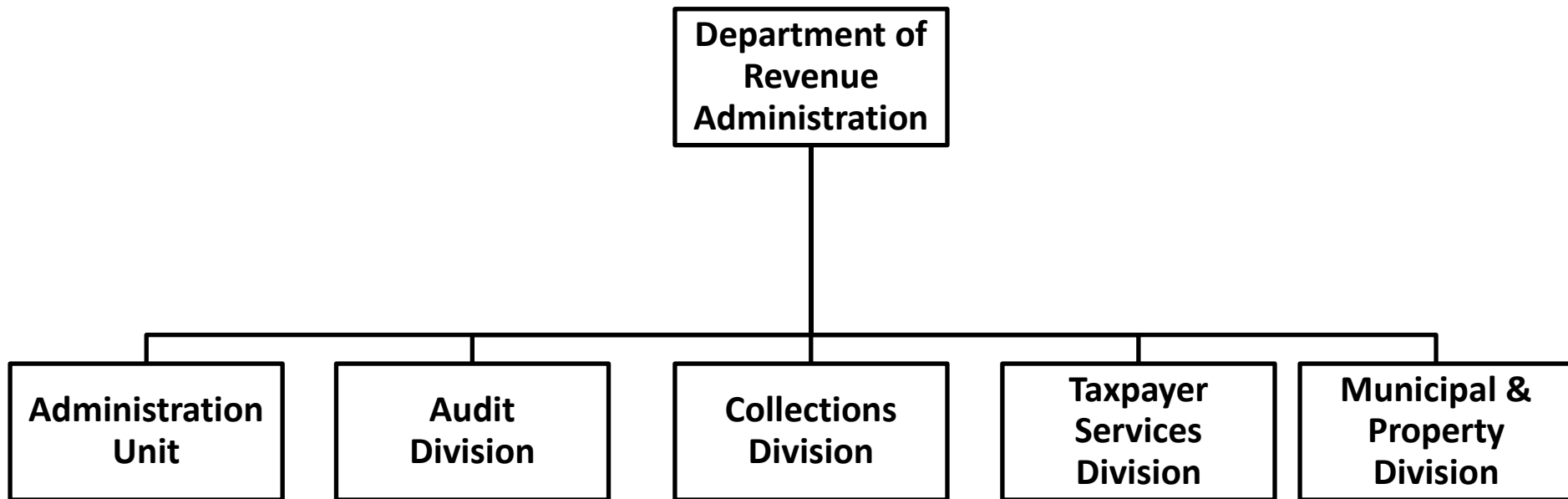


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Mission

The mission of the Department of Revenue Administration is to fairly and efficiently administer the tax laws of the State of New Hampshire, collecting the proper amount of taxes due, incurring the least cost to the taxpayers, in a manner that merits the highest degree of public confidence in our integrity. Further, we will provide prompt and constructive assistance to the municipal units of government in matters of budget, finance, and the appraisal of real estate.



FY 2024 / FY 2025 Agency Budget – The Big Picture

| | FY 2023 Adjusted Authorized | FY 2024 Efficiency | FY 2025 Efficiency |
|-------------------------------------|--------------------------------|-----------------------|-----------------------|
| General Funds | \$ 20,668,822 | \$ 21,167,759 2.4% | \$ 21,537,802 1.7% |
| Education Trust Fund | \$ 800,000 | \$ 800,000 | \$ 800,000 |
| Agency Income | \$ 630,271 | \$ - | \$ - |
| Total All Funds | \$ 22,099,093 | \$ 22,598,030 2.3% | \$ 22,968,073 1.6% |
| Permanent Classified Positions | 121 | 121 | 121 |
| Unclassified Positions | 35 | 35 | 35 |
| Total Number of Full Time Positions | 156 | 156 | 156 |

FY 2024 / FY 2025 Agency Budget Highlights

- Current position count is maintained at 156 full-time classified and unclassified positions, and four part-time positions.
 - Efficiency budget funds six full-time positions that are currently unfunded.
 - Two of those positions are revenue generating and would each produce an estimated \$1.5m over the biennium.
 - Our general fund operating budget is 75% salary and benefits; we're a department of people, not things or programs.
- Budget request includes sufficient funding for employee training, out of state travel for audits, overtime for peak periods in Taxpayer Services and Collections, maintaining a fleet of state-owned cars for in-state audits and property appraisal work, and postage for DRA communications to taxpayers.
- There are no budget increases for one-time State Workforce Efficiency Enhancement Program (SWEEP) projects.
- Division Directors, Business Office, and other managers worked hard to budget conservatively and accurately, requesting funds for needs not wants.

FY 2024 / FY 2025 Agency Budget – Prioritized Needs

- The DRA's efficiency budget as submitted maintains all current operations, however, there are certain areas where DRA has requested additional funding in the form of prioritized needs.
- The DRA's additional prioritized needs include:
 - Low and Moderate Income Hardship Grants
 - Chapter 95, Laws of 2021 increased the income limitations and the maximum amount of tax relief available for the Low and Moderate Income Property Tax Relief (L&M) program.
 - Change effective for April 1, 2021 property tax year with 5,912 claims issued to date totaling \$1,403,292, compared to 5,572 claims totaling \$800,000 for the April 1, 2020 year.
 - Prioritized need of \$700,000 to bring total appropriation to \$1.5m.
 - FY 2023 difference between appropriation of \$800,000 to actual expense will be covered pursuant to RSA 198:61 where the Governor is authorized to draw a warrant from the Education Trust Fund to satisfy the State's L&M obligation.

FY 2024 / FY 2025 Agency Budget – Prioritized Needs (continued)

- The DRA's additional prioritized needs include:
 - Revenue Information Management System (RIMS) Support
 - \$30,160,000 capital appropriation includes hardware maintenance and software licensing through FY 2025, but only includes software maintenance/consulting through the first quarter of FY 2024.
 - Request includes maintaining current level of software maintenance/consulting support through FY 2025:
 - FY 2024 = \$2,004,080
 - FY 2025 = \$3,613,520
 - Also requesting funding for two DoIT positions that are currently unfunded to prepare for 40-60% of DoIT embedded positions at DRA eligible for retirement during the FY 2024/FY 2025 biennium, and to increase knowledge transfer from RIMS consultants to state employees for the ongoing maintenance of RIMS.
 - A portion of this request will also help the DRA prepare for the version upgrade of the RIMS system to CORE21.
 - Funding of \$3.0m for CORE21 was received through the State Workforce Efficiency Enhancement Program (SWEET).

FY 2024 / FY 2025 Agency Budget – Prioritized Needs (continued)

- The DRA's additional prioritized needs include:
 - Department of Administrative Services requests \$3,000 in FY 2024.
 - Prioritized needs funded by the State Workforce Efficiency Enhancement Program (SWEEP):
 - FY 2024 - \$400,000 for a highspeed scanner to replace the current IT5 scanner which is at end of life to ensure continuity of operations.
 - FY 2024 - \$400,000 to upgrade and enhance 11-year-old property tax equalization web application to the latest version and to include additional functionality.
 - These two prioritized needs are no longer needed.

Update on FY 2022 / FY 2023 Budget Priorities

- Revenue Information Management System (RIMS)
 - Final Rollout (Rollout 3) went live on August 9, 2021 with the remaining tax types.
 - We have realized many benefits to the RIMS system over the past year:
 - Efficiency of the system helped the DRA continue to timely process documents received, even with a vacancy rate of ~15%.
 - Revenue increases from existing taxes attributable to the implementation of RIMS reached the cap of \$4m in FY 2022.
 - Reminder to pay letters = \$2.3m
 - Use of Federal Tax Information generated = \$1.7m
- Customer Service remains a priority of DRA.
 - In FY 2022 and FY 2023 to date, DRA has maintained a rating of 3 or higher (on a scale of 1 to 5) from 98% of customer satisfaction surveys that callers receive at the end of their calls into our call center.
 - Included with RIMS was the launch of Granite Tax Connect (GTC) which is an online portal allowing taxpayers and practitioners to make payments, file documents, check account status and more.
 - To date we have 30,648 external GTC users