

State of Alaska FY2002 Governor's Operating Budget

Department of Administration
Tax Appeals
Component

Component: Tax Appeals

Contact: Shelley Higgins, Chief Administrative Law Judge

Tel: (907) 465-5641 **Fax:** (907) 465-2280 **E-mail:** Shelley_Higgins@admin.state.ak.us

Component Mission

To offer independent adjudication for tax and administrative appeals.

Component Services Provided

- Conduct hearings and issue final administrative decisions in all taxpayer appeals from informal conference decisions of the Department of Revenue.
- Conduct hearings and issue recommended or final decisions, as provided by law, in appeals to the Commissioner of the Department of Administration in procurement, longevity bonus and personnel matters.
- Hear and decide administrative appeals referred by other departments.
- Make decisions readily accessible to the public.

Component Goals and Strategies

FOSTER PUBLIC CONFIDENCE IN THE FAIRNESS AND EFFECTIVENESS OF THE ADMINISTRATIVE APPEALS PROCESS.

- Streamline procedures in small appeals and use telecommunications technology to provide fair hearings where the cost of in-person hearings is prohibitive;
- Facilitate public access to final decisions and administrative law by publishing decisions immediately on the Internet.

PROVIDE INCREASED HEARING SERVICES TO OTHER AGENCIES

- Provide timely, cost-effective hearings and decisions in appeals that are voluntarily referred to the Office of Tax Appeals (OTA) by other departments.

Key Component Issues for FY2001 – 2002

- OTA depends on interagency receipt funding for hearing services in order to fully fund the full-time hearing officer position that is needed, in addition to the Administrative Law Judge position, to provide timely hearings and decisions in non-tax cases.

Major Component Accomplishments for FY2000

- Provided timely hearings and decisions in tax and other types of appeals despite a reduced budget and an increased caseload of non-tax appeals.

Statutory and Regulatory Authority

AS 43.05.400-499 (Tax Appeals)
AS 36.30.595-680 (Procurement)
AS 47.45.050 (Longevity Bonus)

Key Performance Measures for FY2002

Measure: The average cost for each appeal.
(Added by Legislature in FY2001 version.)

Measure: The average time for each appeal.
(Added by Legislature in FY2001 version.)

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• The average cost for each appeal.			X		
• The average time for each appeal.			X		

Tax Appeals
Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	189.8	197.5	196.8
72000 Travel	1.2	7.5	7.5
73000 Contractual	12.7	16.7	16.7
74000 Supplies	0.8	3.0	3.0
75000 Equipment	0.0	0.0	17.8
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	204.5	224.7	241.8
Funding Sources:			
1004 General Fund Receipts	177.7	182.3	201.0
1007 Inter-Agency Receipts	26.8	41.2	40.8
1053 Investment Loss Trust Fund	0.0	1.2	0.0
Funding Totals	204.5	224.7	241.8

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Interagency Receipts	51015	26.8	41.2	41.2	40.8	40.8
Investment Loss Trust Fund	51393	0.0	1.2	1.2	0.0	0.0
Restricted Total		26.8	42.4	42.4	40.8	40.8
Total Estimated Revenues		26.8	42.4	42.4	40.8	40.8

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Proposed Changes in Levels of Service for FY2002

No changes proposed

Summary of Component Budget Changes From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	183.5	0.0	41.2	224.7
Adjustments which will continue current level of service:				
-Year 2 Labor Costs - Net Change from FY2001	-0.3	0.0	-0.4	-0.7
Proposed budget increases:				
-Case Management Software and Equipment Replacement	17.8	0.0	0.0	17.8
FY2002 Governor	201.0	0.0	40.8	241.8

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Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	2	2	Annual Salaries	149,958
Part-time	1	1	COLA	2,569
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	48,428
			<i>Less 2.07% Vacancy Factor</i>	(4,155)
			Lump Sum Premium Pay	0
Totals	3	3	Total Personal Services	196,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	0	0	1	0	1
Administrative Law Judge	0	0	1	0	1
Hearing Officer	0	0	1	0	1
Totals	0	0	3	0	3