

Stricken language will be deleted and underlined language will be added.
Act 300 of the Fiscal Session

State of Arkansas
89th General Assembly
Fiscal Session, 2014

As Engrossed: H3/6/14
A Bill

HOUSE BILL 1048

By: Joint Budget Committee

For An Act To Be Entitled

AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES
AND OPERATING EXPENSES FOR THE DEPARTMENT OF FINANCE
AND ADMINISTRATION - REVENUE SERVICES DIVISION FOR
THE FISCAL YEAR ENDING JUNE 30, 2015; AND FOR OTHER
PURPOSES.

Subtitle

AN ACT FOR THE DEPARTMENT OF FINANCE AND
ADMINISTRATION - REVENUE SERVICES
DIVISION APPROPRIATION FOR THE 2014-2015
FISCAL YEAR.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. REGULAR SALARIES - REVENUE SERVICES DIVISION. There is hereby established for the Department of Finance and Administration - Revenue Services Division for the 2014-2015 fiscal year, the following maximum number of regular employees.

| Item No. | Class Code | Title | Maximum No. of Employees | Maximum Annual |
|----------|------------|---------------------------------------|--------------------------|-------------------------|
| | | | | Salary Rate Fiscal Year |
| | | | | 2014-2015 |
| (1) | N003N | DFA REV ASST COMMISSIONER OPS & ADMIN | 1 | GRADE N912 |
| (2) | N004N | DFA REV ASST COMMISSR POLICY & LEGAL | 1 | GRADE N912 |
| (3) | N037N | DFA DRIVER LICENSE ADMINISTRATOR | 1 | GRADE N909 |
| (4) | N035N | DFA MOTOR VEHICLE ADMINISTRATOR | 1 | GRADE N909 |



| | | | | |
|------|-------|--|-----|------------|
| (5) | G002N | DFA REVENUE CHIEF COUNSEL | 1 | GRADE N909 |
| (6) | N030N | DFA STATE REVENUE OFFICE ADMIN | 1 | GRADE N909 |
| (7) | N029N | DFA TAX ADMINISTRATOR | 2 | GRADE N909 |
| (8) | N028N | DFA TAX AUDIT ADMINISTRATOR | 1 | GRADE N909 |
| (9) | A003C | DFA REVENUE ASSISTANT ADMINISTRATOR | 12 | GRADE C130 |
| (10) | A006C | DFA REVENUE TAX DIVISION MANAGER | 8 | GRADE C129 |
| (11) | G025C | ATTORNEY SUPERVISOR | 2 | GRADE C127 |
| (12) | G024C | DEPARTMENT ADMINISTRATIVE LAW JUDGE | 3 | GRADE C127 |
| (13) | G047C | ATTORNEY SPECIALIST | 12 | GRADE C126 |
| (14) | G045C | DFA DIVISION MANAGER III | 2 | GRADE C126 |
| (15) | G044C | DFA REVENUE PROBLEM RESOLUTION OFFICER | 2 | GRADE C126 |
| (16) | G084C | DFA DIVISION MANAGER II | 8 | GRADE C123 |
| (17) | A033C | TAX AUDITOR SUPERVISOR | 27 | GRADE C123 |
| (18) | A049C | DFA REVENUE OFFICE DISTRICT MANAGER | 5 | GRADE C121 |
| (19) | G133C | DFA DIVISION MANAGER I | 17 | GRADE C120 |
| (20) | T032C | DFA REVENUE SECURITY COORDINATOR | 1 | GRADE C120 |
| (21) | D056C | SYSTEMS COORDINATION ANALYST | 1 | GRADE C120 |
| (22) | A054C | TAX AUDITOR II | 179 | GRADE C120 |
| (23) | A069C | DFA REV OFFICE ASST DISTRICT MANAGER | 5 | GRADE C119 |
| (24) | A059C | TAX AUDITOR | 1 | GRADE C119 |
| (25) | A077C | DFA LOCAL REVENUE OFFICE MANAGER | 50 | GRADE C118 |
| (26) | A074C | FISCAL SUPPORT SUPERVISOR | 4 | GRADE C118 |
| (27) | A082C | ACCOUNTANT II | 1 | GRADE C117 |
| (28) | G179C | LEGAL SERVICES SPECIALIST | 1 | GRADE C117 |
| (29) | S017C | MAINTENANCE COORDINATOR | 1 | GRADE C117 |
| (30) | A089C | ACCOUNTANT I | 1 | GRADE C116 |
| (31) | P027C | PUBLIC INFORMATION SPECIALIST | 1 | GRADE C116 |
| (32) | C037C | ADMINISTRATIVE ANALYST | 3 | GRADE C115 |
| (33) | A091C | FISCAL SUPPORT ANALYST | 21 | GRADE C115 |
| (34) | C029C | HEARING OFFICER | 26 | GRADE C115 |
| (35) | R032C | HUMAN RESOURCES PROGRAM REP | 1 | GRADE C115 |
| (36) | V015C | PURCHASING SPECIALIST | 2 | GRADE C115 |
| (37) | A094C | DFA LOCAL REVENUE OFFICE SUPERVISOR | 90 | GRADE C114 |
| (38) | C042C | DFA REVENUE SUPERVISOR | 29 | GRADE C114 |
| (39) | C048C | DFA SUPERVISOR | 90 | GRADE C113 |
| (40) | C046C | LEGAL SUPPORT SPECIALIST | 10 | GRADE C113 |

| | | | | |
|------|-------|-----------------------------------|-----------|------------|
| (41) | S046C | MAINTENANCE TECHNICIAN | 8 | GRADE C113 |
| (42) | C056C | ADMINISTRATIVE SPECIALIST III | 12 | GRADE C112 |
| (43) | A098C | FISCAL SUPPORT SPECIALIST | 2 | GRADE C112 |
| (44) | X172C | TAX INVESTIGATOR | 34 | GRADE C112 |
| (45) | C059C | DFA SERVICE REPRESENTATIVE | 670 | GRADE C111 |
| (46) | C073C | ADMINISTRATIVE SPECIALIST II | 29 | GRADE C109 |
| (47) | C076C | DFA TECHNICIAN | 88 | GRADE C108 |
| (48) | S084C | INSTITUTIONAL SERVICES SUPERVISOR | 1 | GRADE C104 |
| (49) | S087C | INSTITUTIONAL SERVICES ASSISTANT | <u>11</u> | GRADE C103 |
| | | MAX. NO. OF EMPLOYEES | 1,480 | |

SECTION 2. EXTRA HELP - REVENUE SERVICES DIVISION. There is hereby authorized, for the Department of Finance and Administration - Revenue Services Division for the 2014-2015 fiscal year, the following maximum number of part-time or temporary employees, to be known as "Extra Help", payable from funds appropriated herein for such purposes: two hundred twenty-one (221) temporary or part-time employees, when needed, at rates of pay not to exceed those provided in the Uniform Classification and Compensation Act, or its successor, or this act for the appropriate classification.

SECTION 3. APPROPRIATION - REVENUE SERVICES DIVISION. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the State Central Services Fund, for personal services and operating expenses of the Department of Finance and Administration - Revenue Services Division - Operations for the fiscal year ending June 30, 2015, the following:

| ITEM | FISCAL YEAR |
|---------------------------------|------------------|
| <u>NO.</u> | <u>2014-2015</u> |
| (01) REGULAR SALARIES | \$52,002,824 |
| (02) EXTRA HELP | 564,466 |
| (03) PERSONAL SERVICES MATCHING | 18,928,748 |
| (04) OVERTIME | 125,000 |
| (05) MAINT. & GEN. OPERATION | |
| (A) OPER. EXPENSE | 26,497,659 |
| (B) CONF. & TRAVEL | 115,450 |

| | |
|-----------------------------|---------------------|
| (C) PROF. FEES | 157,000 |
| (D) CAP. OUTLAY | 661,500 |
| (E) DATA PROC. | 0 |
| (06) REFUNDS/REIMBURSEMENTS | <u>25,000</u> |
| TOTAL AMOUNT APPROPRIATED | <u>\$99,077,647</u> |

SECTION 4. APPROPRIATION - COMMERCIAL DRIVERS LICENSE PROGRAM. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the Commercial Driver License Fund, for personal services and operating expenses of the Department of Finance and Administration - Revenue Services Division - Commercial Drivers License Program for the fiscal year ending June 30, 2015, the following:

| ITEM NO. | FISCAL YEAR 2014-2015 |
|---------------------------------|-----------------------|
| (01) REGULAR SALARIES | \$287,165 |
| (02) PERSONAL SERVICES MATCHING | 113,380 |
| (03) MAINT. & GEN. OPERATION | |
| (A) OPER. EXPENSE | 1,352,352 |
| (B) CONF. & TRAVEL | 0 |
| (C) PROF. FEES | 0 |
| (D) CAP. OUTLAY | 0 |
| (E) DATA PROC. | <u>0</u> |
| TOTAL AMOUNT APPROPRIATED | <u>\$1,752,897</u> |

SECTION 5. APPROPRIATION - INDIVIDUAL INCOME TAX AND AD VALOREM PROPERTY TAX REBATES. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the Individual Income Tax Withholding Fund, for the purpose of making individual income tax refunds of taxes withheld under the provisions of Arkansas Code beginning at 26-51-901 and property tax rebates under Amendment 79 of the Arkansas Constitution for the fiscal year ending June 30, 2015, the following:

| ITEM NO. | FISCAL YEAR 2014-2015 |
|----------|-----------------------|
|----------|-----------------------|

(01) INDIVIDUAL INCOME TAX & AD VALOREM
 PROPERTY TAX REBATES -
 REFUND/REIMBURSEMENTS \$680,000,000

SECTION 6. APPROPRIATION - CORPORATE INCOME TAX. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the Corporate Income Tax Withholding Fund, for the purpose of making corporate income tax refunds of taxes withheld under the provisions of Arkansas Code 26-51-901 for the fiscal year ending June 30, 2015, the following:

| ITEM | FISCAL YEAR |
|--|----------------------|
| <u>NO.</u> | <u>2014-2015</u> |
| (01) CORPORATE INCOME TAX - REFUND/REIMBURSEMENTS | <u>\$200,000,000</u> |

SECTION 7. APPROPRIATION - GASOLINE TAX REFUNDS. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the Gasoline Tax Refund Fund, for paying the valid gasoline tax refund claims of agricultural users and bus drivers in the manner and to the extent provided by law for the fiscal year ending June 30, 2015, the following:

| ITEM | FISCAL YEAR |
|---------------------------------|--------------------|
| <u>NO.</u> | <u>2014-2015</u> |
| (01) GASOLINE TAX REFUND CLAIMS | <u>\$1,500,000</u> |

SECTION 8. APPROPRIATION - INTERSTATE MOTOR FUEL TAX REFUNDS. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the Interstate Motor Fuel Tax Refund Fund, for paying refunds to interstate users of motor fuels and special motor fuels as authorized by law for the fiscal year ending June 30, 2015, the following:

| ITEM | FISCAL YEAR |
|------------|------------------|
| <u>NO.</u> | <u>2014-2015</u> |

| | |
|----------------------------------|---------------------|
| (01) INTERSTATE MOTOR FUEL TAX - | |
| REFUND/REIMBURSEMENTS | <u>\$20,000,000</u> |

SECTION 9. APPROPRIATION - MISCELLANEOUS TAX REFUNDS. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the Miscellaneous Revolving Fund, for making refunds of taxes erroneously paid and for refunds of the gross receipts taxes paid upon tickets to athletic events pursuant to Arkansas Code 26-52-511 and for other purposes as authorized by law for the fiscal year ending June 30, 2015, the following:

| ITEM | FISCAL YEAR |
|--------------------------|----------------------|
| <u>NO.</u> | <u>2014-2015</u> |
| (01) MISCELLANEOUS TAX - | |
| REFUND/REIMBURSEMENTS | <u>\$260,000,000</u> |

SECTION 10. APPROPRIATION - SPECIAL PLATES. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the cash fund deposited in the State Treasury as determined by the Chief Fiscal Officer of the State, for administrative and operating expenses of disbursing the Motor Vehicle Special License Plates fees to the proper entities for the fiscal year ending June 30, 2015, the following:

| ITEM | FISCAL YEAR |
|---|--------------------|
| <u>NO.</u> | <u>2014-2015</u> |
| (01) MV SPECIAL PLATES - ADMINISTRATIVE | |
| & OPERATING EXPENSES | <u>\$4,000,000</u> |

SECTION 11. APPROPRIATION - REVENUE MISCELLANEOUS CASH. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the cash fund deposited in the State Treasury as determined by the Chief Fiscal Officer of the State, for distribution of fees and service charges collected on behalf of other entities and for other purposes as authorized by law for the Department of Finance and Administration - Revenue Services Division for the fiscal year

ending June 30, 2015, the following:

| ITEM NO. | FISCAL YEAR 2014-2015 |
|---|--------------------------|
| (01) DISTRIBUTION OF FEES/SERVICE CHARGES | <u>\$5,000,000</u> |

SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

APPROPRIATION TRANSFERS. The Director of the Department of Finance and Administration is authorized to transfer appropriation between refund line item appropriations in this Act. The Director of the Department of Finance and Administration shall immediately report any such transfers to the Arkansas Legislative Council. Such report shall contain the amounts transferred and the reasons for the same.

The provisions of this section shall be in effect only from July 1, ~~2013~~ 2014 through June 30, ~~2014~~ 2015.

SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. EXTRA

HELP EXEMPTION. Extra Help positions authorized herein are specifically exempt from limitation of hours, either by act or regulation. Provided, however, when a temporary or part-time employee is employed by the Department of Finance and Administration - Revenue Services for a period of time exceeding seven (7) months, a report of such shall be filed with the Arkansas Legislative Council.

The provisions of this section shall be in effect only from July 1, ~~2013~~ 2014 through June 30, ~~2014~~ 2015.

SECTION 14. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. AUTHORITY

TO EMPLOY CERTIFIED LAW ENFORCEMENT OFFICERS. The Director of the Department of Finance and Administration is authorized to employ not more than one (1) certified law enforcement officer as certified under § 12-9-101 et seq. The certified law enforcement officer employed under this section shall be responsible for maintaining order and providing for the security, protection, and safety of Department buildings, grounds, property, employees and

customers. The certified law enforcement officer shall have the powers, duties, privileges, and immunities of a certified law enforcement officer.

SECTION 15. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

CONTINGENT POSITIONS. There is hereby established for the Department of Finance and Administration - Revenue Division - Contingent Positions for the ~~2013-2014~~ 2014-2015 fiscal year, the following maximum number of regular employees whose salaries shall be governed by the provisions of the Uniform Classification and Compensation Act (Arkansas Code 21-5-201 et seq.), or its successor, and all laws amendatory thereto. All persons occupying positions authorized herein are hereby governed by the provisions of the Regular Salaries Procedures and Restrictions Act (Arkansas Code 21-5-101), or its successor.

CONTINGENT POSITIONS – DATA ENTRY

| ITEM CLASS | NO. CODE | TITLE | MAXIMUM | SALARY RATE | |
|--------------------------|----------|----------------------------|-----------|--------------------|------------|
| | | | NO. OF | FISCAL YEARS | |
| | | | EMPLOYEES | 2013-14 | 2014-2015 |
| (1) | CO42C | DFA REVENUE SUPERVISOR | 2 | | GRADE C114 |
| (2) | CO59C | DFA SERVICE REPRESENTATIVE | 8 | | GRADE C111 |
| (3) | CO76C | DFA TECHNICIAN | <u>40</u> | | GRADE C108 |
| MAX CONTINGENT EMPLOYEES | | | 50 | | |

If it has been determined by the Director of the Department of Finance and Administration that the Department cannot continue a contract with a private provider and the Director deems it necessary to utilize Department staff to provide the required services, the Department is allowed, after seeking prior review by the Arkansas Legislative Council or Joint Budget Committee, to utilize the contingent positions for data entry contained in this Section and make the appropriate transfers from the various Maintenance and Operations, Professional Fees and Services or Data Processing line items contained in Section 3 of this Act to Regular Salaries and Personal Services Matching.

SECTION 16. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code § 26-52-402(c)(2)(B), concerning the exemption from the gross receipts tax for certain machinery and equipment, is amended to read as follows:

(B) Machinery and equipment used directly in the

manufacturing process includes without limitation the following:

(i) Molds, frames, cavities, and forms that determine the physical characteristics of the finished product or its packaging material at any stage of the manufacturing process;

(ii) Dies, tools, and devices attached to or a part of a unit of machinery that determine the physical characteristics of the finished product or its packaging material at any stage of the manufacturing process;

(iii) Testing equipment to measure the quality of the finished product at any stage of the manufacturing process;

(iv) Computers and related peripheral equipment that directly control or measure the manufacturing process; ~~and~~

(v) Machinery and equipment that produce steam, electricity, or chemical catalysts and solutions that are essential to the manufacturing process but which are consumed during the course of the manufacturing process and do not become necessary and integral parts of the finished product; and

(vi) Sand and other proppants used to complete a new oil or gas well or to recomplete, redrill, or expand an existing oil or gas well.

SECTION 17. COMPLIANCE WITH OTHER LAWS. Disbursement of funds authorized by this act shall be limited to the appropriation for such agency and funds made available by law for the support of such appropriations; and the restrictions of the State Procurement Law, the General Accounting and Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary Procedures and Restrictions Act, or their successors, and other fiscal control laws of this State, where applicable, and regulations promulgated by the Department of Finance and Administration, as authorized by law, shall be strictly complied with in disbursement of said funds.

SECTION 18. LEGISLATIVE INTENT. It is the intent of the General Assembly that any funds disbursed under the authority of the appropriations contained in this act shall be in compliance with the stated reasons for which this act was adopted, as evidenced by the Agency Requests, Executive Recommendations and Legislative Recommendations contained in the budget

manuals prepared by the Department of Finance and Administration, letters, or summarized oral testimony in the official minutes of the Arkansas Legislative Council or Joint Budget Committee which relate to its passage and adoption.

SECTION 19. EMERGENCY CLAUSE. It is found and determined by the General Assembly, that the Constitution of the State of Arkansas prohibits the appropriation of funds for more than a one (1) year period; that the effectiveness of this Act on July 1, 2014 is essential to the operation of the agency for which the appropriations in this Act are provided, and that in the event of an extension of the legislative session, the delay in the effective date of this Act beyond July 1, 2014 could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 2014.

/s/ Joint Budget Committee

APPROVED on 3/17/2014 with the exception of Section 16.

Section 16 Disapproved by Governor on 3/17/2014 by line item veto.

Line item veto overridden by Senate and House on 3/19/2014.