

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6983**

**BILL NUMBER: SB 388**

**DATE PREPARED:** Jan 3, 2002

**BILL AMENDED:**

**SUBJECT:** Department of State Revenue.

**FISCAL ANALYST:** Diane Powers

**PHONE NUMBER:** 232-9853

**FUNDS AFFECTED:  GENERAL  
 DEDICATED  
 FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill specifies that the divisions of the Department of State Revenue are under the control of the Commissioner of the Department. The bill establishes a Division of Policy, Planning, and Research in the Department of State Revenue.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** This bill directs the Commissioner of the Department of State Revenue (DOR) to establish a Division of Policy, Planning and Research. The bill specifies that the Division do the following:

- conduct the statistical study previously done by the Audit Division under IC 6-8.1-14-4;
- upon request of the Commissioner, Governor, Budget Agency, Chair of the Budget Committee, Chair of the Commission on State Tax and Financing Policy, or the General Assembly conduct studies on information derived from state tax returns, the audit process, the Department's operations, the treatment that the Indiana tax statutes are given by the taxpayers and the taxing officials;
- upon request of the Legislative Services Agency, legislative committees and the General Assembly assist in the analysis of proposed, pending, and enacted legislation; and
- other policy, planning, or research functions assigned by the Commissioner.

This bill does not contain an appropriation. The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. Based on the January 2, 2002, staffing table, DOR had 89 vacancies (included field offices) and reverted \$222,512 in FY 2001. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative

actions.

*Background information:* Discussions with other states indicate that research divisions within their Departments of Revenue range from approximately 4 professional staff members to 19 individuals with budgets ranging from \$300,000 to \$1 M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of State Revenue.

**Local Agencies Affected:**

**Information Sources:** Minnesota Department of Revenue, (651) 296-0937; Illinois Department of Revenue, (217) 785-7570; Kentucky Revenue Cabinet, (502) 564-3226; Tennessee Department of Revenue, (615) 741-2461; Wisconsin Department of Revenue, (608) 266-6466.