

Fiscal Year FY 2021-2022

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY**OPERATING
REQUESTS****(FORM B1)**

For FY 2021-2022, my agency is (mark "X"):

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | Requesting General Fund Appropriations. |
| <input type="checkbox"/> | Requesting Federal/Other Authorization. |
| <input checked="" type="checkbox"/> | Not requesting any changes. |

**NON-RECURRING
REQUESTS****(FORM B2)**

For FY 2021-2022, my agency is (mark "X"):

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | Requesting Non-Recurring Appropriations. |
| <input type="checkbox"/> | Requesting Non-Recurring Federal/Other Authorization. |
| <input checked="" type="checkbox"/> | Not requesting any changes. |

**CAPITAL
REQUESTS****(FORM C)**

For FY 2021-2022, my agency is (mark "X"):

- | | |
|-------------------------------------|--|
| <input type="checkbox"/> | Requesting funding for Capital Projects. |
| <input checked="" type="checkbox"/> | Not requesting any changes. |

PROVISOS**(FORM D)**


For FY 2021-2022, my agency is (mark "X"):

- | | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Requesting a new proviso and/or substantive changes to existing provisos. |
| <input type="checkbox"/> | Only requesting technical proviso changes (such as date references). |
| <input type="checkbox"/> | Not requesting any proviso changes. |

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Hartley Powell	(803) 898-5040	Hartley.Powell@dor.sc.gov
SECONDARY CONTACT:	Meredith Cleland	(803) 898-5402	Meredith.Cleland@dor.sc.gov

I have reviewed and approved the enclosed FY 2021-2022 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:	 9/21/20	
TYPE/PRINT NAME:	W. Hartley Powell	

This form must be signed by the agency head – not a delegate.

Agency Name:	Department Of Revenue		
Agency Code:	R440	Section:	109

FORM D – PROVISO REVISION REQUEST

NUMBER	109.14
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	DOR: Cigarette Stamps
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	N/A
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	N/A
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Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.

REQUESTED ACTION	Delete
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	None.
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>Proviso 109.14 granted an extension to taxpayers filing a report stating the number of unstamped packages of cigarettes. The extension covered March 31, 2019 – October 1, 2019 and is not needed in future fiscal years.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

N/A

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISOR TEXT

~~The Department of Revenue must extend the date by which a person must file a report with the department stating the quantity of such unstamped packages of cigarettes that were in the person's possession as of January 1, 2019, to until October 1, 2019. If a person files the report by October 1, 2019, then the person is deemed to have filed the report by March 31, 2019. Upon application, in the current fiscal year, the department must refund any fine collected in contravention of this proviso.~~

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Revenue		
Agency Code:	R440	Section:	109

**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION
CONTINGENCY PLAN**

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$1,556,442
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	There would be no FTE reductions, but up to 10 IT security contractors would be eliminated.
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	I.A Administrative and Program Support – CISO area.
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What programs or activities are supported by the General Funds identified?

SUMMARY	Contractual Services are a significant portion of SCDOR operations expenses and include several IT services. If SCDOR were to absorb a 3% General Fund reduction, up to 10 IT security contractors would be lost. These contractors assist in maintaining SCDOR’s high security standards and cyber prevention programs.
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

SCDOR would have to eliminate vital IT security projects.

**AGENCY COST
SAVINGS PLANS**

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

Agency Name:	Department Of Revenue		
Agency Code:	R440	Section:	109

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Minimize Paper Checks
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	SCDOR will minimize paper checks through promoting direct deposit of refunds and payments to vendors. Transitioning from paper checks to direct deposits will increase the timeliness of payments and provide a more secure transmission of funds. Reducing paper checks will alleviate undue taxpayer burden related to refunds, such as lost checks, stolen checks, changes in address, etc.
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What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> Repeal or revision of regulations.
	<input type="checkbox"/> Reduction of agency fees or fines to businesses or citizens.
	<input checked="" type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden.
	<input type="checkbox"/> Other

METHOD OF CALCULATION	Direct deposits allow faster issuance of payments since the time needed for printing and mailing is eliminated. These benefits will extend beyond just individual income tax filers, as SCDOR will add the direct deposit option to vendor payments.
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

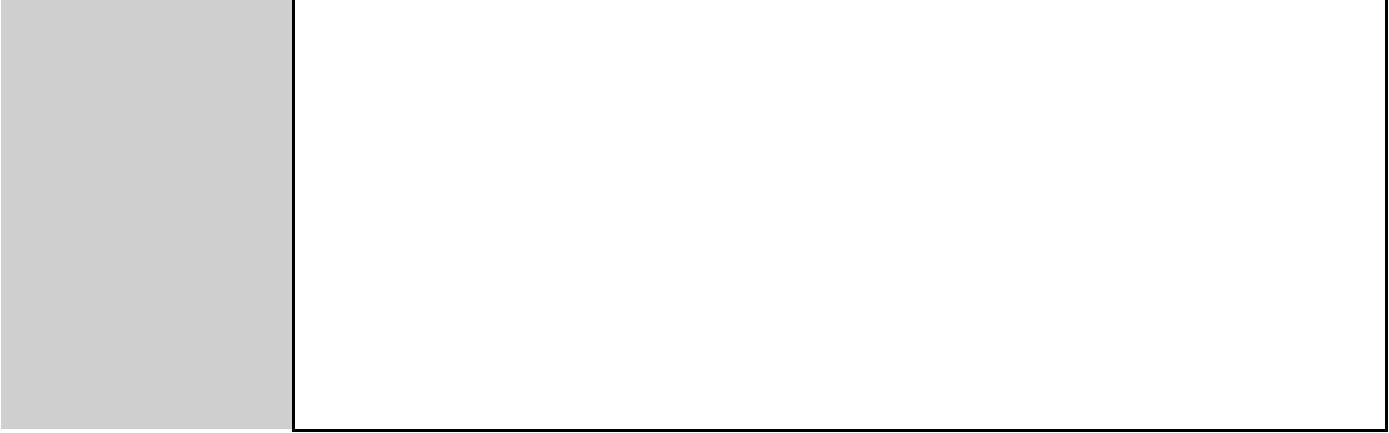
REDUCTION OF FEES OR FINES	N/A
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	N/A
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY	<p>SCDOR will minimize paper checks through promoting direct deposit of refunds and payments to vendors. Transitioning from paper checks to direct deposits will increase the timeliness of payments and provide a more secure transmission of funds. Reducing paper checks will alleviate undue taxpayer burden related to refunds, such as lost checks, stolen checks, changes in address, etc.</p> <p>Direct deposits allow faster issuance of payments since the time needed for printing and mailing is eliminated. These benefits will extend beyond just individual income tax filers, as SCDOR will add the direct deposit option to vendor payments.</p>
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Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?