

Representative Jack McFarland
Chairman



Representative Jason Hughes
Vice Chairman

Fiscal Year 2026 Executive Budget Review

DEPARTMENT OF REVENUE

House Committee on Appropriations
House Fiscal Division

March 26, 2025

Budget Analyst: Abigail Chascin

TABLE OF CONTENTS

This presentation was produced by the House Fiscal Division of the Louisiana House of Representatives.

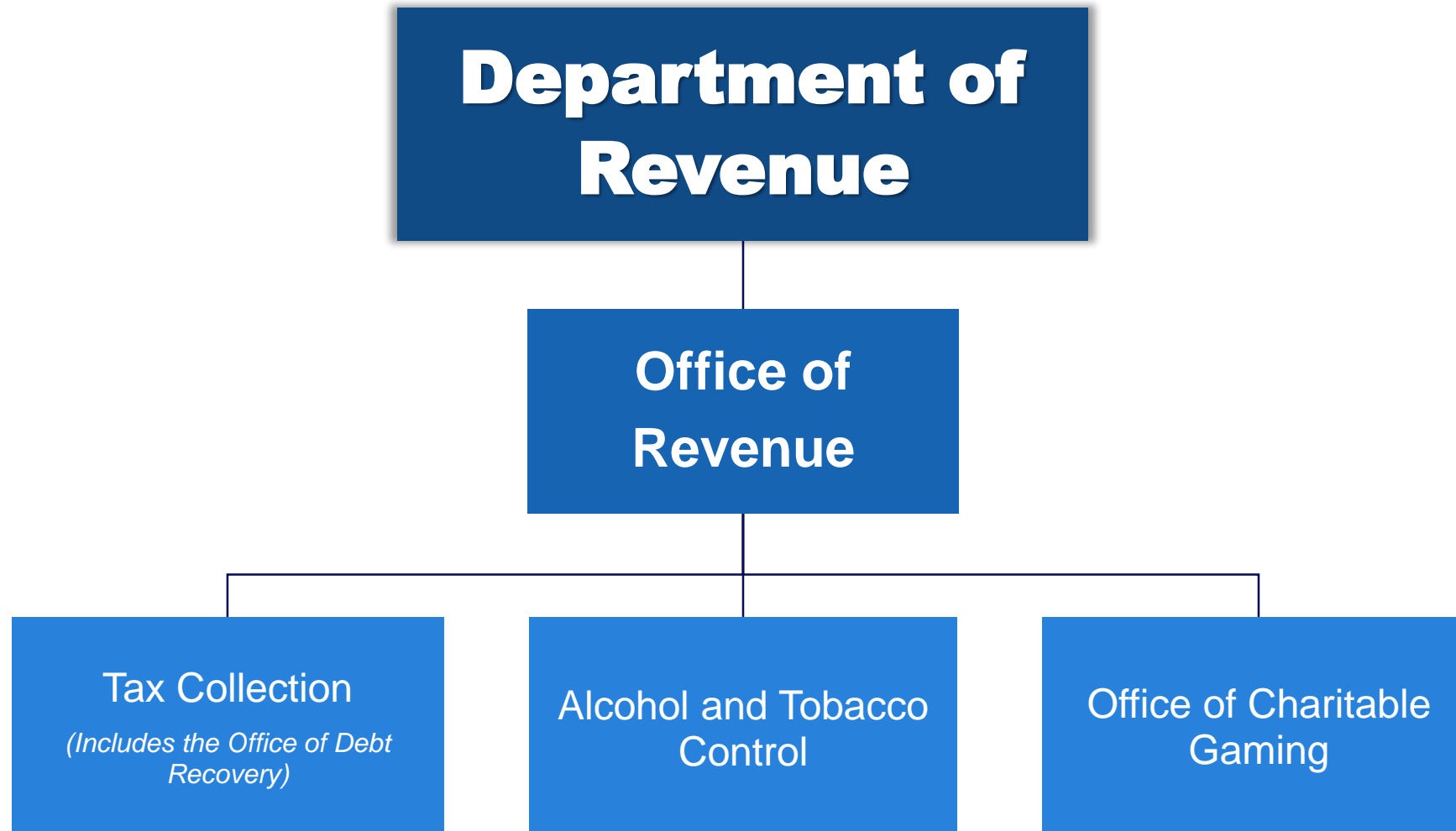
900 N. 3rd Street
Baton Rouge, LA 70802
house.louisiana.gov/housefiscal/

All data and figures were obtained from the governor’s Fiscal Year 2025-2026 Executive Budget and Supporting Documents provided by the Office of Planning and Budget within the Division of Administration along with House Bill 1 of the 2025 Regular Session, unless otherwise noted.

<https://www.doa.la.gov/doa/opb/budget-documents/>

| TOPIC | PAGE |
|----------------------------------|------|
| Department Organization | 3 |
| FY 26 Budget Recommendation | 4 |
| Historical Spending | 5 |
| Sources of Funding | 6 |
| Funding Comparison | 7 |
| FY 26 Expenditure Recommendation | 8 |
| Expenditure Comparison | 9 |
| Personnel Information | 11 |
| Department Contacts | 12 |
| General Department Information | 13 |
| General Budgetary Information | 17 |

DEPARTMENT ORGANIZATION



Note: Further detail on department programs, functions, and services are under the General Department Information section.

FY 26 BUDGET RECOMMENDATION

Total Funding = \$134,757,684

| Means of Finance | | |
|-----------------------|----|-------------|
| State General Fund | \$ | 0 |
| Interagency Transfers | | 515,000 |
| Fees & Self-generated | | 133,684,770 |
| Statutory Dedications | | 557,914 |
| Federal Funds | | 0 |
| Total | \$ | 134,757,684 |



| Program Funding & Authorized Positions | | | |
|----------------------------------------|----|-------------|-----------|
| | | Amount | Positions |
| Tax Collection | \$ | 121,616,659 | 635 |
| Alcohol & Tobacco Control | | 10,456,147 | 68 |
| Charitable Gaming | | 2,684,878 | 20 |
| Total | \$ | 134,757,684 | 723 |



HISTORICAL SPENDING

Interagency Transfers Fees & Self-generated Statutory Dedications Total Budget

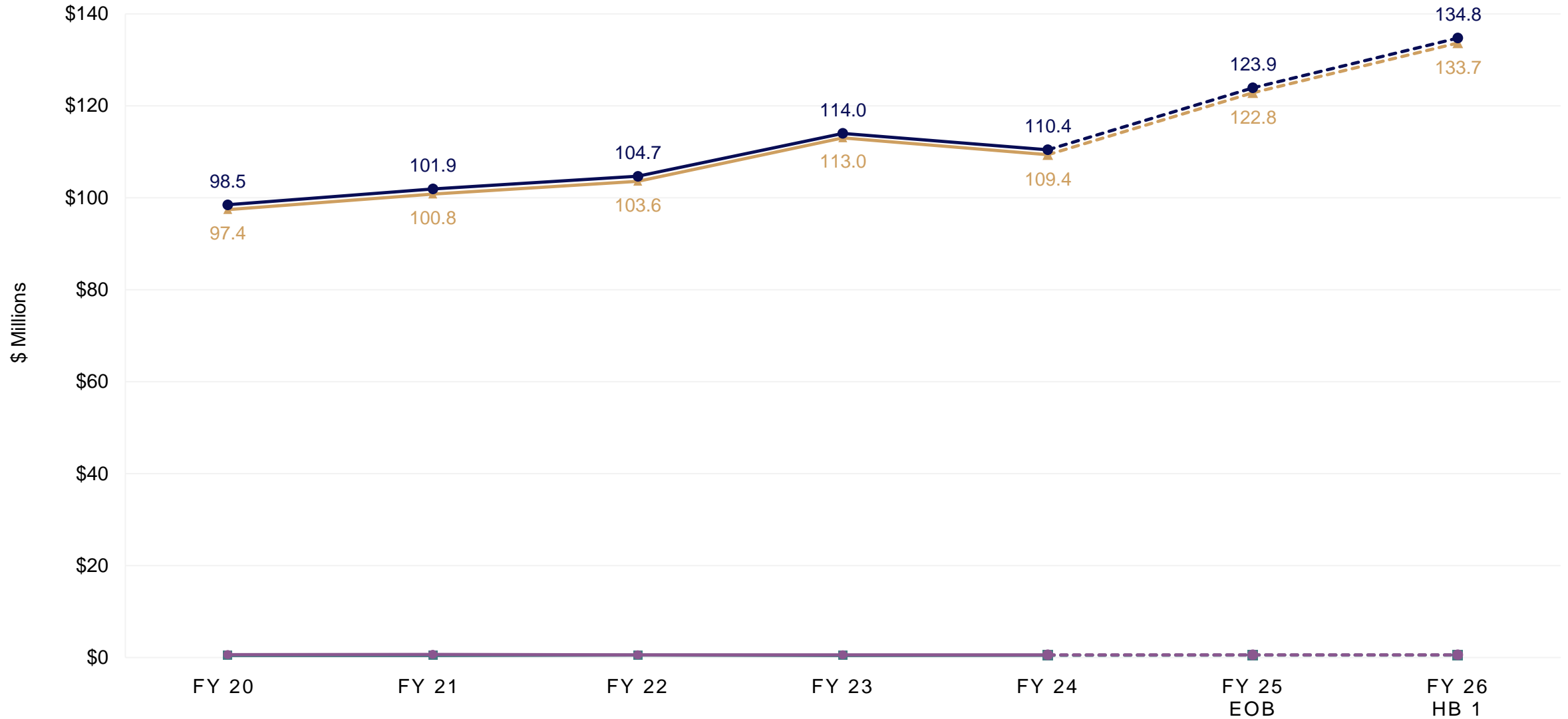
Annual Average Spending
Change from FY 20 to 24:

3.6%

2.9%

(2.9%)

2.9%



SOURCES OF FUNDING

| Interagency Transfers \$515,000 | Self-generated Revenue \$133.7 M | Statutory Dedications \$557,914 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Funding is derived from the following transfers:</p> <ul style="list-style-type: none">• \$350,000 from the Louisiana Department of Health to ATC to perform random, unannounced inspections at locations where tobacco products are sold• \$165,000 from the Department of Public Safety to ATC to enforce laws, relating to the sale of alcohol to underage consumers | <p>Revenues derived from the following sources:</p> <ul style="list-style-type: none">• 1% of collected personal income tax, corporate income and franchise tax, and sales tax collected by the tax collection program• Prior year collections of fees, fines, and penalties in the amount of \$50,000,000 remain available for expenditure• Various ATC and OCG licenses, permits, and fines• \$100,000 from the Louisiana Entertainment Development Fund Account. The dept. receives 25% of the fee charged for motion picture tax credit transfers | <p>\$557,914 from the Tobacco Regulation Enforcement Fund which receives a small portion of the state tax on cigarettes. (one-quarter of one-twentieth of one cent per cigarette)</p> |

FUNDING COMPARISON

| Means of Finance | FY 24 Actual Expenditures | FY 25 Existing Operating Budget 12/1/24 | FY 26 HB1 Budget | Change Existing Operating Budget to HB1 | | Change Actual Expenditures to HB1 | |
|------------------|---------------------------|-----------------------------------------|------------------|-----------------------------------------|------|-----------------------------------|-------|
| SGF | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0.0% | \$ 0 | 0.0% |
| IAT | 493,883 | 515,000 | 515,000 | 0 | 0.0% | 21,117 | 4.3% |
| FSGR | 109,371,252 | 122,829,667 | 133,684,770 | 10,855,103 | 8.8% | 24,313,518 | 22.2% |
| Stat Ded | 557,914 | 557,914 | 557,914 | 0 | 0.0% | 0 | 0.0% |
| Federal | 0 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| Total | \$ 110,423,049 | \$ 123,902,581 | \$ 134,757,684 | \$ 10,855,103 | 8.8% | \$ 24,334,635 | 22.0% |

Significant funding changes compared to the FY 25 Existing Operating Budget

Fees & Self-generated

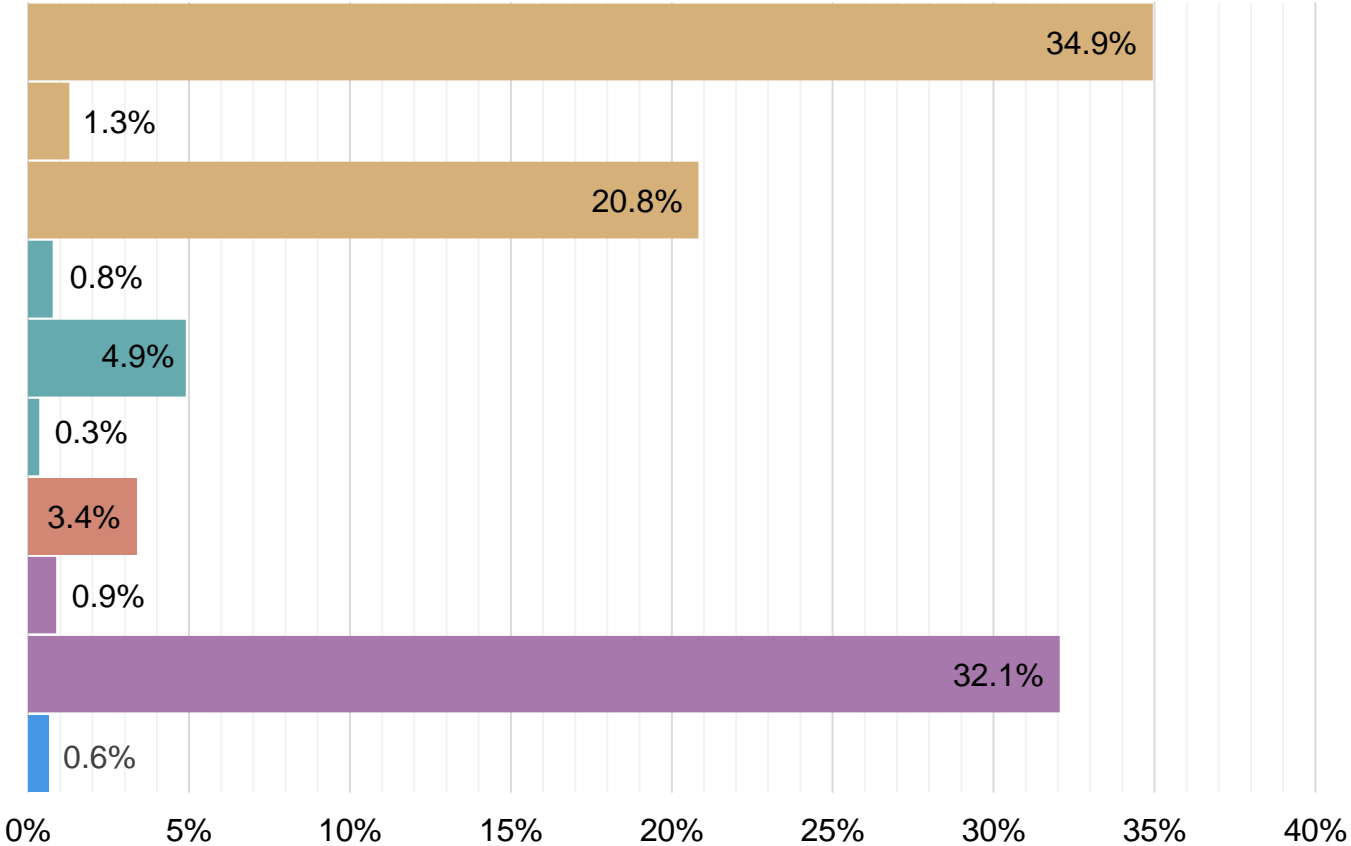
\$10.8 M net increase due to items such as:

- \$9.8 M net increase to cover the costs associated with various standard statewide adjustments, primarily within the Tax Collection program
- \$1 M increase associated with established IAT agreements

FY 26 EXPENDITURE RECOMMENDATION

Total Budget = \$134,757,684

| Expenditure Category | | |
|-----------------------|----|-------------|
| Salaries | \$ | 47,092,620 |
| Other Compensation | | 1,718,388 |
| Related Benefits | | 28,072,515 |
| Travel | | 1,027,318 |
| Operating Services | | 6,605,544 |
| Supplies | | 467,211 |
| Professional Services | | 4,539,397 |
| Other Charges | | 1,169,122 |
| Interagency Transfers | | 43,199,782 |
| Acquisitions/Repairs | | 865,787 |
| Total | \$ | 134,757,684 |



EXPENDITURE COMPARISON

| Expenditure Category | FY 24 Actual Expenditures | FY 25 Existing Operating Budget 12/1/24 | FY 26 HB1 Budget | Change Existing Operating Budget to HB1 | | Change Actual Expenditures to HB1 | |
|-----------------------|---------------------------|-----------------------------------------|------------------|-----------------------------------------|--------|-----------------------------------|--------|
| Salaries | \$ 41,181,035 | \$ 44,902,361 | \$ 47,092,620 | \$ 2,190,259 | 4.9% | \$ 5,911,585 | 14.4% |
| Other Compensation | 1,185,035 | 1,718,388 | 1,718,388 | 0 | 0.0% | 533,353 | 45.0% |
| Related Benefits | 26,558,381 | 28,493,499 | 28,072,515 | (420,984) | (1.5%) | 1,514,134 | 5.7% |
| Travel | 405,678 | 1,027,318 | 1,027,318 | 0 | 0.0% | 621,640 | 153.2% |
| Operating Services | 2,422,901 | 6,605,544 | 6,605,544 | 0 | 0.0% | 4,182,643 | 172.6% |
| Supplies | 363,421 | 467,211 | 467,211 | 0 | 0.0% | 103,790 | 28.6% |
| Professional Services | 3,472,456 | 4,969,149 | 4,539,397 | (429,752) | (8.6%) | 1,066,941 | 30.7% |
| Other Charges | 332,720 | 1,169,083 | 1,169,122 | 39 | 0.0% | 836,402 | 251.4% |
| Interagency Transfers | 33,597,305 | 34,071,488 | 43,199,782 | 9,128,294 | 26.8% | 9,602,477 | 28.6% |
| Acquisitions/Repairs | 904,117 | 478,540 | 865,787 | 387,247 | 80.9% | (38,330) | (4.2%) |
| Total | \$ 110,423,049 | \$ 123,902,581 | \$ 134,757,684 | \$ 10,855,103 | 8.8% | \$ 24,334,635 | 22.0% |

SIGNIFICANT EXPENDITURE CHANGES

Compared to the FY 25 Existing Operating Budget

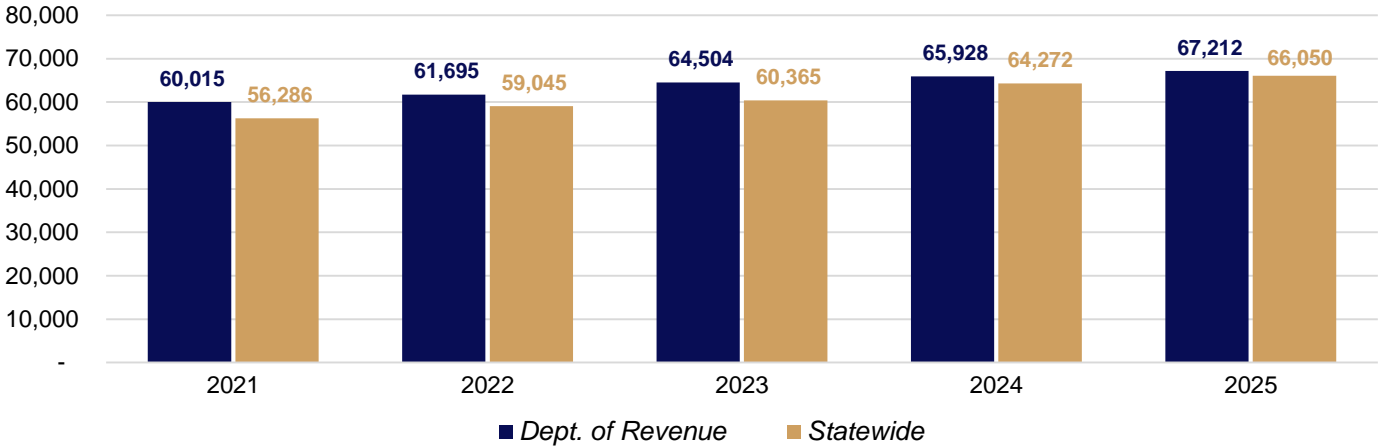
| Personnel Services | Interagency Transfers | Acquisitions/Repairs |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>\$1.8 M net increase due to:</p> <ul style="list-style-type: none">• \$1.8 M net increase for various standard statewide adjustments to salaries and related benefits including attrition, benefits, and retirement changes<ul style="list-style-type: none">• \$1.5 M increase in Tax Collection• \$337,630 increase in Alcohol and Tobacco Control• (\$55,781) decrease in the Office of Charitable Gaming• (\$94,080) decrease associated with one personnel reduction in the Tax Collection Program | <p>\$9.1 M net increase primarily due to items such as:</p> <ul style="list-style-type: none">• \$11.9 M increase in transfers to the Office of Technology Services (OTS); the department is budgeted to send a total of \$37.3 M to OTS in FY 26• (\$3.7 M) decrease due to the removal of funds carried forward into FY 25 for IT related contacts that crossed fiscal years• \$1 M increase in transfers to the Board of Tax Appeals to replace General Fund in their Administrative and Local Programs for increased travel and OTS costs | <p>\$387,247 net increase primarily due to items such as:</p> <ul style="list-style-type: none">• \$865,787 increase for various department wide purchases such as 12 replacement law enforcement vehicles, ATC agent equipment, and phone headsets• (\$486,394) decrease to remove funding for acquisition purchases budgeted in FY 25 that are no longer needed in FY 26 |

PERSONNEL INFORMATION

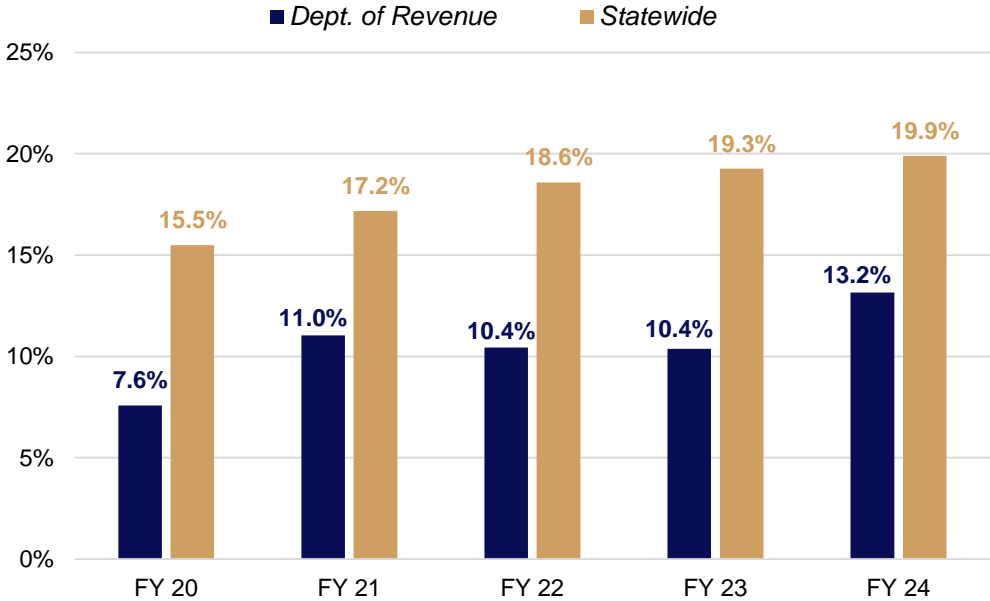
FY 2026 Recommended Positions

| | |
|-----|----------------------------------------------------------------------|
| 723 | Total Authorized T.O. Positions (712 Classified, 11 Unclassified) |
| 15 | Authorized Other Charges Positions |
| 6 | Non-T.O. FTE Positions |
| 51 | Vacant Positions (December 30, 2024) |

Historical Average Salary



Turnover History



Top Positions Vacated FY 2024

| Position | Number of Employees | Separations | Turnover Rate |
|------------------|---------------------|-------------|---------------|
| Tax Auditor III | 48 | 16 | 33.3% |
| Tax Auditor I | 21 | 8 | 38.1% |
| Tax Analyst I | 43 | 7 | 16.3% |
| Tax Specialist I | 23 | 6 | 26.1% |
| Tax Auditor II | 18 | 5 | 27.8% |

Source: Department of Civil Service

DEPARTMENT CONTACTS



Richard Nelson
Secretary

Richard.Nelson@la.gov

Jarrold J. Coniglio

Deputy Secretary

Jarrold.Coniglio2@la.gov

Laura Lapeze

Undersecretary

Laura.Lapeze@la.gov

Ernest Legier

Commissioner of ATC

Ernest.Legier@atc.la.gov

Katrina Emery

Director, Charitable Gaming

Katrina.Emery@la.gov

General Department Information



Tax Collection Program

Administration

- Executive arm of the department including management functions such as: accounting and budgeting, payroll, facilities management, purchasing, human resources, and technology management.

Tax Policy Management

- Prepares fiscal notes, legislation, coordinates rules, and engages in a number of stakeholder efforts to address emerging and/or sensitive policy issues.

Revenue Collection & Distribution

- Registers taxpayers, processes tax returns and remittances, maintains taxpayer accounts, and handles state and local tax revenues.

Taxpayer Assistance

- Helps taxpayers understand their tax reporting and payment obligations via telephone, personal contact, and written inquiries; engages in outreach opportunities, consultation visits, and processing of tax exemptions, certifications, permits, and clearances.

Tax Compliance

- Examines, audits, or investigates tax related issues. Conducts tax return examinations and reconciles information to identify non-filers and under reporters. Field office staff conduct audits of businesses that have activity in Louisiana to identify and correct improper reporting.

Tax Enforcement

- Collects tax dollars owed on delinquent accounts, investigates tax fraud and evasion, and defends the state's interest through litigation of tax issues.



The mission of the Department of Revenue is to fairly and efficiently collect state tax revenues to fund public services; to regulate charitable gaming and the sale of alcoholic beverages and tobacco; and to support state agencies in the collection of overdue debts.

Alcohol and Tobacco Control (ATC) Program

Administration and Certification Division

- Responsible for distributing alcoholic beverage licenses, tobacco licenses, CBD retail permits, and vendor providers, trainers, and servers. The Administrative Division issues approximately 30,000 alcohol and tobacco permits statewide annually, as well as over 100,000 responsible vendor permits annually.

Enforcement Division

- Responsible for enforcing Title 26, the Beer and Liquor Law, and the Louisiana Administrative Code by conducting random inspections at locations where alcoholic beverages and tobacco products are sold. Agents also investigate current license holders' operations to ensure compliance with industry fair trade laws. Conducts over 20,000 inspections annually and responds to compliance checks annually.



The mission of the Office of Alcohol and Tobacco Control (ATC) is to regulate the alcoholic beverage and tobacco industries and to consistently enforce state regulations under Title 26.

Office of Charitable Gaming

Administrative Section

- Administers and enforces the laws and regulations associated with the activities of charitable gaming.

Certification Section

- Reviews applications for licenses to conduct charitable gaming activities and performs the issuance of licenses.

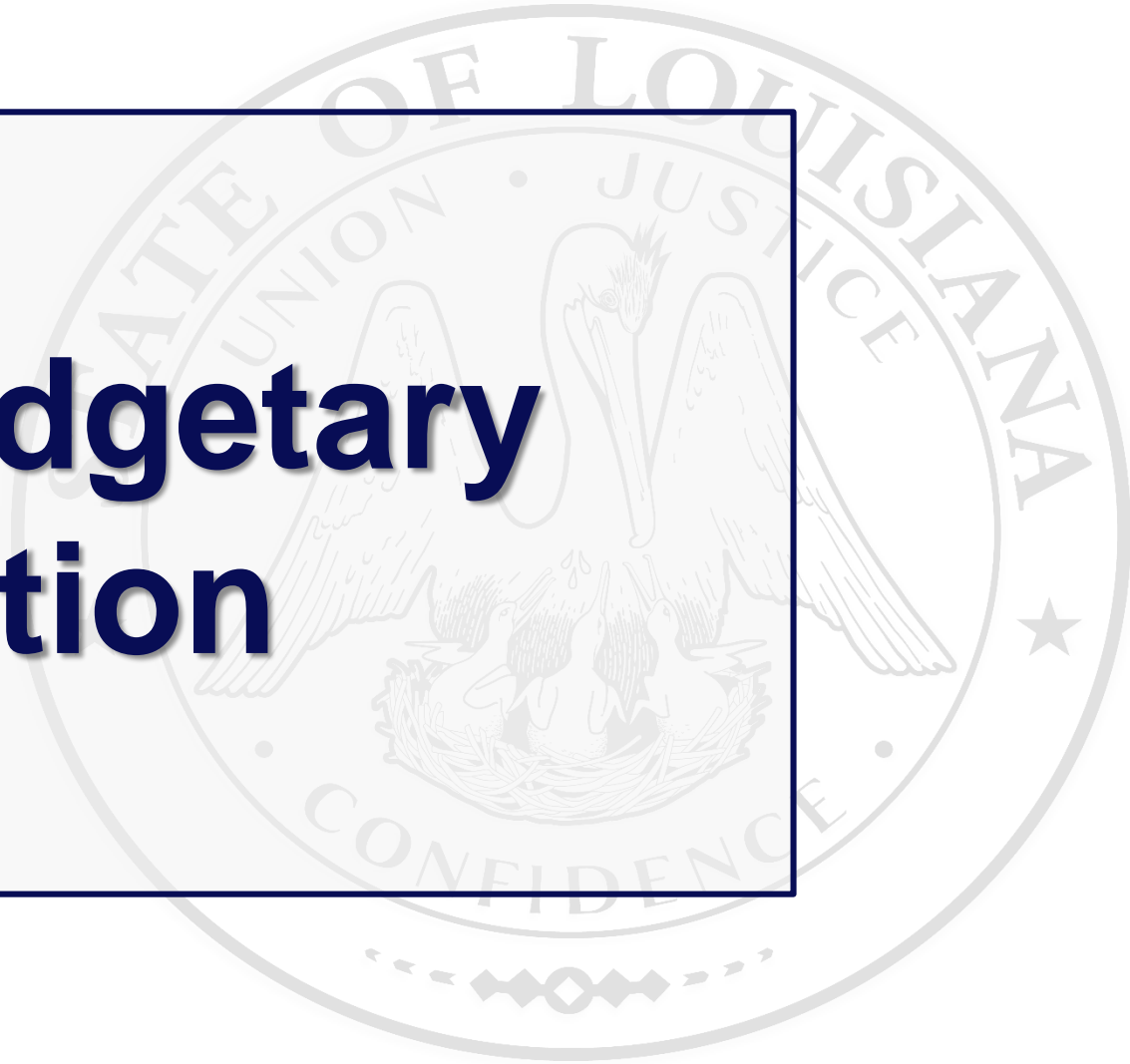
Audit and Enforcement Section

- Conducts on-site inspection of gaming activities, training of organizations, review of required books and records maintained by organizations, and enforcement of gaming laws and regulations.

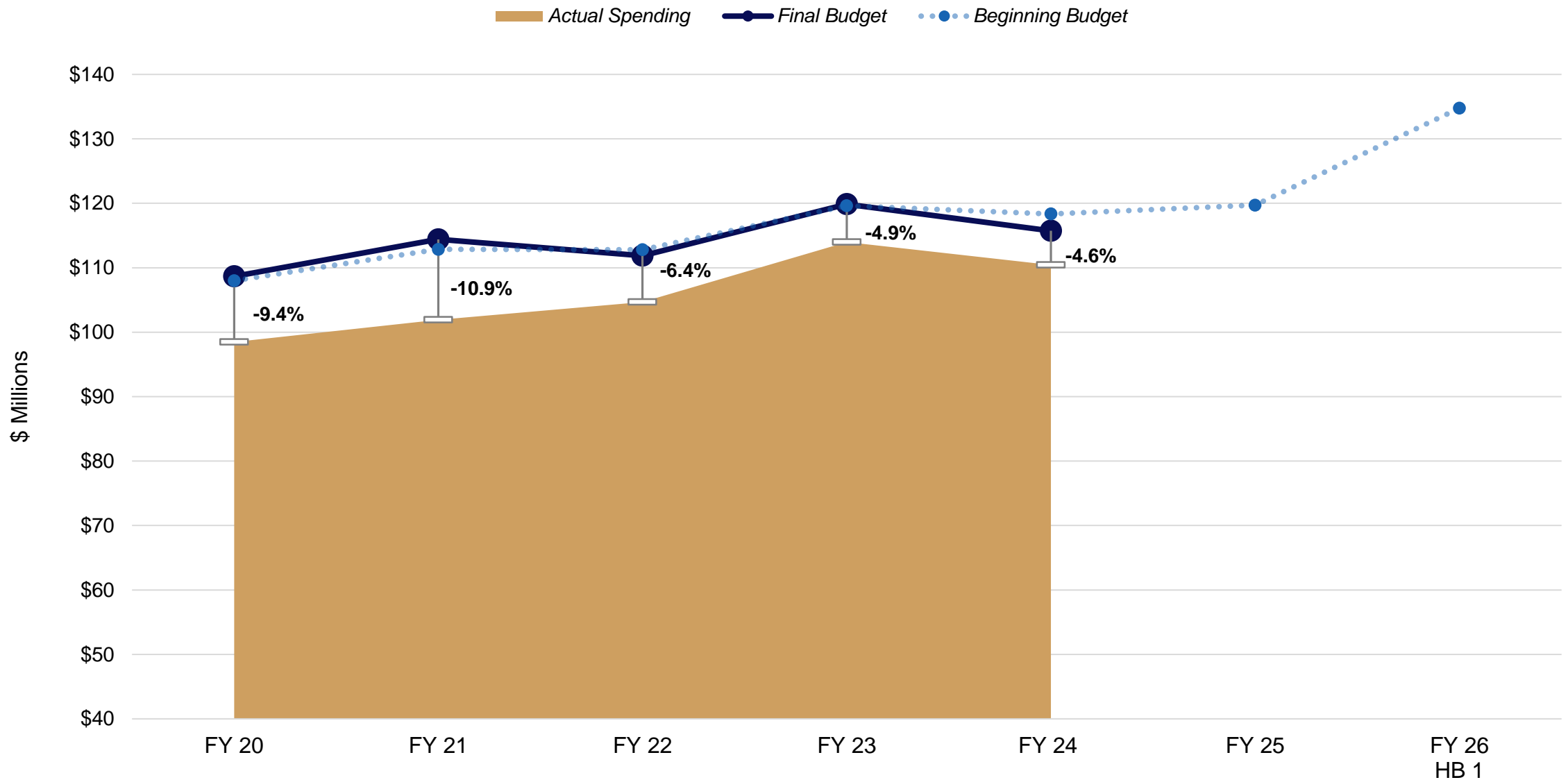


The mission of the Charitable Gaming Program is to administer efficiently and effectively the state's tax and regulatory statutes in a manner that will generate the highest degree of public confidence in the Department's integrity and fairness.

General Budgetary Information



HISTORICAL BUDGET



FY 25 EXISTING OPERATING BUDGET

The FY 2024-25 Existing Operating Budget (EOB) was frozen on December 1, 2024. This point-in-time reference is used in both the Executive Budget and the General Appropriations Bill.

| Means of Finance | Appropriation | Mid-Year Adjustments | Existing Operating Budget |
|------------------------|----------------|----------------------|---------------------------|
| General Fund | \$ 0 | \$ 0 | \$ 0 |
| Interagency Transfers | 515,000 | 0 | 515,000 |
| Self-generated Revenue | 118,637,147 | 4,192,520 | 122,829,667 |
| Statutory Dedications | 557,914 | 0 | 557,914 |
| Federal | 0 | 0 | 0 |
| Total | \$ 119,710,061 | \$ 4,192,520 | \$ 123,902,581 |

| Mid-year Adjustments Summary | | | | |
|------------------------------|------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|
| July | August | September | October | November |
| No change | \$4.2 M Self-generated Revenue carried into FY 25 from the prior fiscal year for various program expenses | No change | No change | No change |

OTHER CHARGES / INTERAGENCY TRANSFERS

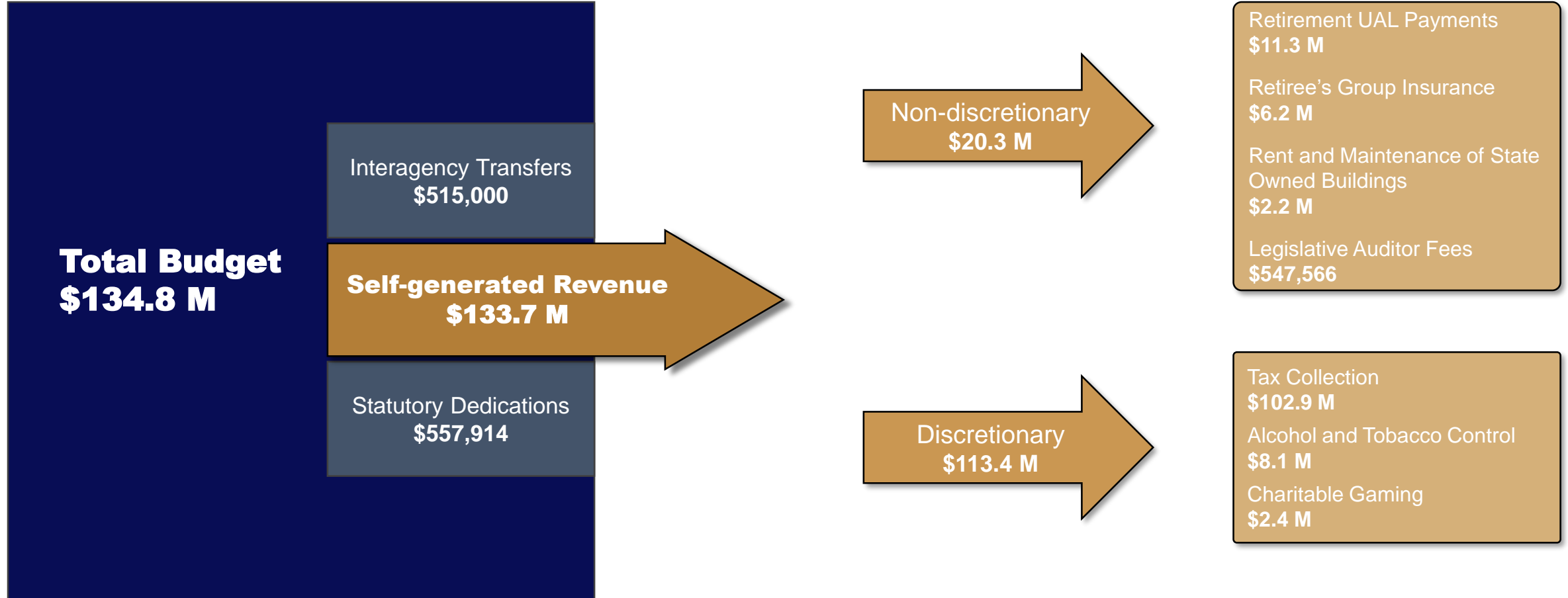
Other Charges

| Amount | Description |
|---------------------|-----------------------------------------------|
| \$ 605,982 | Call Center Positions |
| 473,140 | ATC Investigative Funds for Compliance Checks |
| 90,000 | DHH Compliance Check Grant |
| \$ 1,169,122 | Total Other Charges |

Interagency Transfers

| Amount | Description |
|----------------------|--------------------------------------------------------------------------|
| \$ 29,448,680 | Office of Technology Services (Fees) |
| 7,873,654 | Office of Technology Services (Printing, state mail, telecommunications) |
| 2,249,544 | Rent and Maintenance of State-owned Buildings |
| 1,073,850 | Board of Tax Appeals |
| 583,400 | Office of Risk Management |
| 547,566 | Legislative Auditor Fees |
| 494,576 | Capital Park Security and LaSalle Bldg. Security |
| 307,812 | Civil Service |
| 200,000 | Office of the Attorney General - Fraud Investigation |
| 194,224 | State Treasury Fees |
| 101,000 | Wildlife and Fisheries (Rent) |
| 45,366 | Uniform Payroll Service |
| 40,000 | DCFS - Financial Institutions Data Match |
| 20,000 | DOA - State Register Fees |
| 11,000 | Louisiana Property Assistance Agency - GPS Services |
| 9,110 | Office of State Procurement |
| \$ 43,199,782 | Total Interagency Transfers |

DISCRETIONARY EXPENSES



* Figures may not add precisely due to rounding *

OFFICE OF DEBT RECOVERY

Established in Act 399 of the 2013 Regular Session, for the purpose of collecting delinquent debts, accounts, or claims due on behalf of all other state agencies.

A total of 138 state and local agencies have placed debt with ODR.

ODR Operations:

There is no cost to the agency for participating with ODR. For debts transferred to ODR beginning January 2024, the statutory maximum fee of 25% was reduced administratively to 15% to reflect actual collection costs.

Agencies receive funds as they are collected up to 100% of the original amount.

| Entity Type with Debt at ODR | Number of Debt Accounts | Total Dollar Amount of Debt as of January 2025 |
|------------------------------|-------------------------|------------------------------------------------|
| State Agencies | 723,771 | \$386,632,952 |
| Higher Education | 5,531 | \$6,913,303 |
| Municipalities | 54,064 | \$43,589,694 |
| ODR Total | 783,366 | \$437,135,949 |

| Fiscal Year | Total Debt Collected |
|--------------------------------|----------------------|
| FY 2015 | \$96,474 |
| FY 2016 | \$50,781,585 |
| FY 2017 | \$41,427,463 |
| FY 2018 | \$31,948,792 |
| FY 2019 | \$60,750,004 |
| FY 2020 | \$58,555,958 |
| FY 2021 | \$40,885,082 |
| FY 2022 | \$53,399,691 |
| FY 2023 | \$52,214,984 |
| FY 2024 | \$89,390,029 |
| FY 2025 (through January 2025) | \$5,405,456 |
| Total Collected | \$484,855,518 |

Source: Department of Revenue