

# Issue Brief – Postage Rate Increase

NUMBER TAX 08-03

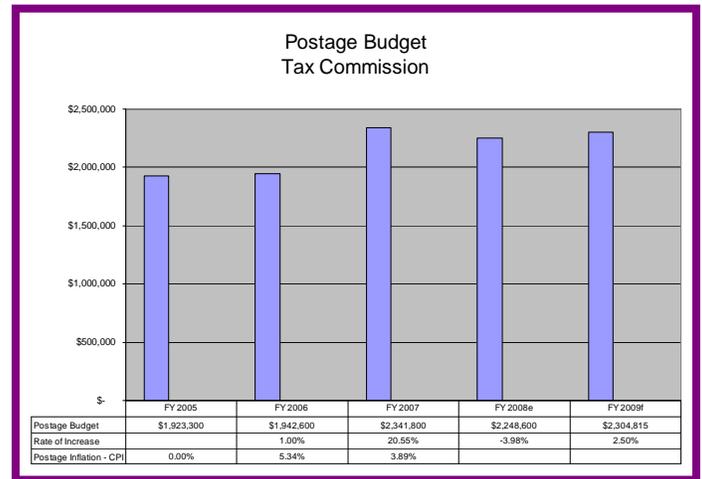
## SUMMARY

Postage represents over 3 percent of the Tax Commission’s budget with over 5.5 million pieces of mail per year. An amount of \$110,600 for FY 2009<sup>1</sup> ongoing and \$110,600 as supplemental for FY 2008 has been requested to cover the postage rate increase of 5.1 percent<sup>2</sup> effective May 2007.

## ISSUES AND RECOMMENDATIONS

### *Postage*

During the 2007 General Session the Legislature approved a total of \$95,000 ongoing of the requested \$332,500 in increased postage costs<sup>3</sup>. The chart to the right shows the Tax Commission’s postage budget assuming the postage rate increase is funded.



## LEGISLATIVE OPTIONS

Should the Subcommittee wish to approve this request, some options available are:

1. a. Prioritize one-time appropriations of \$55,600 General Fund, \$36,500 Uniform School Fund, and \$18,500 in Restricted Revenue (Sales & Use Tax Administration Fee) as FY 2008 Supplemental.
- b. Prioritize ongoing appropriations of \$55,600 General Fund, \$36,500 Uniform School Fund, and \$18,500 in Restricted Revenue (Sales & Use Tax Administration Fee).
- c. Direct the Tax Commission to report on efforts to manage postage costs
2. a. Authorize the Tax Commission to use non-lapsing funds to cover the postage shortfall.
- b. Direct the Tax Commission to report on efforts to manage postage costs

<sup>1</sup> The \$110,600 is arrived at by taking the number of pieces of mail per year, 5.5 million, multiplied by the postage increase of \$.02.

<sup>2</sup> Postage increase =  $\frac{\$.41}{\$.39} = 5.1\%$

<sup>3</sup> The \$332,500 increase was for FY 2008 and FY 2007 Supplemental