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 ongoing and $110,600 as supplemental for FY 2008 has been requested to cover the postage rate increase of 5.1 percent 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. 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

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1 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.

2 Postage increase = \( \frac{.41}{.39} = 5.1\%

3 The $332,500 increase was for FY 2008 and FY 2007 Supplemental