



Idaho State Tax Commission

Base Review

Christopher Lehosit
Budget and Policy Analyst

2 February, 2026

Idaho State Tax Commission

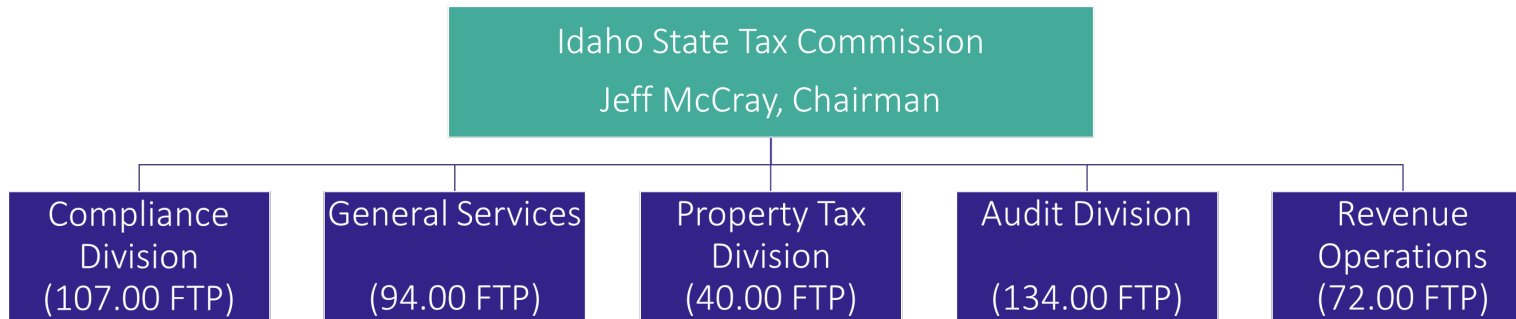
The Idaho State Tax Commission has five budgeted programs:

1. The **General Services** program consists of the Commissioners, Administrative Section, Legal Section, Taxpayer Resources, Integration Services, Human Resources, the Management Services Division, and the Technology and Innovation Bureau.
2. The **Audit Division** program conducts audits on all tax types administered by the agency by the authority of Idaho Code and the Multistate Tax Compact, conducts discovery and enforcement efforts directed at non-filers, as well as fraud and identity theft mitigation.
3. The **Compliance Division** program operates from the administrative office in Boise and oversees five field office locations; it is also responsible for collecting delinquent taxes for all tax types, and for providing front-line taxpayer services at the offices or over the phone.
4. The **Revenue Operations** program administers the voluntary tax compliance program. Activities include:
 - a) Registering permit holders for sales, withholding, hotel/motel, special fuels, beer, wine, cigarette and tobacco taxes;
 - b) Ensuring that all individuals and licensed businesses are mailed proper tax forms for reporting;
 - c) Establishing taxpayer liability, as well as processing revenue and refund documents submitted by taxpayers; and
 - d) Maintaining a records system capable of providing individuals with tax documents.
5. The **Property Tax** program provides oversight and technical support in the administration of the property tax system, working to ensure fair, equitable, and accurate property taxation. The program is required to: annually appraise all class three operating property, as required by Section 63-2215, Idaho Code; examine property tax levies of all taxing districts to ensure compliance with Idaho Code; develop forms, procedures, and computer software necessary for county assessors to appraise property; develop an assessor's manual in order to facilitate uniformity of appraisals; and administer property tax relief through the Circuit Breaker Program.

Authorized in Chapter 1, Title 63, Idaho Code.

Organizational Structure

447.00 FTP
19.00 Vacant
as of 11/26/2025



Five-year Averages

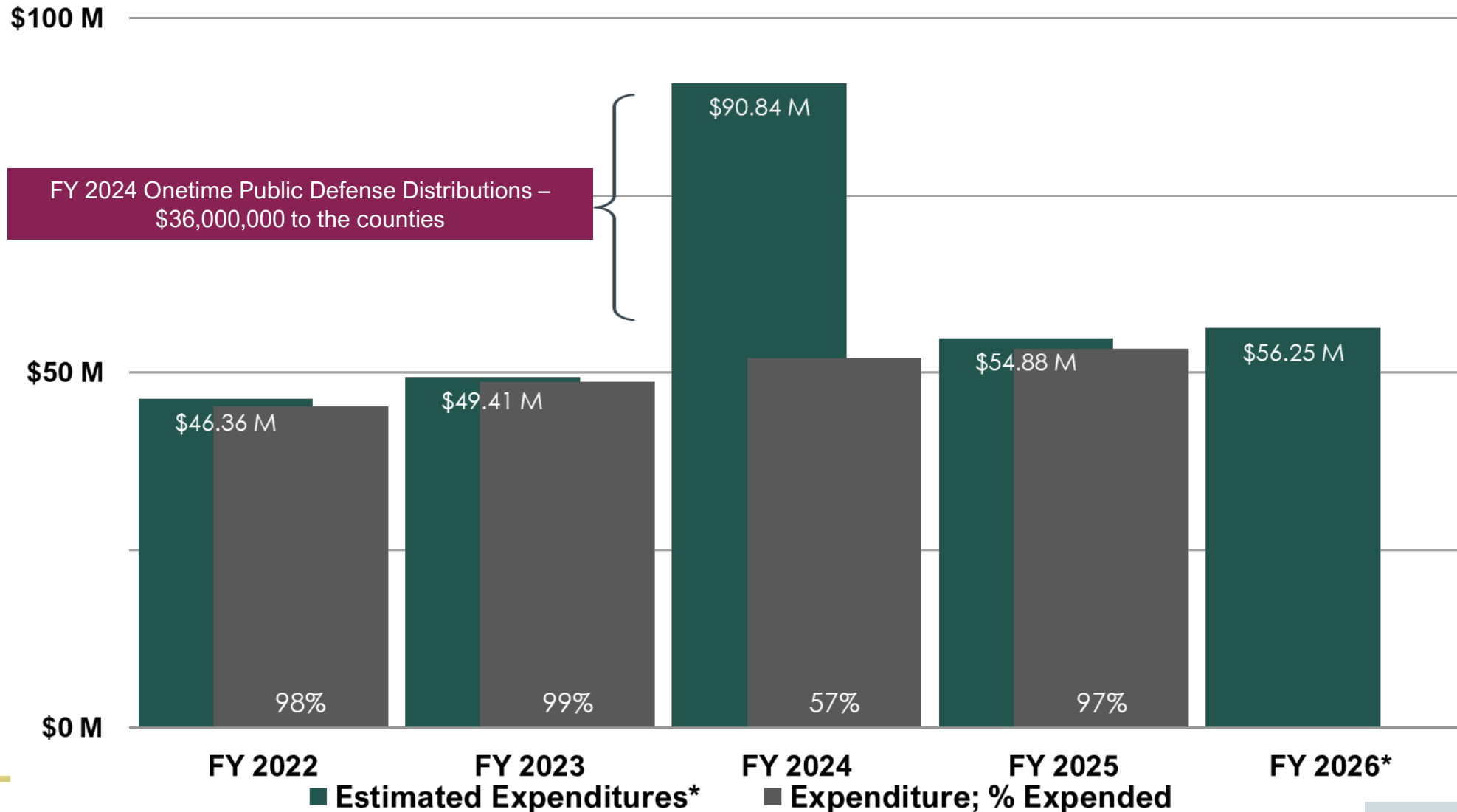
Authorized FTP: **443.40**

Filled FTP Percentage: **92.50%**

Personnel Cost Appropriated: **\$35,403,320**

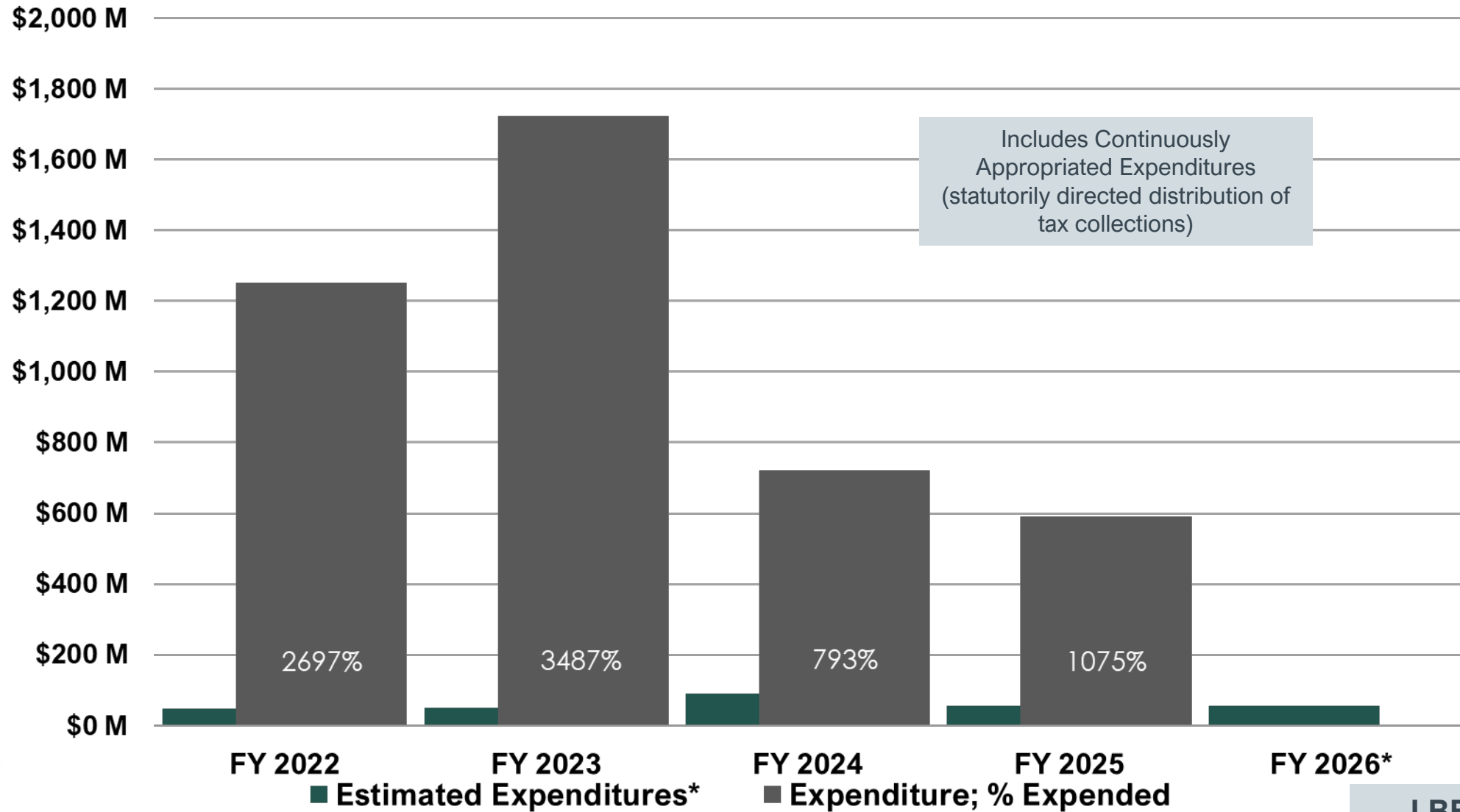
Percent of PC Spent on PC: **96.93%**

Five-Year Appropriations and Expenditures



*FY 2026 is Original Appropriation

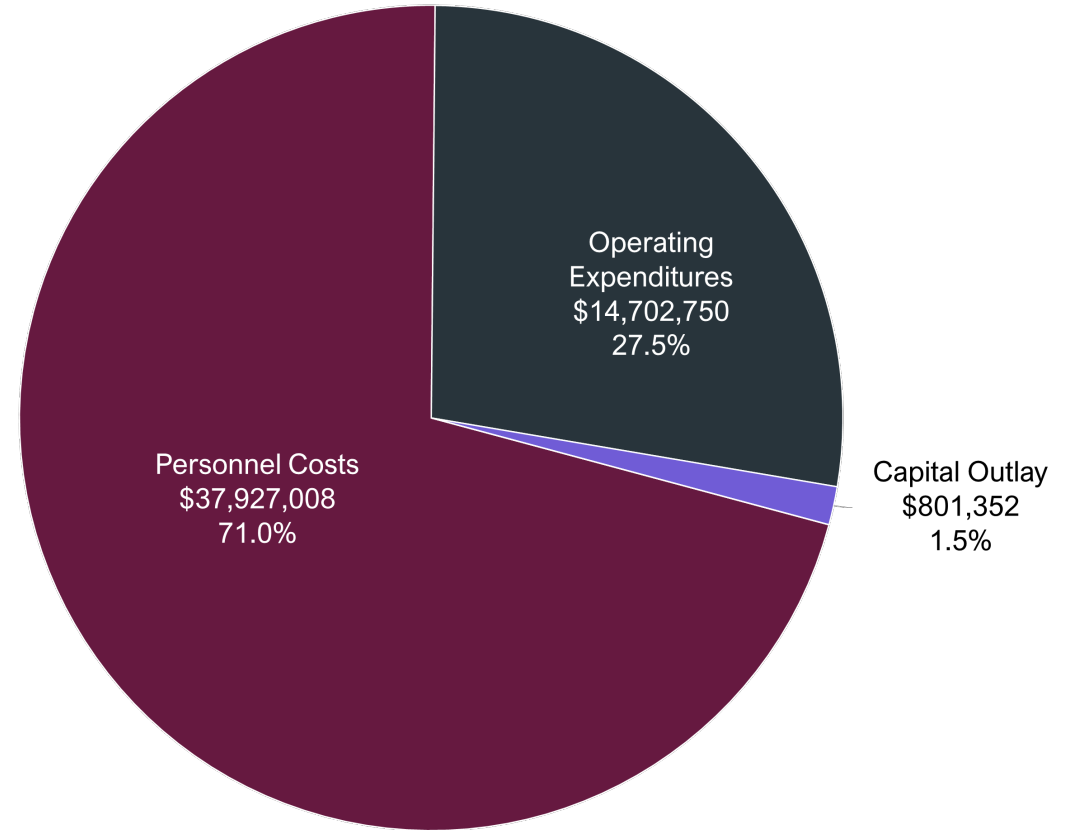
Five-Year Appropriations and Expenditures



*FY 2026 is Original Appropriation

FY 2025 Expenditures

Personnel Costs	\$37,927,008
Operating Expenditures	\$14,702,750
Capital Outlay	\$801,352
Total	\$53,431,111



Consolidated Fund Analysis

Description	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Beginning Free Fund Balance	\$ 147,744,400	\$ 3,848,100	\$ 3,586,300	\$ 3,896,000	\$ 4,047,900
Receipts and Transfers	\$ 522,165,000	\$ 18,270,100	\$ 8,795,300	\$ 9,771,600	\$ 10,733,900
** Cash Expenditures & Agency Request	\$ 666,061,300	\$ 18,413,900	\$ 8,485,700	\$ 9,619,670	\$ 11,182,300
Ending Free Fund Balance	\$ 3,848,100	\$ 3,704,300	\$ 3,896,000	\$ 4,047,900	\$ 3,599,400

By Fund

A Multistate Tax Compact	\$ 288,400	\$ 287,700	\$ 109,600	\$ 109,600	\$ 109,600
B Internal Accounting and Admin Services: General	\$ 328,000	\$ 431,700	\$ 396,200	\$ 454,300	\$ 448,800
C Internal Accounting and Admin Services: Transportation	\$ 2,141,200	\$ 2,439,100	\$ 2,694,400	\$ 286,500	\$ 2,697,300
D Seminars and Publications	\$ 444,500	\$ 570,200	\$ 695,700	\$ 618,900	\$ 343,600
E Tax Rebate Fund	\$ 646,700	\$ -	\$ 100	\$ 100	\$ 100
Ending Free Fund Balance	\$ 3,848,100	\$ 3,728,700	\$ 3,896,000	\$ 4,047,900	\$ 3,599,400

** Estimate based on request.

FY 2023 revenues and expenditures include tax rebate implementation.

Five-Year Base Snapshot

Fiscal Year	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026*
1. Total FTP	443.00	446.00	440.00	440.00	447.00
2. Current Year Base	44,681,600	46,100,200	49,087,400	52,450,200	52,816,800
3. Benefits Costs	104,700	252,000	363,700	(154,100)	495,500
4. Inflationary Adjustments	137,500	182,500	206,800	187,000	218,300
5. Statewide Cost Allocation	(213,900)	260,800	424,900	(687,400)	(930,000)
6. CEC	634,700	2,187,600	1,340,500	314,100	1,843,800
7. Total Ongoing Maintenance Change	663,000	2,882,900	2,335,900	(340,400)	1,627,600
8. <i>% Chg from Current Year Base (line 7 / 2)</i>	<i>1.5%</i>	<i>6.3%</i>	<i>4.8%</i>	<i>(0.6%)</i>	<i>3.1%</i>
9. Ongoing Enhancements	763,600	104,300	476,900	707,000	581,600
10. Total Ongoing Enhancements Change	763,600	104,300	476,900	707,000	581,600
11. <i>% Chg from Current Year Base (line 10 / 2)</i>	<i>1.7%</i>	<i>0.2%</i>	<i>1.0%</i>	<i>1.3%</i>	<i>1.1%</i>
12. Ongoing Base Adjustments	(8,000)		\$550,000		-
13. Next Year Base (line 2 + 7 + 10 + 12)	46,100,200	49,087,400	52,450,200	52,816,800	55,026,000*
14. Total Base Change (line 13 - 2)	1,418,600	2,987,200	3,362,800	366,600	2,209,200
15. <i>% Chg from Current Year Base (line 14 / 2)</i>	<i>3.2%</i>	<i>6.5%</i>	<i>6.9%</i>	<i>0.7%</i>	<i>4.2%</i>

*Next Year Base not set. Ongoing Original Appropriation used instead.

2025 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Technology and Innovation Bureau	Enhancement	\$0
Additional 2% CEC	Enhancement	\$654,500
OITS Equipment Modernization	Enhancement	\$35,900
Commissioner CEC - H725	Enhancement	\$16,600
Total Ongoing Base Change from Enhancements		\$707,000

Onetime Enhancement Name	Type	Amount
OITS Equipment Modernization	Enhancement	\$347,200
Replacement Items	Enhancement	\$363,100
Total Onetime Base Change from Enhancements		\$710,300

2026 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Parental Choice Tax Credit Staff (H93)	Enhancement	\$549,900
Contract to Process Certified Mail	Enhancement	\$16,000
Commissioner CEC	Enhancement	\$15,700
Total Ongoing Base Change from Enhancements		\$581,600

Onetime Enhancement Name	Type	Amount
OITS Hardware	Enhancement	\$757,100
Parental Choice Tax Credit Program (H93)	Enhancement	\$125,000
Replacement Items	Enhancement	\$341,500
Total Onetime Base Change from Enhancements		\$1,223,600

2027 Budget Request

Enhancement Name	Type	Amount
Property Tax Education	Enhancement	\$50,000
System Automation	Enhancement (Onetime)	\$400,000
Personnel Costs from Dedicated Funds	Enhancement	\$209,900
Replacement Items	Enhancement (Onetime)	\$334,400
Rescission	Rescission	(\$1,368,200)
OITS Hardware	Enhancement (Onetime)	\$762,000
Total Change from Enhancements		\$388,100

2027 Budget Request - Outcomes

Property Tax Education	AGENCY SUBMITTED OUTCOMES: While this request is not directly tied to improvements in the Commission strategic plan or PMR, it does align with the vision, mission, values, and goals. The Commission is dedicated to providing courteous customer services, education, and fair tax administration.
System Automation	AGENCY SUBMITTED OUTCOMES: While this request isn't directly tied to improvements in the commission strategic plan or PMR, it does align with the vision, mission, values, and goals. The commission is dedicated to providing courteous customer services, education, and fair tax administration.
Personnel Costs from Dedicated Funds	AGENCY SUBMITTED OUTCOMES: While this request isn't directly tied to improvements in the commission strategic plan or PMR, it does align with the vision, mission, values, and goals. The commission is dedicated to providing courteous customer services, education, and fair tax administration.

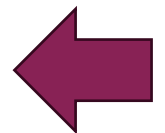
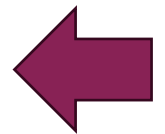
Historical Summary

State Tax Commission

Analyst: Lehosit

Historical Summary

OPERATING BUDGET	FY 2025 Total App	FY 2025 Actual	FY 2026 Approp	FY 2027 Request	FY 2027 Gov Rec
BY PROGRAM					
General Services	18,782,900	18,459,100	19,015,200	19,890,200	19,652,700
Audit Division	13,491,600	13,401,000	14,381,100	14,761,500	14,439,300
Compliance Division	9,819,300	9,597,200	10,374,500	10,731,000	10,484,500
Revenue Operations	6,867,500	7,398,100	7,554,100	7,338,600	7,169,700
Property Tax	4,565,800	4,563,000	4,924,700	5,123,800	5,021,200
Total:	53,527,100	53,418,400	56,249,600	57,845,100	56,767,400
BY FUND CATEGORY					
General	44,251,500	44,623,200	46,416,300	46,090,200	45,181,400
Dedicated	9,275,600	8,795,200	9,833,300	11,754,900	11,586,000
Total:	53,527,100	53,418,400	56,249,600	57,845,100	56,767,400
Percent Change:	0.0%	(0.2%)	5.3%	2.8%	-0.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	38,433,300	37,926,900	41,338,200	43,221,300	42,143,600
Operating Expenditures	14,371,200	14,690,100	14,100,500	13,191,600	13,191,600
Capital Outlay	722,600	801,400	810,900	1,432,200	1,432,200
Total:	53,527,100	53,418,400	56,249,600	57,845,100	56,767,400
Full-Time Positions (FTP)	440.00	440.00	447.00	445.00	445.00



Please feel free to contact me with
any questions at (208) 332 – 1285 or
clehosit@lso.idaho.gov

LSO

Legislative Services Office



FY 2025 Expenditures – Personnel Costs

Gross Salary and Wages: \$26,679,416

Employees	\$25,961,100
Temporary Employees	\$718,316



Employee Benefits: \$11,247,593

Other Employee Benefits	\$5,678,674
Employer Retirement Contribution	\$3,061,748
Social Security and Medicare	\$1,957,009
DHR	\$509,727
Workers Compensation	\$40,435



FY 2025 Expenditures - Operating Expenditures

Operating Expenditures

Expenditure	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	% of Total
Repair & Maintenance Services	\$4,079,570	\$4,199,354	\$4,694,185	\$5,260,614	\$4,776,102	32.5%
Computer Services	\$1,659,751	\$1,538,793	\$2,507,097	\$2,792,610	\$2,876,578	19.6%
Miscellaneous Expenditures	\$1,302,949	\$2,045,847	\$2,780,320	\$2,087,741	\$2,412,670	16.4%
Rentals & Operating Leases	\$2,028,091	\$1,927,891	\$1,859,894	\$1,908,545	\$1,712,579	11.6%
Communication Costs	\$1,217,810	\$1,715,001	\$1,666,294	\$1,485,793	\$1,470,431	10.0%
General Services	\$374,220	\$472,320	\$553,687	\$143,344	\$409,765	2.8%
Employee Travel Costs	\$76,598	\$223,284	\$338,527	\$337,875	\$367,399	2.5%
Employee Development Costs	\$93,462	\$195,703	\$209,811	\$571,852	\$332,073	2.3%
Administrative Services	\$226,769	\$370,184	\$201,933	\$253,076	\$115,080	0.8%
Computer Supplies	\$334,371	\$136,879	\$102,207	\$132,177	\$91,453	0.6%
Administrative Supplies	\$724,412	\$457,124	\$183,423	\$170,702	\$89,766	0.6%
Insurance	\$32,201	\$33,260	\$74,844	\$55,844	\$89,259	0.6%
Fuel & Lubricant Costs	\$21,613	\$38,366	\$49,016	\$37,186	\$27,964	0.2%
Manufacturing & Merchandising Costs		\$55	\$42	\$552	\$26,474	0.2%
Specific Use Supplies	\$22,278	\$19,178	\$14,044	\$15,421	\$16,947	0.1%
Professional Services	\$6,774	\$17,258	\$40,763	\$31,516	\$14,288	0.1%
Repair & Maintenance Supplies	\$37,538	\$20,231	\$29,908	\$4,186	\$12,739	0.1%
Institutional & Residential Supplies		\$323		\$1,077	(\$137,527)	(0.9%)
Utility Charges	11.2	\$20	\$85	\$1,205		-
Total	\$12,238,418	\$13,411,071	\$15,306,081	\$15,291,317	\$14,704,038	-

2021 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Commissioner CEC	Enhancement	\$10,000
2% General Fund Reduction & Exemptions	Enhancement	(\$738,800)
Building Space Charges	Enhancement	\$171,800
OITS 1 - Operating Costs	Enhancement	\$6,200
OITS 4 - Agency Billings	Enhancement	\$204,100
Rent Reduction at Chinden	Supplemental	(\$647,200)
Total Ongoing Base Change from Enhancements		(\$993,900)

2022 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Commissioner CEC	Enhancement	\$10,000
Budget Reduction	Enhancement	(\$180,000)
Gov Initiative - FAST Hosting	Enhancement	\$933,600
Total Ongoing Base Change from Enhancements		\$763,600

2023 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Commissioner CEC	Enhancement	\$25,600
Software Engineers	Enhancement	\$78,700
Total Ongoing Base Change from Enhancements		\$104,300

2024 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Commissioners CEC Increase	Enhancement	\$12,100
DHR Consolidation	Enhancement	(\$135,200)
FAST Collection Services	Enhancement	\$550,000
Imaging System	Enhancement	\$125,000
Tax Season Temporary Employees	Enhancement	\$475,000
Total Ongoing Base Change from Enhancements		\$1,026,900

Agency Funds – Sources and Uses

General (0001-00 Gen)

Sources: The General Fund consists of, "moneys received into the treasury and not specially appropriated to any other fund" (§67-1205). Approximately 47% of the General Fund is derived from individual income tax, 41% from sales tax, 7% from corporate income tax, and 5% from other sources. For a more detailed description of the sources of the General Fund, see the Governor's General Fund Revenue Book.

Uses: Provides for the general operation and maintenance of the State Tax Commission including personnel costs, operating expenditures, and capital outlay.

Multistate Tax Compact (0276-00 Ded)

Sources: Moneys collected as a direct result of audits conducted by the Multistate Tax Commission (on behalf of the state of Idaho) shall be paid by the State Tax Commission into the Multistate Tax Compact Fund. The Multistate Tax Compact was formed to determine the tax liability of multistate taxpayers, promote uniformity or compatibility in tax systems, and facilitate taxpayer convenience and compliance in the filing of tax returns and avoid duplicative taxation across states (§63-3709).

Uses: Each year the State Tax Commission receives the budget of the Multistate Tax Commission, including the statement of Idaho's share. On or before February 1 of each year, the Tax Commission certifies to the Senate Finance Committee, the House Appropriations Committee, the Senate Local Government and Taxation Committee, and the House Revenue and Taxation Committee as to whether the budget complies with the Multistate State Tax Compact. Unless the Legislature determines otherwise prior to adjournment, the amounts which the State Tax Commission has certified as complying are hereby continually appropriated from the Multistate Tax Compact Fund to the Multistate Tax Commission.

If the funds in the Multistate Tax Compact Fund exceed one hundred and ten percent (110%) of the most recent annual appropriation to the Multistate Tax Commission, the excess shall be transferred to the General Fund.

Payments to the Multistate Tax Commission from the Multistate Tax Compact Fund are made only on approval of the State Tax Commission (§63-3709).



Agency Funds – Sources and Uses

Administration and Accounting (0338-01 Ded)

Sources: The State Tax Commission is directed to retain funds for the Commission's cost of collecting and administering the moneys of certain donation tax check-off trust funds. The annual amount is three thousand dollars (\$3,000) or twenty percent (20%), whichever is less (§63-3067A and §63-3067B).

Any county that has levied a tax pursuant to §63-2602, Idaho Code, may contract with the State Tax Commission for collection and administration of the tax. Although the legislation sunset in December 31, 2009, the local option tax allowed for a ten-year levy to be distributed according to §63-2605 as follows:

- (a) An amount sufficient to pay refund claims to the State Refund Fund,
- (b) An amount equal to the cost of administering the tax is retained by the Commission, not to exceed the legislative appropriation,
- (c) The remaining balance is distributed monthly to the tax levying jurisdictions.

On other taxes, the State Tax Commission is authorized to retain an amount of money equal to the cost of collecting and administering them. The amount retained cannot exceed the amount authorized to be expended by appropriation by the Legislature. Those taxes are:

1. Idaho Travel and Convention Tax (0212) (§67-4718)
2. Illegal Drug Tax (0281) (§63-4209)
3. Boise Auditorium District (0630) (§67-4917C)
4. Petroleum Clean Water Trust Fund (0130) (§41-4909)
5. 2% fee on Prepaid Wireless Services (§31-4809)

Uses: Funds in the Administration Fund are used for defraying the costs of collecting and administering certain trust funds and taxes (§63-3602, §63-3067, §67-4718, §67-4917C, §63-4209, §31-4809, & §41-4909).



Agency Funds – Sources and Uses

Administration Services for Transportation (0338-02 Ded)

Sources: The State Tax Commission retains funds from gasoline tax receipts equal to the cost of collecting, administering, and enforcing the Gasoline Tax requirements. However, the amount cannot exceed the amount authorized to be expended by the Legislature (§63-2402 and §63-2405).

From Special Fuels Tax receipts the State Tax Commission retains funds equal to the cost of collecting, administering and enforcing the Special Fuels Tax. However, the amount cannot exceed the amount authorized to be expended by the Legislature (§63-2416 - §63-2417).

Uses: The funds are used to pay the Commission's costs of the Gasoline Tax and Special Fuels Tax Programs (§63-2412 and §63-2418).

ARPA State Fiscal Recovery Fund (0344-30 Fed)

Sources: The American Rescue Plan Act (ARPA) was passed by Congress and signed into law on March 11th, 2021 (Public Law No. 117-2). As part of ARPA, a State Fiscal Recovery Fund (SFRF) was created for all states to address the impacts of the COVID-19 health emergency; Idaho received an SFRF allocation of \$1,094,018,353. Funds can be expended for testing, supplies, premium pay for workers, lost tax revenue, and for sewer, water, or broadband infrastructure projects. These funds must be obligated for expenditure by December 31, 2024, and expended by December 31, 2026. Pursuant to S1204 of 2021, all moneys from this fund are subject to Legislative appropriation.

Uses: In FY2023, the Legislature appropriated \$189,500 to the State Tax Commission for the replacement of information technology equipment.



Agency Funds – Sources and Uses

Seminars and Publications (0401-00 Gen)

Sources: Fees, educational purpose sales, tax regulations and printed material, fees for copies, supplies, bad check charges, postage reimbursement, sales of maps, unclaimed property lists, etc. Sales are primarily to the public.

Uses: These funds are used for defraying the costs associated with collecting and administering these funds.

Tax Rebate Fund (0535-00 Ded)

Sources: The Idaho Tax Rebate Fund (§63-3024B) is funded by both the General and Tax Relief Fund funds. A total of \$540,000,000 comes from the General Fund. \$40,000,000 was allocated in S1214 of 2021, and \$500,000,000 was allocated in H0001 of the 2022 Extraordinary Session.

A total of \$478,000,000 comes from the Tax Relief Fund. \$180,000,000 was allocated in H0380 of 2021, and \$298,000,000 was allocated in H0436 of 2022.

Uses: §63-3024B, Idaho Code, requires the Idaho State Tax Commission to distribute income tax rebates to individual income taxpayers who filed 2020 and 2021 Idaho individual income tax returns or form 24.

House Bill 380 of 2021 authorized up to \$220,000,000 for rebates.

House Bill 436 of 2022 authorized up to \$350,000,000 for rebates.

House Bill 1 of the 2022 Extraordinary Session authorized up to \$500,000,000 for rebates.

Agency Funds – Sources and Uses

Public Defense Fund (0502-13 Ded)

Sources: Section 57-827(1), I.C., establishes the sources of the fund.

Effective until July 1, 2024: (a) Moneys transferred to the fund pursuant to section 57-811, Idaho Code; (b) Legislative appropriations to the fund; (c) On and after October 1, 2024, any fees or reimbursement ordered pursuant to section 19-854(7) and 19-858, Idaho Code, or distributed pursuant to section 31-32011(16), Idaho Code; (d) Any bequests or donations to the fund; and (e) Interest earned on idle moneys in the fund.

Effective July 1, 2024: (a) Moneys transferred to the fund pursuant to section 57-811, Idaho Code; (b) Legislative appropriations to the fund; (c) On and after October 1, 2024, any fees or reimbursement ordered pursuant to sections 19-6011(7) and 19-6015, Idaho Code, or distributed pursuant to section 31-32011(16), Idaho Code; (d) Any bequests or donations to the fund; and (e) Interest earned on idle moneys in the fund.

Pursuant to Section 57-811(3), Idaho Code: For FY 2024, and each year thereafter, \$36,000,000 from the General Fund to the Public Defense Fund (see H292 and H380 of 2023).

Uses: Section 57-827(2), I.C., establishes the uses of the fund:

Moneys in the fund shall be used as determined by legislative appropriation to fulfill the state's obligation to provide indigent public defense pursuant to the sixth amendment of the United States constitution and section 13, article I of the constitution of the state of Idaho.

Moneys in the fund shall be distributed to the 44 counties in the proportion that the expenditures of each county for indigent defense services during county fiscal year 2021, excluding any state funding or grants, bear to the expenditures of all counties in the state for indigent defense services during county fiscal year 2021, excluding any state funding or grants (see H292 and H380 of 2023).