

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



Fiscal Year FY 2025-2026

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS <i>(FORM B1)</i>	For FY 2025-2026, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization
	<input type="checkbox"/>	Not requesting any changes

NON-RECURRING REQUESTS <i>(FORM B2)</i>	For FY 2025-2026, 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 <i>(FORM C)</i>	For FY 2025-2026, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects
	<input checked="" type="checkbox"/>	Not requesting any changes

PROVISOS <i>(FORM D)</i>	For FY 2025-2026, my agency is (mark "X"):	
	<input 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 checked="" 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 2025-2026 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:		
TYPE/PRINT NAME:	W. Hartley Powell	

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

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BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	FTE Conversion - General Funded to Other Funded	0	0	0	0	0	-54.00	0.00	54.00	0.00	0.00
TOTALS			0	0	0	0	0	-54.00	0.00	54.00	0.00	0.00

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY
PRIORITY

1

Provide the Agency Priority Ranking from the Executive Summary.

TITLE

FTE Conversion - General Funded to Other Funded

Provide a brief, descriptive title for this request.

AMOUNT

General: \$0

Federal: \$0

Other: \$0

Total: \$0

What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS

0.00

Please provide the total number of new positions needed for this request.

FACTORS
ASSOCIATED
WITH THE
REQUEST

Mark “X” for all that apply:

☐

Change in cost of providing current services to existing program audience

☐

Change in case load/enrollment under existing program guidelines

☐

Non-mandated change in eligibility/enrollment for existing program

☐

Non-mandated program change in service levels or areas

☐

Proposed establishment of a new program or initiative

☐

Loss of federal or other external financial support for existing program

☐

Exhaustion of fund balances previously used to support program

☐

IT Technology/Security related

☒

HR/Personnel Related

☐

Consulted DTO during development

☐

Related to a Non-Recurring request – If so, Priority #

STATEWIDE
ENTERPRISE
STRATEGIC
OBJECTIVES

Mark “X” for primary applicable Statewide Enterprise Strategic Objective:

☐

Education, Training, and Human Development

☐

Healthy and Safe Families

☐

Maintaining Safety, Integrity, and Security

☐

Public Infrastructure and Economic Development

☒

Government and Citizens

ACCOUNTABILITY
OF FUNDS

No additional funds are being requested. The shift in FTEs from General Fund to Other Funds is to better align SCDOR's budget and approved FTE distribution.

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF

No additional funds are being requested. The shift in FTEs from General Fund to Other Funds is to better align SCDOR's budget and approved FTE distribution.

FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION OF
REQUEST**

For FY25, the South Carolina Department of Revenue (SCDOR) received approval from the Executive Budget Office (EBO) to change the FTE authorization of 54 positions to ensure consistent accounting between funding sources and collection efforts. To avoid coming back to the EBO each year, we are seeking to make this request permanent in FY26.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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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	<div>\$1,754,942</div> <div>What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.</div>
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ASSOCIATED FTE REDUCTIONS	<div>There would be no FTE reductions, but up to 10 IT security contractors would be eliminated.</div> <div>How many FTEs would be reduced in association with this General Fund reduction?</div>
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PROGRAM / ACTIVITY IMPACT	<div>I.A Administrative and Program Support CISO area.</div> <div>What programs or activities are supported by the General Funds identified?</div>
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SUMMARY	<div>Contractual Services are a significant portion of SCDOR operation 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.</div>
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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.

**AGENCY COST
SAVINGS PLANS**

SCDOR would have to eliminate vital IT security projects.

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?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Public Website Redesign
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	The SCDOR is continuing its efforts to enhance taxpayer compliance by updating the agency's public website. SCDOR's website refresh will ease the administrative burden on taxpayers in complying with complex tax laws. SCDOR's website has not been refreshed in almost 10 years, and needs to be modernized to enhance functionality. This will help taxpayers better navigate the website, resulting in more efficient customer service and tax compliance.
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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
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METHOD OF CALCULATION	Taxpayers save time and money by efficiently navigating the agency's website. SCDOR is refreshing its website to better meet the needs of taxpayers.
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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	SCDOR's website refresh will ease the administrative burden on taxpayers in complying with complex tax laws. SCDOR's website has not been refreshed in almost 10 years, and needs to be modernized to enhance functionality. This will help taxpayers better navigate the website, resulting in more efficient customer service and tax compliance.
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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?