



## Department of Transformation and Shared Services

Governor Asa Hutchinson  
Secretary Amy Fecher  
Director Kay Barnhill

April 20, 2022

The Honorable David Wallace, Co-Chairperson  
The Honorable David Hillman, Co-Chairperson  
Uniform Personnel Classification and  
Compensation Plan Subcommittee  
Joint Budget Committee  
State Capitol Building, Room 315  
Little Rock, Arkansas 72201

Dear Senator Wallace and Representative Hillman:

The Office of Personnel Management (OPM) submits a request from the Arkansas Department of Finance and Administration for your review.

The Arkansas Department of Finance and Administration (DFA) is requesting eight (8) positions from the OPM Growth Pool established by Ark. Code Ann. §21-5-225(a)(1). The positions are intended for the Office of Field Audit (2), Office of Revenue Legal Counsel (5), and Office of Hearings and Appeals (1). The classifications requested are listed below:

**CLASSIFICATIONS REQUESTED**

<b><u>CLASS CODE</u></b>	<b><u>TITLE</u></b>	<b><u>GRADE</u></b>	<b><u>SALARY RANGE</u></b>
G310C	Tax Appeals Staff Attorney	GS13	\$77,862-\$112,900
G310C	Tax Appeals Staff Attorney	GS13	\$77,862-\$112,900
G310C	Tax Appeals Staff Attorney	GS13	\$77,862-\$112,900
G025C	Attorney Supervisor	GS12	\$69,776-\$101,175
G024C	Dept Administrative Law Judge	GS12	\$69,776-\$101,175
G047C	Attorney Specialist	GS11	\$62,531-\$90,670
G179C	Legal Services Specialist	GS06	\$36,155-\$52,425
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**JUSTIFICATION**

The Department of Finance and Administration is requesting the above positions to alleviate workload across several divisions. The Collections Division hopes to add a GS11 Attorney Specialist (G047C) to assist in collection efforts, as well as a GS12 Attorney Supervisor (G025C) who will supervise the collections attorneys, oversee legal collection, and handle the increased litigation efforts.

The Office of Revenue Legal Council (RLC) wishes to employ three (3) Tax Appeals Staff Attorneys (G310C) and (2) Legal Services Specialists (G179C) to assist with a drastically increased caseload. They will assist with civil litigation, business closures, bankruptcies, drafting litigation and many other responsibilities. To showcase the drastic increase in administrative protests alone the RLC provided the following statistics:

<b>Calendar Year</b>	<b>Tax Protests Received</b>
2017	262
2018	609
2019	652
2020	759
2021	1060

Finally, The Office of Hearings and Appeals wishes to employ one (1) Department Administrative Law Judge (G024C) due to the extraordinary increase in administrative protests, another Administrative Law Judge is essential to provide hearings, for all taxpayers who filed for an administrative protest, in a timely manner.

The total cost for these requests is \$507,979, and after review of the request, the Office of Personnel Management recommends the approval of eight (8) growth pool positions listed above.

Your consideration of this request is greatly appreciated.

Sincerely,

  
Kay Barnhill, Director  
Office of Personnel Management

  
SECRETARY OF TRANSFORMATION & SHARED SERVICES

4/8/2022  
DATE



STATE OF ARKANSAS  
**Department of Finance  
 and Administration**

9272  
**REVENUE LEGAL COUNSEL**  
 P.O. Box 1272 – Room 2380  
 Little Rock, Arkansas 72203  
 Phone: (501) 682-7030  
 Fax: (501) 682-7599  
 www.arkansas.gov/dfa

March 28, 2022



Ms. Amy Valentine  
 Arkansas Department of Finance and Administration  
 Human Resources Manager  
 1515 W. 7<sup>th</sup> Street  
 Little Rock, AR 72201

Re: Personnel Position Request

Ms. Valentine:

The Department of Finance and Administration (DFA) Office of Field Audit, Office of Revenue Legal Counsel, and Office of Hearings and Appeals respectfully request a total of eight (8) positions from the growth pool. The necessity of these additional positions is explained in detail below.

**A. OFFICE OF FIELD AUDIT: POSITIONS REQUESTED**

CLASS CODE	POSITION GRADE	POSITION TITLE	SALARY RANGE
G025C	GS12	ATTORNEY SUPERVISOR	\$69,776 - \$101,175
G047C	GS11	ATTORNEY SPECIALIST	\$62,531 - \$90,670

The Collections Division of the Office of Field Audit works with all tax types (Individual Income Tax, Withholding Wage Tax, Corporate Income Tax, Sales Tax, Driver Services, Motor Vehicle, etc.) to uniformly collect overdue and insufficient payment of taxes. The Collections Division works with taxpayers to create payment plans where possible to afford taxpayers the option to reduce and eventually eliminate their debt.

Since calendar year 2012, total revenue collections have grown an average of 10.8% annually:

Calendar Year	Total Collections
2012	\$94.9 Million
2013	\$104.9 Million
2014	\$100.3 Million
2015	\$109.6 Million
2016	\$111.2 Million
2017	\$132.1 Million
2018	\$180.9 Million
2019	\$201.4 Million
2020	\$199.7 Million (COVID-19)

In 2018, the Collections Division added two attorneys who oversee legal collection efforts including garnishments and, less frequently, writs of execution. The addition of garnishments has almost doubled the Collections Division’s ability to resolve overdue taxes for all tax types. The Collections Division seeks to add another attorney to handle collections. The Collections Division requests a new GS11 (Attorney Specialist) position from the growth pool.

The two attorneys in the Collections Division are currently supervised by a non-attorney manager. The Collections Division respectfully requests a new GS12 (Attorney Supervisor) position from the growth pool. The Attorney Supervisor would supervise the three attorneys in the Collections Division and their support staff. As a result of the increased collection efforts, the Collections Division is involved in an increased amount of litigation. The Attorney Supervisor would oversee the office’s legal collection efforts and handle these litigation matters. The estimated cost of the request for these two new positions from the growth pool is \$132,307.

**B. OFFICE OF REVENUE LEGAL COUNSEL: POSITIONS REQUESTED**

<b>CLASS CODE</b>	<b>POSITION GRADE</b>	<b>POSITION TITLE</b>	<b>SALARY RANGE</b>
G310C	GS13	TAX APPEALS STAFF ATTORNEY	\$77,862-\$112,900
G310C	GS13	TAX APPEALS STAFF ATTORNEY	\$77,862-\$112,900
G310C	GS13	TAX APPEALS STAFF ATTORNEY	\$77,862-\$112,900
G179C	GS06	LEGAL SERVICES SPECIALIST	\$36,155-\$52,425
G179C	GS06	LEGAL SERVICES SPECIALIST	\$36,155-\$52,425

Attorneys in the Office of Revenue Legal Counsel (“RLC”) handle administrative protests, civil litigation, legal opinions, business closures, foreclosures, bankruptcies, requests under the Freedom of Information Act, subpoenas, and special projects. Our attorneys handle all of their own litigation, including appeals to the Arkansas Supreme Court.

Our attorneys routinely draft requested legislation, prepare fiscal impact statements, and testify in committee. They also respond to requests for information from taxpayers, outside counsel, and the legislature.

The caseload of our attorneys has dramatically increased over the past several years. We handle more litigation, subpoenas, and projects than ever before. The number of administrative protests alone has increased exponentially:

<b>Calendar Year</b>	<b>Tax Protests Received</b>
2017	262
2018	609
2019	652
2020	759
2021	1060

Since calendar year 2017, our office has only added one new attorney position. The new position was a result of transformation and was not a reflection of the increased caseload. We need to increase the number of attorneys in our office to timely handle all of our assigned matters. We respectfully request the creation of three new attorney positions and two new assistant positions from the growth pool.

The Tax Appeals Commission has created a new classification of attorney, a Tax Appeals Staff Attorney. Our most experienced attorneys handle the litigation and appeal of tax issues, including litigating complex corporate income tax matters against multinational corporations, without the assistance of outside counsel. We request that the attorney positions be classified as Tax Appeals Staff Attorney (GS13) positions to reflect the level of work expected by our appellate attorneys.

We are also requesting two new GS06 (Legal Services Specialist) positions to assist the attorneys with their caseload. The estimated cost of the request for these five new positions from the growth pool is \$305,896.

**C. OFFICE OF HEARINGS AND APPEALS: POSITION REQUESTED**

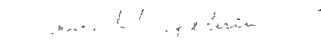
<b>CLASS CODE</b>	<b>POSITION GRADE</b>	<b>POSITION TITLE</b>	<b>SALARY RANGE</b>
G024C	GS12	DEPARTMENT ADMINISTRATIVE LAW JUDGE	\$69,776 - \$101,175

The Office of Hearings and Appeals adjudicates administrative protests filed by taxpayers. As detailed above, the number of administrative protests has quadrupled in the past five years. The Office of Hearings and Appeals is only staffed by two Administrative Law Judges and will need an additional Administrative Law Judge to provide hearings for all of the taxpayers who have filed an administrative protest before the Office of Hearings and Appeals. Under Act 586 of 2021, the Office of Hearings and Appeals will continue to issue decisions on tax disputes through May 31, 2023.

The Office of Hearings and Appeals respectfully requests the creation of one additional Department Administrative Law Judge position (GS12) from the growth pool. The estimated cost of the request for this additional position from the growth pool is \$69,776.

Please do not hesitate to contact us with any questions.

Sincerely,



Paul M. Gehring  
Assistant Commissioner of Revenue  
Policy and Legal

cc: Charles S. Collins,  
Commissioner of Revenue