



Managing a Research Shop

*2002 FTA Revenue Estimating and
Tax Research Conference
September 30, 2002*

*Brenda Stoner
Commonwealth of Pennsylvania
Department of Revenue*

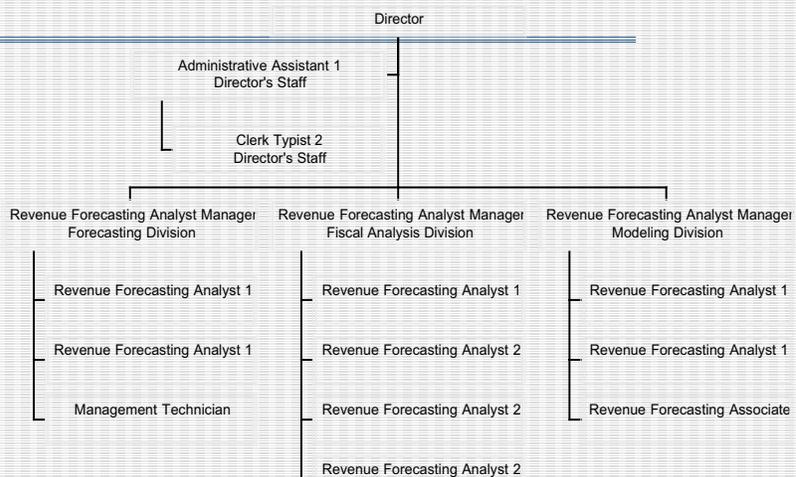
Overview

- Commonwealth Budget Process
- Bureau of Research Organization
- Major Functions
- Primary Customers
- PA Tax MAP

PA Budget Process

- Secretary of Revenue and Secretary of Budget Certify Revenue Estimates to Governor
- House and Senate Appropriations Committees Have Oversight Role in Developing Revenue Estimates
- Governor Signs Balanced Budget Bill Based on Certified Revenue Estimates

Bureau of Research



Forecasting Division

- Forecasting State Revenues
 - Governor's Executive Budget (February)
 - Official Estimate (June)
- Revenue Reporting/Tax Revenue Certification
- Revenue Accounting

Fiscal Analysis Division

- Fiscal Notes on Legislative Proposals
- Tax Expenditures
- Motor License Fund Forecasts and Analyses

Modeling Division

- Creating and Maintaining Tax Return Data Sets
- Developing Programs for Tax Policy Simulations
- Testing and Using PA Tax MAP Models

Primary Customers

- Revenue Executive Office
- Office of the Budget
- Legislature
- Other State Agencies
- Outside Interest Groups

PA Tax Modeling and Analysis Project (MAP)

- Integrated Tax Models Developed by Outside Consultants
 - PA Consumption Tax Model
 - Personal Income Tax Model
 - Business Tax Model
 - Dynamic Revenue Feedback Model
 - Tax Incidence Model

PA Tax MAP

- Improve State Tax Modeling Capabilities
- Study Aggregate Effects of Tax Policy Changes
- Evaluate Distributional Impacts