

PERFORMANCE BASED BUDGET YEAR-TO-DATE THROUGH MARCH 2007

MANAGEMENT, ADMINISTRATION, AND COUNSEL

Performance Goal	Status
Institutionalize project management and portfolio review. In 2003, Tax instituted project management and portfolio review for all significant technology projects. Beginning in 2005, we began to expand the use of these management techniques to non-technology projects throughout the Department. We will build out and institutionalize this initiative and ensure that 100% of major projects enter portfolio review and management.	The Project Portfolio contains 25 projects. During the fiscal year, twenty three new projects have been approved, thirty seven have been completed and three have been cancelled.
Achieve 100% participation in the Leadership Training Program. This program is designed for mid- and high-level departmental managers to enhance skills and plan for succession and knowledge transfer in the face of heavy attrition and rapid technological changes.	The following data reflects participants for the first ten months of the Leadership Academy year, June 1, 2006-March 31, 2007. 85% of the managers and leaders have participated in the Leadership Academy Program.
Prepare first annual internal Voluntary Compliance Feedback Report that draws upon the actual experience of Tax's various operating units --- such as TSRD (Processing), Audit, and Tax Enforcement --- to document, and make recommendations for addressing recurring issues in processing and compliance.	Final report to be completed on Internal Voluntary Compliance Feedback.
Respond to 95% of Disclosure and Government Exchange requests for information within 60 days.	99%
Pay 98% of travel vouchers within two weeks of receipt.	100%
Pay 98% of accounts payable invoices within 30 days of Merchandise Invoice Receipt date.	99.2%
Complete 95% of signed contract renewals six weeks prior to expiration date.	4.6%
Forward response to internal requests for legal guidance to Deputy Commissioner and Counsel within 30 days.	61.8%
Respond to external requests for legal advice and guidance within 60 days.	66.7%
Prepare tax-related budget bills and amendments accurately and on time.	100%
Resolve 95% of legislatively-referred constituent problems within 15 days.	77.4%

AUDIT, COLLECTION, AND ENFORCEMENT

Performance Goal	Status																											
Meet or exceed 2006-07 Audit Plan target in first-year collections, including \$50 million from the tax shelter voluntary compliance initiative.	\$ 2.883 Billion																											
Desk Audit: <ul style="list-style-type: none"> ▪ Complete 550,000 reviews 	696,520																											
Corporation Tax Field Audit: <ul style="list-style-type: none"> ▪ Complete 2,800 reviews 	2,338																											
Income Tax Field Audit: <ul style="list-style-type: none"> ▪ Complete 3,400 reviews 	3,592																											
Sales Tax Field Audit: <ul style="list-style-type: none"> ▪ Complete 5,700 reviews 	6,467																											
Transaction & Transfer Tax Audit: <ul style="list-style-type: none"> ▪ Complete 800 reviews 	677																											
Maintain average age of Audit protest inventory of 60 days or less.	80 Days																											
Meet or exceed 2006-07 Collection Plan target in total cash collections.	<p>Tax Collections</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Plan YTD:</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 30%; text-align: right;">1,125,549,548</td> </tr> <tr> <td>Actual YTD:</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">1,249,592,267</td> </tr> <tr> <td>Actual vs. Plan:</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">124,042,719</td> </tr> </table> <p>Child Support Enforcement</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Plan YTD:</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 30%; text-align: right;">53,410,500</td> </tr> <tr> <td>Actual YTD:</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">58,020,548</td> </tr> <tr> <td>Actual vs. Plan:</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">4,610,048</td> </tr> </table> <p>Total Collections</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Plan YTD:</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 30%; text-align: right;">1,178,960,048</td> </tr> <tr> <td>Actual YTD:</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">1,307,612,815</td> </tr> <tr> <td>Actual vs. Plan:</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">128,652,767</td> </tr> </table>	Plan YTD:	\$	1,125,549,548	Actual YTD:	\$	1,249,592,267	Actual vs. Plan:	\$	124,042,719	Plan YTD:	\$	53,410,500	Actual YTD:	\$	58,020,548	Actual vs. Plan:	\$	4,610,048	Plan YTD:	\$	1,178,960,048	Actual YTD:	\$	1,307,612,815	Actual vs. Plan:	\$	128,652,767
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Increase the collections recovery rate by an incremental 3% from 2005-06 baseline levels. The rate is the percentage of average inventory collected on an annual basis. This goal assumes implementation of a renewed collections outsourcing initiative. The development and implementation of CISS – Collections, a data warehouse case scoring, selection, and workflow tool, is projected to increase collections in 2007-08 and beyond.	The 12 month rolling recovery rate is 25.81% compared to 24.45% for the same period last year.																											
Tax Collections Operations: <ul style="list-style-type: none"> ▪ Complete 1.2 million case contacts (Call Center and District Office incoming and outgoing telephone contacts + public counter) ▪ File 220,000 warrants ▪ Complete 220,000 other enforcement actions (levies served + income executions + business seizures) 	# of Case Contacts: 1,431,814 # of Warrants Filed: 266,926 # of Other Enforcement Actions: 277,733																											
Child Support Enforcement Operations: <ul style="list-style-type: none"> ▪ File 70,000 warrants ▪ Complete 60,000 other enforcement actions (levies served + income executions + business seizures) 	# of Warrants Filed: 88,564 # of Other Enforcement Actions: 156,240																											

Achieve an average quality score of more than 90% in annual Call Center Quality Review, an annual customer service/quality review of recorded calls.	88.8%
Open at least 19 civil and/or criminal cases arising out of the joint Audit and Enforcement Compliance Intelligence Assessment initiative, which uses data analysis tools to identify areas and patterns of noncompliance.	26
Refer 150 PATB Enforcement (excise tax) cases for prosecution, a 5% increase over 2005-06.	386
Refer 120 RCB Enforcement (income, franchise, and sales tax) cases for prosecution, a 5% increase over 2005-06.	179
Maintain downstate CITE cigarette regulatory compliance rate at 95% or better.	94%

CONCILIATION AND MEDIATION

Performance Goal	Status
Acknowledge 95% of: <ul style="list-style-type: none"> ▪ accepted cases within 14 days ▪ rejected cases within 14 days ▪ dismissed cases within 22 days 	99.7% 97.6% 97.3%
Schedule 90% of initial cases within 180 days.	99.1%
Issue 85% of decisions within three months of conference date.	85.4%

TECHNOLOGY AND INFORMATION SERVICES

Performance Goal	Status
Continue the development, construction, and implementation of the e-MPIRE integrated tax system, thereby allowing complete migration off the existing, antiquated UNISYS platform.	<p>Release 3</p> <p>Great progress has been made with critical Stage 4 deliverables but two (2) core functions (Online (O/L) adjustment and the Business Rule management tool (RAM)) are about three (3) weeks behind schedule. Estimated Tax, Payment Source File (PSF) Payments and returns have been successfully processed by the Stage 4 code - - great news to date.</p> <p>Stage 5 is progressing with over fifty (50) percent of all deliverables started and in progress.</p> <p>IBM experts were on-site during March to review processes being utilized by our development team and to witness first-hand the issues the team has been encountering. This data has been brought back to IBM for analysis and follow-up.</p> <p>The IBM Monitor v6.02 has been installed in the AIX environment for UT. The DTF team continues to work on both platforms (i.e., AIX and Windows) until we are satisfied that the AIX installation is stable. This situation is much improved since the February report.</p>

	<p>Detailed plans for Integration Testing and Performance Testing were developed in March 2007. The DTF team is working with IBM to have off-site performance testing executed within the IBM labs to identify any soft spots in a number of the more critical components and 'touch points' -- i.e., where subsystems integrate.</p> <p>Planning for Training and the requisite environment continued on schedule during March 2007.</p> <p>Test Manager, the automated testing tool, is being finalized. Training is on schedule to begin using this tool in mid-April.</p> <p>Business Rule review and approval by the Core Team continues to be on schedule. All user testers have been trained on Business Rule test condition development which began in April. Actual entry of the rules into RAM has been delayed as indicated above.</p> <p>Resources</p> <p>The Release 3 Core Team is being transitioned to their secondary responsibilities in user testing and training.</p> <p>COGNOS continues to be a difficult skill set to acquire and retain. Overall, we have made good progress in meeting our staffing needs</p> <p>Release 4</p> <p>A small team has been identified to begin the analysis of the Release 4 requirements for Taxpayer Identification in April. This effort is scheduled to begin before the end of April.</p>
<p>Ensure access to major online systems during 99% of normal work hours.</p>	<p>Major online systems were available 99% of normal work hours.</p>
<p>Ensure availability of network resources during 99% of normal work hours.</p>	<p>Network resources were available 99% of normal work hours.</p>
<p>Complete and/or advance portfolio of more than 50 discrete technology projects on time and within budget.</p>	<p>During the fiscal year to date, ESD allocated 19% of available staff time to project work. Twelve mandatory IT projects have been completed. Ten of the twelve mandatory projects (83%) completed within 10% of the project end date.</p>
<p>Develop and implement prototype State-Wide Authentication Network (SWAN) in consultation with the State CIO. Tax requested approximately \$400,000 in 2006-07 to pilot this advanced e-services gateway and authentication facility.</p>	<p>Online Tax Center (SWAN): Phase 5 of the Online Tax Center (OTC), which encompasses sub-delegation, is currently in the testing stage. We have also been asked to review the software and hardware requirements needed to enable live chat. A decision has been made to add a link to the STAR application from the Online Tax Center. For OTC users, the STAR application will be pre-populated with the taxpayer id and name. To date there are 12,938 individuals, 2,081 view and pay businesses, 2,297 zero tax due, 623 full businesses, 21 tax preparers and 23 out-of-state tax preparers registered.</p>
<p>Implement Corporation Tax e-file by January 2007.</p>	<p>Over 9,000 submissions have been received, receipted, acknowledged and if applicable ACH payments collected to date. The Fed/State 1120 e-file process is now automated and part of the regular Corporation Tax cycle processing.</p>

TAX POLICY, REVENUE ACCOUNTING, AND TAXPAYER GUIDANCE

Performance Goal	Status
Issue annual tax forms and instructions on time with 100% accuracy.	100%
Issue taxpayer guidance on Tax Law changes (publications, TSB-Ms, forms, instructions) at least 30 days prior to effective date or, if retroactive, within six weeks of DTF becoming aware of need.	99.2%
Issue advisory opinions within 90 days of receiving a completed petition.	12.3%
Prepare 100% of fiscal notes within four weeks of request.	95.8%
Implement a phased program of forms/instructions redesign and simplification, beginning with nonresident income tax return instructions.	The 2006 tax year IT-203 instructions have been redesigned.
Issue new industry-specific sales tax publications.	The following publication has been issued: Sales Tax Guide for Vet Services
Develop new documents and regulatory proposals that will provide clarification to the taxpayer community on significant outstanding policy issues.	The following documents have been issued: <ul style="list-style-type: none"> • TSB-M on New York Reportable Transactions • Security officers training credit regulation • Revised treatment of retirement payments to nonresident partners TSB-M • Summary 2006 PIT and corporation tax legislative changes TSB-Ms • Information for New York S corporations subject to Article 9-A TSB-M • Corporation Partnership regulation and TSB-M • Stock Option regulation and TSB-M • TSB-M announcing new document series, New York Tax Guidance (NYT-G), created to provide guidance on specific questions • Reportable Transactions Subject to Disclosure regulation • TSB-Ms on Fire Safety for Cigarettes and Roll-Your-Own Cigarettes • Handicapped-Accessible Taxis TSB-M • Certain practitioners must e-file PIT extensions TSB-M • Dyed Diesel motor fuel TSB-M • B20 fuel TSB-M • Electronic Funds Transfer regulation • Domestic corporations exempt from 9-A fixed dollar minimum tax TSB-M • Alternative fuels TSB-Ms (sales tax and excise tax/PBT) • New Publication—Sales Tax Quick Reference Guide • Cents-per-gallon rate on fuel tax regulation, emergency regulation, statewide TSB-M, and locality option TSB-M • Convenience of the Employer TSB-M • State sales tax exemption on clothing TSB-M • Treatment of retirement payments to nonresident partners TSB-M • Hazardous waste disposal special assessment TSB-M
Implement Kudlow Commission recommendations as enacted into law.	Although some of the recommendations from the Kudlow Commission were proposed as part of the SFY 2006-07 Executive Budget, none were enacted into law. Implementation of the tax law changes as enacted in the 2006.

CENTRALIZED OPERATIONS SUPPORT

Performance Goal	Status
Reduce telecommunication costs by 2% from 2005-06 level by more efficiently managing such activities, as well as evaluating the necessity of current usage trends. We will also evaluate implementing Voice over IP (VoIP) with the goal of further reducing expenditures by up to 5% within three years, assuming agency-wide implementation.	11.9% reduction
Reduce printing and mailing expenditures by 2% from 2005-06 levels through more efficient work-flow processes, ongoing validation and refinement of mail volumes, and leveraging the Internet as a means to disseminate information.	2.0% reduction
Mail 100% of all documents within deadlines.	98.7%
Maintain 100% error free inventory control of seized alcohol and tobacco products.	<p>The alcohol auction is nearing completion. Most products have been picked up and it is anticipated that all products will be picked up by the week ending 4/20/2007. An internal audit will begin on the alcohol inventory in the Rotterdam warehouse to verify against the Law Manager database on 4/13/2007 and is anticipated to be completed by 4/17/2007.</p> <p>Once the alcohol auction process and inventory is completed we will conduct a cigarette auction and verify the remaining physical inventory with the Law manager system.</p>

TREASURY MANAGEMENT

Performance Goal	Status
Prepare 99% of monthly reconciliations within 30 days of bank statement receipt. Treasury reconciles over 100* checking accounts each month. * This estimate was adjusted from 150 checking accounts as written in original goal.	97.6%
Mail 100% of General Checking Account checks on time. Daily average is 17,000 checks (the original estimate was 8,000).	100%
Issue vendor checks requested by paper warrants within two days and checks requested electronically the same day.	100% for both
Issue PIT replacement checks within a week of receiving affidavit.	99.0%
Complete 99% of daily trades by 1 PM to maximize trading efficiency.	99.7%
Deposit and report 99.9% of receipts and disbursements within 24 hours. *This goal reflects deposits of checks only.	100%
Issue UIB replacement checks within a week of receiving an LDA (Lost Draft Application).	88.6%

REVENUE PROCESSING AND RECONCILIATION

Performance Goal	Status
Process approximately 24 million returns (including 8 million coupon returns) and more than \$67 billion in State and local tax payments on time with 100% accuracy.	Through March we processed 25,442,548 returns and \$83,553,860,341 in state and local tax payments on time with 99.9% accuracy.
Reduce exception rates for all tax types through systems improvements and enhanced taxpayer guidance and assistance, provided through written material, telephone support, and the Internet.	The cumulative rate for April through March was 4.56%. This is an increase over the rate of 4.37% for the same period last year.
Increase E-file and 2-D bar coding of personal income tax returns 25% over 2005-06 levels (to at least 60%).	Filings from April through March increased 21% over last year.
Receive 62% of tax revenue by electronic funds transfer.	50.0%
Send 95% of PIT refunds to Office of the State Comptroller at least 10 days before interest start date.	99.6% (calculated from the April-March averages)
Deposit 99.5% of tax receipts within one day of receipt.	98.9% (calculated from the April-March averages)
Maintain average age of protest inventories at or below target levels: <ul style="list-style-type: none"> ▪ Personal Income Tax - 60 days ▪ Corporation Tax - 60 days ▪ Sales Tax - 60 days ▪ Withholding Tax - 60 days 	53 days 97 days 23 days 37 days
Maintain average age of exception inventories at or below target levels: <ul style="list-style-type: none"> ▪ Personal Income Tax - 45 days ▪ Corporation Tax - 60 days ▪ Sales Tax - 60 days ▪ Withholding Tax - 60 days 	11 days 50 days 22 days 46 days
Answer 85% of PIT information telephone inquiries within an average of 5 minutes during peak processing periods, and limit the average number of call attempts during peak to 1.5 attempts or less.	78.6% Service Level (calculated from the April-March averages) 1.23 attempts (calculated from the April-March averages)
Answer 85% of business tax information telephone inquiries within an average of 2 minutes, and limit the average number of call attempts to 1.2 attempts or less.	75.8% Service Level (calculated from the April-March averages) 1.06 attempts (calculated from the April-March averages)
Achieve an average quality score of more than 90% in our annual Call Center Quality Review, an annual customer service/quality review of recorded calls.	94.1%
Resolve 90% of written inquiries (including protests) within 90 days.	Calculated from the April-March averages Business Tax-87.4% Personal-75.1%
Process sales tax registrations within 5 days of receipt.	3.5 days
Assist taxpayers in legally dissolving or reinstating corporations within 30 days of receipt.	23.7 days
Process enrollments and updates for mandatory and voluntary electronic funds transfer participants within 30 days.	17.0 days
Resolve exceptions for mandatory and voluntary electronic funds transfer participants within 60 days.	6.2 days
Process cigarette retail license applications/renewals within 10 days.	2.6 days