

**New York State Department of Taxation & Finance
Performance Based Budget**



**Semi-Annual Progress Report
October 2006**

**Andrew S. Eristoff,
Commissioner**

Table of Contents

Section 1	Introduction
Section 2	Performance Trends
Section 3	Resources and Impacts
Section 4	2006-2007 Initiatives
Section 5	2007-2008 Proposed Goal Changes

New York State Department of Taxation & Finance
Performance Based Budget
Semi-Annual Progress Report
October 2006

❖ **Introduction**

▪ **Commissioner's statement**

I am pleased to offer this first, semi-annual progress report on our performance based budgeting efforts.

In 1997, the Department of Taxation and Finance (DTF) embarked on a comprehensive strategic planning project. The goal was to improve our agency's return on investment for the taxpayers of New York State. In the intervening nine years, our efforts in this arena have matured into an across-the-board program of strategic and operational planning, performance measurement, and enterprise project management. Selection as one of the three agencies to participate in the State's Performance Based Budgeting Pilot Project has been a natural progression for us.

The preparation of this report serves two purposes: first, to provide both DTF managers and outside observers with a mid-year assessment of performance, in time for corrective action, and second, to identify appropriate refinements to our performance goals and measures as part of the budget making process for State Fiscal Year 2007-2008.

▪ **Implementation**

In the autumn of 2005, DTF executives reviewed existing performance measures to select those which would provide a wide-ranging view of Department operational performance and resource allocation. To augment existing measures, new measures were added which align with our Strategic Plan Objectives. These measures were included in each division's SFY 2006-2007 Operational Plan and are reported monthly.

Since December 2004, DTF has reported the results of our performance management program on our internet site. At the beginning of the current fiscal year, DTF converted this information to report on our performance based budget measures. http://www.tax.state.ny.us/strategic_plan/performance_measures.htm

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

MANAGEMENT, ADMINISTRATION, AND COUNSEL

PERFORMANCE GOAL	NARRATIVE
<p>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.</p>	<p>As of August, 2006, the project portfolio contains 25 technical and 8 non-technical projects. During the current fiscal year 10 new projects have been approved, 17 have been completed and 3 were canceled. We will continue to ensure that 100% of major projects enter portfolio review.</p>

PERFORMANCE GOAL	GRAPH	NARRATIVE										
<p>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.</p>	<p align="center">Achieve 100% participation in the Leadership Training Program YTD</p> <table border="1"> <caption>Participation in Leadership Training Program (YTD)</caption> <thead> <tr> <th>Month</th> <th>Participation (%)</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>94%</td> </tr> <tr> <td>May</td> <td>93%</td> </tr> <tr> <td>June</td> <td>11%</td> </tr> <tr> <td>July</td> <td>25%</td> </tr> </tbody> </table>	Month	Participation (%)	April	94%	May	93%	June	11%	July	25%	<p>For the first Leadership Academy year ending May 31, 2006, 93% of managers and leaders participated in the program; 82% completed at least the minimum amount of training required. To date, for the Leadership Academy year beginning June 1, 2006, 25% of the managers and leaders have participated in the Leadership Academy program.</p>
Month	Participation (%)											
April	94%											
May	93%											
June	11%											
July	25%											

PERFORMANCE BASED BUDGET														
PERFORMANCE TRENDS														
MANAGEMENT, ADMINISTRATION, AND COUNSEL														
PERFORMANCE GOAL	NARRATIVE													
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.	A progress report on the pilot voluntary compliance initiatives undertaken by Audit, TCD, TSRD and OTPA will be completed by the end of November, 2006.													
PERFORMANCE GOAL	GRAPH	NARRATIVE												
Respond to 95% of Disclosure and Government Exchange requests for information within 60 days.	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> ■ Respond to Disclosure and Government Exchange Requests for information within 60 Days - Goal 95% </div> <table border="1"> <caption>Response Rates for Disclosure and Government Exchange Requests</caption> <thead> <tr> <th>Month</th> <th>Response Rate (%)</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>98.7%</td> </tr> <tr> <td>April</td> <td>99.7%</td> </tr> <tr> <td>May</td> <td>99.8%</td> </tr> <tr> <td>June</td> <td>98.7%</td> </tr> <tr> <td>July</td> <td>96.7%</td> </tr> </tbody> </table>	Month	Response Rate (%)	Y-T-D	98.7%	April	99.7%	May	99.8%	June	98.7%	July	96.7%	The Disclosure and Government Exchange Section of the Management Analysis and Project Services Bureau has exceeded its goal of 95% for responding to requests for information within 60 days.
Month	Response Rate (%)													
Y-T-D	98.7%													
April	99.7%													
May	99.8%													
June	98.7%													
July	96.7%													

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

MANAGEMENT, ADMINISTRATION, AND COUNSEL

PERFORMANCE GOAL	GRAPH	NARRATIVE												
<p>Pay 98% of travel vouchers within two weeks of receipt.</p>	<p>Percentage of Travel Vouchers Processed within Two Weeks of Receipt - Goal 98%</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>100%</td> </tr> <tr> <td>April</td> <td>100%</td> </tr> <tr> <td>May</td> <td>100%</td> </tr> <tr> <td>June</td> <td>100%</td> </tr> <tr> <td>July</td> <td>100%</td> </tr> </tbody> </table>	Month	Percentage	Y-T-D	100%	April	100%	May	100%	June	100%	July	100%	<p>The Travel Unit of the Bureau of Fiscal Services has achieved a 100% efficiency of paying travel vouchers within two weeks of receipt.</p>
Month	Percentage													
Y-T-D	100%													
April	100%													
May	100%													
June	100%													
July	100%													
<p>Pay 98% of accounts payable invoices within 30 days of merchandise invoice receipt date.</p>	<p>Percentage of Accounts Payable Invoices Paid within 30 Days of Merchandise Invoice Receipt Date - Goal 98%</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>98.5%</td> </tr> <tr> <td>April</td> <td>98.3%</td> </tr> <tr> <td>May</td> <td>98.4%</td> </tr> <tr> <td>June</td> <td>98.2%</td> </tr> <tr> <td>July</td> <td>99.2%</td> </tr> </tbody> </table>	Month	Percentage	Y-T-D	98.5%	April	98.3%	May	98.4%	June	98.2%	July	99.2%	<p>The Accounts Unit of the Bureau of Fiscal Services has exceeded its goal of processing 98% of vouchers within 30 days.</p>
Month	Percentage													
Y-T-D	98.5%													
April	98.3%													
May	98.4%													
June	98.2%													
July	99.2%													

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

MANAGEMENT, ADMINISTRATION, AND COUNSEL

PERFORMANCE GOAL	GRAPH	NARRATIVE												
<p>Complete 95% of signed contract renewals six weeks prior to expiration date.</p>	<table border="1"> <caption>Complete 95% of Signed Contract Renewals Six Weeks Prior to Expiration Date</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>6.9%</td> </tr> <tr> <td>April</td> <td>No Activity</td> </tr> <tr> <td>May</td> <td>No Activity</td> </tr> <tr> <td>June</td> <td>7.4%</td> </tr> <tr> <td>July</td> <td>0%</td> </tr> </tbody> </table>	Month	Percentage	Y-T-D	6.9%	April	No Activity	May	No Activity	June	7.4%	July	0%	<p>This performance goal is impacted by many external factors, including cooperation by internal and external entities and required review timeframes for approval by the Office of the State Comptroller and the Office of the Attorney General.</p>
Month	Percentage													
Y-T-D	6.9%													
April	No Activity													
May	No Activity													
June	7.4%													
July	0%													
<p>Forward response to internal requests for legal guidance to Deputy Commissioner and Counsel within 30 days.</p>	<table border="1"> <caption>Percentage of Internal Requests for Legal Guidance sent to Deputy Commissioner and Counsel within 30 Days</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>72.7%</td> </tr> <tr> <td>April</td> <td>100%</td> </tr> <tr> <td>May</td> <td>100%</td> </tr> <tr> <td>June</td> <td>33.3%</td> </tr> <tr> <td>July</td> <td>50.0%</td> </tr> </tbody> </table>	Month	Percentage	Y-T-D	72.7%	April	100%	May	100%	June	33.3%	July	50.0%	<p>As a result of circulating drafts of internal advice to Department staff for informal review prior to issuance, the 30 day response time has been difficult to meet. The establishment of the Portfolio Review for Policy Group in late August will impact this performance goal.</p>
Month	Percentage													
Y-T-D	72.7%													
April	100%													
May	100%													
June	33.3%													
July	50.0%													

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

MANAGEMENT, ADMINISTRATION, AND COUNSEL

PERFORMANCE GOAL	GRAPH	NARRATIVE												
<p>Respond to external requests for legal advice and guidance within 60 days.</p>	<table border="1"> <caption>Forward Response to External Request for Legal Advice and guidance within 60 Days</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>56.3%</td> </tr> <tr> <td>April</td> <td>66.7%</td> </tr> <tr> <td>May</td> <td>100%</td> </tr> <tr> <td>June</td> <td>0%</td> </tr> <tr> <td>July</td> <td>42.9%</td> </tr> </tbody> </table>	Month	Percentage	Y-T-D	56.3%	April	66.7%	May	100%	June	0%	July	42.9%	<p>The 60 day response time for external requests for legal advice has been more difficult to meet since the Office of Counsel instituted an informal policy of circulating drafts to Department staff for review prior to issuance.</p>
Month	Percentage													
Y-T-D	56.3%													
April	66.7%													
May	100%													
June	0%													
July	42.9%													
<p>Prepare tax-related budget bills and amendments accurately and on time.</p>	<table border="1"> <caption>Prepare Tax-Related Budget Bills and Amendments Accurately and On Time</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>100%</td> </tr> <tr> <td>April</td> <td>No Activity for April</td> </tr> <tr> <td>May</td> <td>100%</td> </tr> <tr> <td>June</td> <td>100%</td> </tr> <tr> <td>July</td> <td>No Activity for July</td> </tr> </tbody> </table>	Month	Percentage	Y-T-D	100%	April	No Activity for April	May	100%	June	100%	July	No Activity for July	<p>Office of Counsel is meeting this performance goal.</p>
Month	Percentage													
Y-T-D	100%													
April	No Activity for April													
May	100%													
June	100%													
July	No Activity for July													

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

MANAGEMENT, ADMINISTRATION, AND COUNSEL

PERFORMANCE GOAL	GRAPH	NARRATIVE												
<p>Resolve 95% of legislatively-referred constituent problems within 15 days.</p>	<p align="center"> ■ Legislatively Referred Constituent Problems Resolved within 15 Days - Goal 95% </p> <table border="1"> <caption>Legislatively Referred Constituent Problems Resolved within 15 Days</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>80.36%</td> </tr> <tr> <td>April</td> <td>85.37%</td> </tr> <tr> <td>May</td> <td>82.68%</td> </tr> <tr> <td>June</td> <td>72.50%</td> </tr> <tr> <td>July</td> <td>84.27%</td> </tr> </tbody> </table>	Month	Percentage	Y-T-D	80.36%	April	85.37%	May	82.68%	June	72.50%	July	84.27%	<p>Legislative Affairs has been around 80% effective in resolving legislatively-referred constituent problems within 15 days. Waiting for reviews from other areas within the Department sometimes contributes to delays.</p>
Month	Percentage													
Y-T-D	80.36%													
April	85.37%													
May	82.68%													
June	72.50%													
July	84.27%													

AUDIT, COLLECTION, AND ENFORCEMENT

PERFORMANCE GOAL	GRAPH	NARRATIVE															
<p>Meet or exceed 2006-07 Audit Plan target in first-year collections, including \$50 million from the tax shelter voluntary compliance initiative.</p>	<p align="center"> Audit Plan Target for First Year Collections FY 2006-2007 </p> <table border="1"> <caption>Audit Plan Target for First Year Collections FY 2006-2007</caption> <thead> <tr> <th>Month</th> <th>Monthly (Millions)</th> <th>YTD (Millions)</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>\$292.2</td> <td>\$292.2</td> </tr> <tr> <td>May</td> <td>\$273.1</td> <td>\$565.3</td> </tr> <tr> <td>June</td> <td>\$423.7</td> <td>\$989.0</td> </tr> <tr> <td>July</td> <td>\$186.0</td> <td>\$1,175.0</td> </tr> </tbody> </table>	Month	Monthly (Millions)	YTD (Millions)	April	\$292.2	\$292.2	May	\$273.1	\$565.3	June	\$423.7	\$989.0	July	\$186.0	\$1,175.0	<p>Based on activity to date and cases in progress, the Audit Division estimates it will exceed the Audit Plan target.</p>
Month	Monthly (Millions)	YTD (Millions)															
April	\$292.2	\$292.2															
May	\$273.1	\$565.3															
June	\$423.7	\$989.0															
July	\$186.0	\$1,175.0															

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

AUDIT, COLLECTION, AND ENFORCEMENT

PERFORMANCE GOAL	GRAPH	NARRATIVE															
<p>Desk Audit: Complete 550,000 Reviews</p>	<p align="center">Desk Audit Performance Goal - Complete 550,000 Reviews FY 2006-2007</p>  <table border="1"> <caption>Desk Audit Performance Data</caption> <thead> <tr> <th>Month</th> <th>Monthly Reviews</th> <th>YTD Reviews</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>46,943</td> <td>46,943</td> </tr> <tr> <td>May</td> <td>41,927</td> <td>88,870</td> </tr> <tr> <td>June</td> <td>102,849</td> <td>191,719</td> </tr> <tr> <td>July</td> <td>62,902</td> <td>254,621</td> </tr> </tbody> </table>	Month	Monthly Reviews	YTD Reviews	April	46,943	46,943	May	41,927	88,870	June	102,849	191,719	July	62,902	254,621	<p>With over a third of the State Fiscal Year complete, the Audit Division has completed almost half of their projected number of desk audit reviews.</p>
Month	Monthly Reviews	YTD Reviews															
April	46,943	46,943															
May	41,927	88,870															
June	102,849	191,719															
July	62,902	254,621															
<p>Corporation Tax Field Audit : Complete 2,800 Reviews</p>	<p align="center">Corporation Tax Field Audit Performance Goal Complete 2,800 Reviews FY 2006-2007</p>  <table border="1"> <caption>Corporation Tax Field Audit Performance Data</caption> <thead> <tr> <th>Month</th> <th>Monthly Reviews</th> <th>YTD Reviews</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>249</td> <td>249</td> </tr> <tr> <td>May</td> <td>198</td> <td>447</td> </tr> <tr> <td>June</td> <td>231</td> <td>678</td> </tr> <tr> <td>July</td> <td>170</td> <td>848</td> </tr> </tbody> </table>	Month	Monthly Reviews	YTD Reviews	April	249	249	May	198	447	June	231	678	July	170	848	<p>The Audit Division is almost a third of the way to this goal and is on target to meet this goal.</p>
Month	Monthly Reviews	YTD Reviews															
April	249	249															
May	198	447															
June	231	678															
July	170	848															

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

AUDIT, COLLECTION, AND ENFORCEMENT

PERFORMANCE GOAL	GRAPH	NARRATIVE															
<p>Income Tax Field Audit: Complete 3,400 Reviews</p>	<p align="center">Income Tax Field Audit Performance Goal Complete 3,400 Reviews FY 2006-2007</p> <table border="1"> <caption>Income Tax Field Audit Performance Data</caption> <thead> <tr> <th>Month</th> <th>Monthly Reviews</th> <th>YTD Reviews</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>403</td> <td>403</td> </tr> <tr> <td>May</td> <td>279</td> <td>682</td> </tr> <tr> <td>June</td> <td>273</td> <td>955</td> </tr> <tr> <td>July</td> <td>236</td> <td>1,191</td> </tr> </tbody> </table>	Month	Monthly Reviews	YTD Reviews	April	403	403	May	279	682	June	273	955	July	236	1,191	<p>The Audit Division is almost a third of the way to this goal and is on target to meet this goal.</p>
Month	Monthly Reviews	YTD Reviews															
April	403	403															
May	279	682															
June	273	955															
July	236	1,191															
<p>Sales Tax Field Audit: Complete 5,700 Reviews</p>	<p align="center">Sales Tax Field Audit Performance Goal Complete 5,700 Reviews FY 2006-2007</p> <table border="1"> <caption>Sales Tax Field Audit Performance Data</caption> <thead> <tr> <th>Month</th> <th>Monthly Reviews</th> <th>YTD Reviews</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>733</td> <td>733</td> </tr> <tr> <td>May</td> <td>595</td> <td>1,328</td> </tr> <tr> <td>June</td> <td>478</td> <td>1,806</td> </tr> <tr> <td>July</td> <td>493</td> <td>2,299</td> </tr> </tbody> </table>	Month	Monthly Reviews	YTD Reviews	April	733	733	May	595	1,328	June	478	1,806	July	493	2,299	<p>The Audit Division is on target to meet this goal.</p>
Month	Monthly Reviews	YTD Reviews															
April	733	733															
May	595	1,328															
June	478	1,806															
July	493	2,299															

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

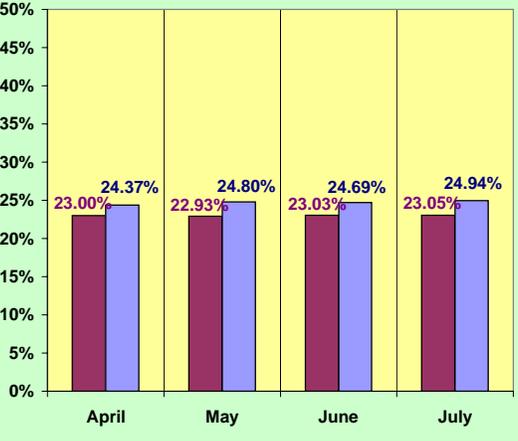
AUDIT, COLLECTION, AND ENFORCEMENT

PERFORMANCE GOAL	GRAPH	NARRATIVE															
<p>Transaction & Transfer Tax Audit:</p> <p>Complete 800 Reviews</p>	<p align="center">Transaction & Transfer Tax Audit Performance Goal - Complete 800 Reviews FY 2006-2007</p> <table border="1"> <caption>Transaction & Transfer Tax Audit Performance Data</caption> <thead> <tr> <th>Month</th> <th>Monthly Reviews</th> <th>YTD Reviews</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>52</td> <td>52</td> </tr> <tr> <td>May</td> <td>54</td> <td>106</td> </tr> <tr> <td>June</td> <td>69</td> <td>175</td> </tr> <tr> <td>July</td> <td>48</td> <td>223</td> </tr> </tbody> </table>	Month	Monthly Reviews	YTD Reviews	April	52	52	May	54	106	June	69	175	July	48	223	<p>The Audit Division is on target to meet this goal.</p>
Month	Monthly Reviews	YTD Reviews															
April	52	52															
May	54	106															
June	69	175															
July	48	223															
<p>Maintain average age of Audit Protest Inventory of 60 Days or Less.</p>	<p align="center">Maintain Average Age of Audit Protest Inventory of 60 Days or Less</p> <table border="1"> <caption>Maintain Average Age of Audit Protest Inventory Data</caption> <thead> <tr> <th>Month</th> <th>Protest Inventory (Days)</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>93</td> </tr> <tr> <td>May</td> <td>88</td> </tr> <tr> <td>June</td> <td>81</td> </tr> <tr> <td>July</td> <td>77</td> </tr> </tbody> </table>	Month	Protest Inventory (Days)	April	93	May	88	June	81	July	77	<p>This goal has not been met. Further, the Audit Division, on the basis of experience so far, has questioned the usefulness of this goal. The Audit Division works to resolve informal protests as quickly as possible. Most protests are resolved within 90 days of receipt and many within 60 days. Measuring the age of open inventory takes many factors into account; some factors cause average age computations to deviate significantly.</p>					
Month	Protest Inventory (Days)																
April	93																
May	88																
June	81																
July	77																

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

AUDIT, COLLECTION, AND ENFORCEMENT

PERFORMANCE GOAL	GRAPH	NARRATIVE															
<p>Meet or exceed 2006-07 Collection Plan Target in total cash collections.</p>	<p align="center">Collection Plan Total Collections (Tax and Child Support) FY 2006-2007</p>  <table border="1"> <caption>Collection Plan Total Collections (Tax and Child Support) FY 2006-2007</caption> <thead> <tr> <th>Month</th> <th>Plan YTD (Millions)</th> <th>Actual YTD (Millions)</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>\$97.9</td> <td>\$86.0</td> </tr> <tr> <td>May</td> <td>\$195.8</td> <td>\$203.7</td> </tr> <tr> <td>June</td> <td>\$293.7</td> <td>\$309.9</td> </tr> <tr> <td>July</td> <td>\$391.7</td> <td>\$424.2</td> </tr> </tbody> </table>	Month	Plan YTD (Millions)	Actual YTD (Millions)	April	\$97.9	\$86.0	May	\$195.8	\$203.7	June	\$293.7	\$309.9	July	\$391.7	\$424.2	<p>Tax Compliance has exceeded the goals they have established for annual collections, and will likely surpass last year's collections.</p>
Month	Plan YTD (Millions)	Actual YTD (Millions)															
April	\$97.9	\$86.0															
May	\$195.8	\$203.7															
June	\$293.7	\$309.9															
July	\$391.7	\$424.2															
<p>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.</p>	<p align="center">Recovery Rate</p>  <table border="1"> <caption>Recovery Rate</caption> <thead> <tr> <th>Month</th> <th>Prior 12 month rolling rate (%)</th> <th>Current 12 month rolling rate (%)</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>23.00%</td> <td>24.37%</td> </tr> <tr> <td>May</td> <td>22.93%</td> <td>24.80%</td> </tr> <tr> <td>June</td> <td>23.03%</td> <td>24.69%</td> </tr> <tr> <td>July</td> <td>23.05%</td> <td>24.94%</td> </tr> </tbody> </table>	Month	Prior 12 month rolling rate (%)	Current 12 month rolling rate (%)	April	23.00%	24.37%	May	22.93%	24.80%	June	23.03%	24.69%	July	23.05%	24.94%	<p>The CISS Project is on target for Phase I delivery by 4/07, which will allow business intelligence to be applied to the process of determining what action is needed and when, resulting in maximum collections. The Department has awarded contracts for the outsourcing initiative to two collection agencies. The first cases were sent in 8/06. Although a key measure of success of the outsourcing initiative is revenue collected, this revenue is not included in the recovery rate since the recovery is not implemented by Department staff directly.</p>
Month	Prior 12 month rolling rate (%)	Current 12 month rolling rate (%)															
April	23.00%	24.37%															
May	22.93%	24.80%															
June	23.03%	24.69%															
July	23.05%	24.94%															

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

AUDIT, COLLECTION, AND ENFORCEMENT

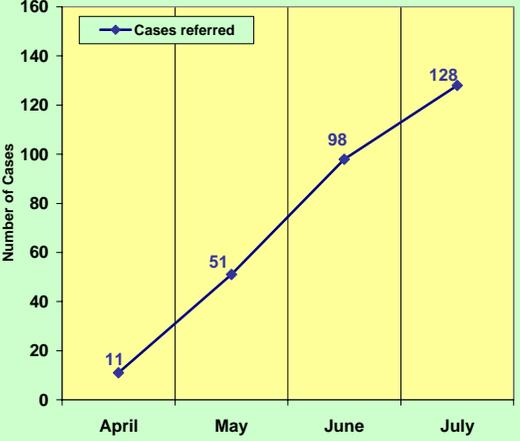
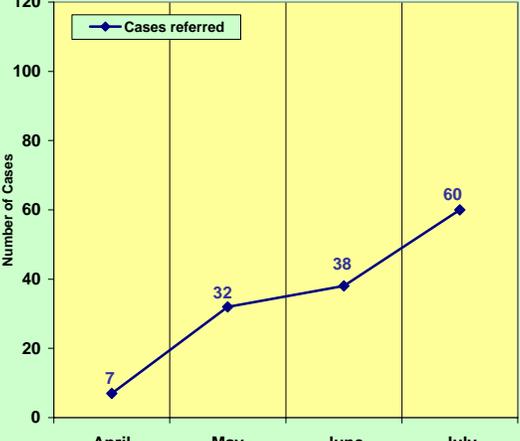
PERFORMANCE GOAL	GRAPH	NARRATIVE																				
<p>Tax Collections Operations:</p> <p>Complete 1.2 million case contacts (Call Center and District Office incoming and outgoing telephone contacts + public counter).</p> <p>File 220,000 warrants</p> <p>Complete 220,000 other enforcement actions (levies served + income executions + business seizures)</p>	<p align="center">Tax Collections Operations YTD</p> <table border="1"> <caption>Tax Collections Operations YTD Data</caption> <thead> <tr> <th>Month</th> <th>Case Contacts</th> <th>Warrants</th> <th>Other enforcement actions</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>118,110</td> <td>13,597</td> <td>22,644</td> </tr> <tr> <td>May</td> <td>222,508</td> <td>38,055</td> <td>51,179</td> </tr> <tr> <td>June</td> <td>349,876</td> <td>65,449</td> <td>86,509</td> </tr> <tr> <td>July</td> <td>476,309</td> <td>81,488</td> <td>122,763</td> </tr> </tbody> </table>	Month	Case Contacts	Warrants	Other enforcement actions	April	118,110	13,597	22,644	May	222,508	38,055	51,179	June	349,876	65,449	86,509	July	476,309	81,488	122,763	<p>Tax Compliance is on target to meet all three goals for case contacts, warrants filed and other enforcement actions.</p>
Month	Case Contacts	Warrants	Other enforcement actions																			
April	118,110	13,597	22,644																			
May	222,508	38,055	51,179																			
June	349,876	65,449	86,509																			
July	476,309	81,488	122,763																			
<p>Child Support Enforcement Operations:</p> <p>File 70,000 warrants</p> <p>Complete 60,000 other enforcement actions (levies served + income executions + business seizures)</p>	<p align="center">Child Support Enforcement YTD</p> <table border="1"> <caption>Child Support Enforcement YTD Data</caption> <thead> <tr> <th>Month</th> <th>Warrants</th> <th>Other enforcement actions</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>4,586</td> <td>4,033</td> </tr> <tr> <td>May</td> <td>13,029</td> <td>10,314</td> </tr> <tr> <td>June</td> <td>22,520</td> <td>23,164</td> </tr> <tr> <td>July</td> <td>30,869</td> <td>30,738</td> </tr> </tbody> </table>	Month	Warrants	Other enforcement actions	April	4,586	4,033	May	13,029	10,314	June	22,520	23,164	July	30,869	30,738	<p>Tax Compliance is on target to meet their goals for warrants filed and other enforcement actions.</p>					
Month	Warrants	Other enforcement actions																				
April	4,586	4,033																				
May	13,029	10,314																				
June	22,520	23,164																				
July	30,869	30,738																				

PERFORMANCE BASED BUDGET												
PERFORMANCE TRENDS												
AUDIT, COLLECTION, AND ENFORCEMENT												
PERFORMANCE GOAL	NARRATIVE											
Achieve an average quality score of more than 90% in annual TCD Call Center Quality Review, an annual customer service/quality review of recorded calls.	The annual Call Center Quality Review resulted in a score of 88.8%. This is an increase over last year's score of 88.5%, with a notable improvement in technical proficiency and knowledge from 88% to 95%. TCD had implemented all recommendations from the 2005 review, and also established their own Quality Review Unit to monitor ongoing performance.											
PERFORMANCE GOAL	GRAPH	NARRATIVE										
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.	<p>Open at Least 19 Civil and/or Criminal Cases Arising Out of the Joint Audit and Enforcement Compliance Intelligence Assessment Initiative YTD</p> <table border="1"> <caption>Number of Cases by Month</caption> <thead> <tr> <th>Month</th> <th>Number of Cases</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>0</td> </tr> <tr> <td>May</td> <td>1</td> </tr> <tr> <td>June</td> <td>1</td> </tr> <tr> <td>July</td> <td>11</td> </tr> </tbody> </table>	Month	Number of Cases	April	0	May	1	June	1	July	11	The Audit Division and Tax Enforcement are on target to meet this goal.
Month	Number of Cases											
April	0											
May	1											
June	1											
July	11											

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

AUDIT, COLLECTION, AND ENFORCEMENT

PERFORMANCE GOAL	GRAPH	NARRATIVE										
<p>Refer 150 PATB Enforcement (excise tax) cases for prosecution, a 5% increase over 2005-06.</p>	<p align="center">Refer 150 PATB Enforcement Cases for Prosecution YTD</p>  <table border="1"> <caption>Refer 150 PATB Enforcement Cases for Prosecution YTD</caption> <thead> <tr> <th>Month</th> <th>Cases referred</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>11</td> </tr> <tr> <td>May</td> <td>51</td> </tr> <tr> <td>June</td> <td>98</td> </tr> <tr> <td>July</td> <td>128</td> </tr> </tbody> </table>	Month	Cases referred	April	11	May	51	June	98	July	128	<p>Tax Enforcement should easily meet this goal, with 128 cases referred to date and eight months remaining in the State Fiscal Year.</p> <p>* Each defendant is now counted as a separate case.</p>
Month	Cases referred											
April	11											
May	51											
June	98											
July	128											
<p>Refer 120 RCB Enforcement (income, franchise, and sales tax) cases for prosecution, a 5% increase over 2005-06.</p>	<p align="center">Number of RCB Enforcement Cases Referred for Prosecution YTD</p>  <table border="1"> <caption>Number of RCB Enforcement Cases Referred for Prosecution YTD</caption> <thead> <tr> <th>Month</th> <th>Cases referred</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>7</td> </tr> <tr> <td>May</td> <td>32</td> </tr> <tr> <td>June</td> <td>38</td> </tr> <tr> <td>July</td> <td>60</td> </tr> </tbody> </table>	Month	Cases referred	April	7	May	32	June	38	July	60	<p>Tax Enforcement is on target to meet or exceed this goal.</p> <p>* Each defendant is now counted as a separate case.</p>
Month	Cases referred											
April	7											
May	32											
June	38											
July	60											

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

AUDIT, COLLECTION, AND ENFORCEMENT

PERFORMANCE GOAL	GRAPH	NARRATIVE												
<p>Maintain downstate CITE cigarette regulatory compliance rate at 95% or better.</p>	<table border="1"> <caption>Maintain Downstate CITE Cigarette Regulatory Compliance Rate at 95% or Better</caption> <thead> <tr> <th>Month</th> <th>Compliance Rate</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>94%</td> </tr> <tr> <td>April</td> <td>93%</td> </tr> <tr> <td>May</td> <td>94%</td> </tr> <tr> <td>June</td> <td>95%</td> </tr> <tr> <td>July</td> <td>94%</td> </tr> </tbody> </table>	Month	Compliance Rate	Y-T-D	94%	April	93%	May	94%	June	95%	July	94%	<p>Tax Enforcement is slightly behind in this goal by 1% for the year to date.</p>
Month	Compliance Rate													
Y-T-D	94%													
April	93%													
May	94%													
June	95%													
July	94%													

CONCILIATION and MEDIATION

PERFORMANCE GOAL	GRAPH	NARRATIVE																				
<p>Acknowledge 95% of :</p> <ul style="list-style-type: none"> Accepted cases within 14 days Rejected cases within 14 days Dismissed cases within 22 days 	<table border="1"> <caption>BCMS- ACKNOWLEDGEMENT</caption> <thead> <tr> <th>Month</th> <th>Accepted Cases</th> <th>Rejected Cases</th> <th>Dismissed Cases</th> </tr> </thead> <tbody> <tr> <td>APRIL</td> <td>100.0%</td> <td>100.0%</td> <td>100.0%</td> </tr> <tr> <td>MAY</td> <td>99.7%</td> <td>98.6%</td> <td>100.0%</td> </tr> <tr> <td>JUNE</td> <td>99.7%</td> <td>95.6%</td> <td>98.7%</td> </tr> <tr> <td>JULY</td> <td>99.7%</td> <td>95.0%</td> <td>99.0%</td> </tr> </tbody> </table>	Month	Accepted Cases	Rejected Cases	Dismissed Cases	APRIL	100.0%	100.0%	100.0%	MAY	99.7%	98.6%	100.0%	JUNE	99.7%	95.6%	98.7%	JULY	99.7%	95.0%	99.0%	<p>The Bureau of Conciliation and Mediation meets or exceeds all three goals in this category.</p>
Month	Accepted Cases	Rejected Cases	Dismissed Cases																			
APRIL	100.0%	100.0%	100.0%																			
MAY	99.7%	98.6%	100.0%																			
JUNE	99.7%	95.6%	98.7%																			
JULY	99.7%	95.0%	99.0%																			

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

CONCILIATION and MEDIATION

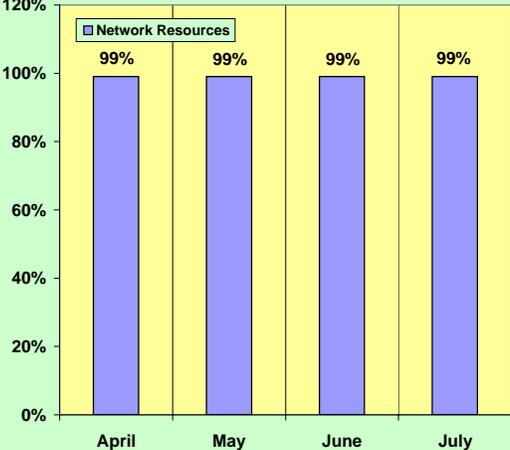
PERFORMANCE GOAL	GRAPH	NARRATIVE										
<p>Schedule 90% of initial cases within 180 days.</p>	<p align="center">BCMS-SCHEDULING Schedule 90% of Initial Cases within 180 Days YTD</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>APRIL</td> <td>97.3%</td> </tr> <tr> <td>MAY</td> <td>98.1%</td> </tr> <tr> <td>JUNE</td> <td>98.0%</td> </tr> <tr> <td>JULY</td> <td>98.2%</td> </tr> </tbody> </table>	Month	Percentage	APRIL	97.3%	MAY	98.1%	JUNE	98.0%	JULY	98.2%	<p>The Bureau of Conciliation and Mediation is exceeding this goal.</p>
Month	Percentage											
APRIL	97.3%											
MAY	98.1%											
JUNE	98.0%											
JULY	98.2%											
<p>Issue 85% of decisions within three months of conference date.</p>	<p align="center">BCMS-ISSUANCE OF DECISIONS Issue 85% of Decisions within 3 Months of Conference YTD</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>APRIL</td> <td>86.3%</td> </tr> <tr> <td>MAY</td> <td>88.2%</td> </tr> <tr> <td>JUNE</td> <td>88.2%</td> </tr> <tr> <td>JULY</td> <td>88.0%</td> </tr> </tbody> </table>	Month	Percentage	APRIL	86.3%	MAY	88.2%	JUNE	88.2%	JULY	88.0%	<p>The Bureau of Conciliation and Mediation is meeting this goal.</p>
Month	Percentage											
APRIL	86.3%											
MAY	88.2%											
JUNE	88.2%											
JULY	88.0%											

PERFORMANCE BASED BUDGET												
PERFORMANCE TRENDS												
TECHNOLOGY AND INFORMATION SERVICES												
PERFORMANCE GOAL	NARRATIVE											
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 2 (Corporation Tax) has been in production since January 2006. The Release 2 support teams continue to perform at the highest level, as indicated by the lower than expected help desk ticket inventories and the minimal number of significant production problems.</p> <p>Pilot tests for Release 3 (Personal Income Tax) indicate that the architecture chosen will support PIT volumes. Critical next steps still include the design and implementation of new migration and configuration management processes within the current ESD framework.</p> <p>The development teams are working to develop the detailed design and construction schedules for Release 3.</p> <p>ESD and e-MPIRE have completed the analysis of potential conversion strategies for Release 3. Initial discussions between representatives from e-MPIRE, Audit, TSRD, and ESD have begun regarding training, change management and other employee preparedness strategies.</p>											
PERFORMANCE GOAL	GRAPH	NARRATIVE										
Ensure access to major online systems during 99% of normal work hours.	<p>Ensure Access to Major Online Systems During 99% of Normal Working Hours</p> <table border="1"> <caption>Ensure Access to Major Online Systems During 99% of Normal Working Hours</caption> <thead> <tr> <th>Month</th> <th>Access Percentage</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>99%</td> </tr> <tr> <td>May</td> <td>99%</td> </tr> <tr> <td>June</td> <td>99%</td> </tr> <tr> <td>July</td> <td>99%</td> </tr> </tbody> </table>	Month	Access Percentage	April	99%	May	99%	June	99%	July	99%	The Enterprise Services Division is currently meeting this goal.
Month	Access Percentage											
April	99%											
May	99%											
June	99%											
July	99%											

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

TECHNOLOGY AND INFORMATION SERVICES

PERFORMANCE GOAL	GRAPH	NARRATIVE										
<p>Ensure availability of network resources during 99% of normal work hours.</p>	<p align="center">Ensure Availability of Network Resources During 99% of Normal Work Hours</p>  <table border="1"> <caption>Network Resources Availability Data</caption> <thead> <tr> <th>Month</th> <th>Availability (%)</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>99%</td> </tr> <tr> <td>May</td> <td>99%</td> </tr> <tr> <td>June</td> <td>99%</td> </tr> <tr> <td>July</td> <td>99%</td> </tr> </tbody> </table>	Month	Availability (%)	April	99%	May	99%	June	99%	July	99%	<p>The Enterprise Services Division is currently meeting this goal.</p>
Month	Availability (%)											
April	99%											
May	99%											
June	99%											
July	99%											
PERFORMANCE GOAL	NARRATIVE											
<p>Complete and/or advance portfolio of more than 50 discrete technology projects on time and within budget.</p>	<p>During this fiscal year through August, the Enterprise Services Division allocated 13% of available staff time to project work. The current portfolio consists of 30 projects. Six mandatory and 7 non-mandatory IT Projects have been completed. Four out of 6 of the mandatory projects (66%) finished within 10% of the project end date.</p>											

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

TECHNOLOGY AND INFORMATION SERVICES

PERFORMANCE GOAL	NARRATIVE
<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>The SWAN Project is on target to be implemented in October 2006.</p>
<p>Implement Corporation Tax e-file by January 2007.</p>	<p>The Department will be able to retrieve the IRS returns and issue electronic receipts in January 2007. e-MPIRE will not begin to process the Tax Year 2006 e-filed returns until March 2007, due to the scheduled Corporation Tax annual cycle work with the vendor banks.</p>

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

TAX POLICY, REVENUE ACCOUNTING, AND TAXPAYER GUIDANCE

PERFORMANCE GOAL	GRAPH	NARRATIVE												
<p>Issue annual tax forms and instructions on time with 100% accuracy.</p>	<p align="center">Issue Annual Tax Forms and Instructions on Time with 100% Accuracy</p> <p>A bar chart with a vertical axis from 0% to 120% in 20% increments. The horizontal axis has five categories: Y-T-D, April, May, June, and July. Each bar is blue and reaches the 100% mark. A legend above the chart shows a blue square next to the text 'Percentage of Annual Tax Forms with 100% Accuracy'.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Percentage of Annual Tax Forms with 100% Accuracy</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>100%</td> </tr> <tr> <td>April</td> <td>100%</td> </tr> <tr> <td>May</td> <td>100%</td> </tr> <tr> <td>June</td> <td>100%</td> </tr> <tr> <td>July</td> <td>100%</td> </tr> </tbody> </table>	Month	Percentage of Annual Tax Forms with 100% Accuracy	Y-T-D	100%	April	100%	May	100%	June	100%	July	100%	<p>The Office of Tax Policy Analysis reported that all tax forms and instructions have been issued timely and accurately.</p>
Month	Percentage of Annual Tax Forms with 100% Accuracy													
Y-T-D	100%													
April	100%													
May	100%													
June	100%													
July	100%													
<p>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.</p>	<p align="center">Taxpayer Guidance Issued 30 Days Prior to Effective Date</p> <p>A bar chart with a vertical axis from 0% to 120% in 20% increments. The horizontal axis has five categories: Y-T-D, April, May, June, and July. Each bar is blue and reaches the 100% mark. A legend above the chart shows a blue square next to the text 'Taxpayer Guidance Issued 30 Days Prior to Effective Date'.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Taxpayer Guidance Issued 30 Days Prior to Effective Date</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>100%</td> </tr> <tr> <td>April</td> <td>100%</td> </tr> <tr> <td>May</td> <td>100%</td> </tr> <tr> <td>June</td> <td>100%</td> </tr> <tr> <td>July</td> <td>100%</td> </tr> </tbody> </table>	Month	Taxpayer Guidance Issued 30 Days Prior to Effective Date	Y-T-D	100%	April	100%	May	100%	June	100%	July	100%	<p>The Office of Tax Policy Analysis reported that all taxpayer guidance publications were issued within 30 days prior to the effective date of the Tax Law change, and in the cases where it was a retroactive change, they were issued within six weeks.</p>
Month	Taxpayer Guidance Issued 30 Days Prior to Effective Date													
Y-T-D	100%													
April	100%													
May	100%													
June	100%													
July	100%													

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

TAX POLICY, REVENUE ACCOUNTING, AND TAXPAYER GUIDANCE

PERFORMANCE GOAL	GRAPH	NARRATIVE												
<p>Issue advisory opinions within 90 days of receiving a completed petition.</p>	<p align="center">■ Issue Advisory Opinions within 90 Days of Receiving a Completed Petition</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>11.8%</td> </tr> <tr> <td>April</td> <td>14.3%</td> </tr> <tr> <td>May</td> <td>100%</td> </tr> <tr> <td>June</td> <td>0%</td> </tr> <tr> <td>July</td> <td>0%</td> </tr> </tbody> </table>	Month	Percentage	Y-T-D	11.8%	April	14.3%	May	100%	June	0%	July	0%	<p>Due to the reallocation of staff to address the significant number of forms changes as a result of the 2006 legislative session, only 12% of the advisory opinions have been completed within 90 days.</p>
Month	Percentage													
Y-T-D	11.8%													
April	14.3%													
May	100%													
June	0%													
July	0%													
<p>Prepare 100% of fiscal notes within four weeks of request.</p>	<p align="center">■ Prepare 100% of Fiscal Notes within Four Weeks of Request</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>93.8%</td> </tr> <tr> <td>April</td> <td>No Activity for April</td> </tr> <tr> <td>May</td> <td>86.1%</td> </tr> <tr> <td>June</td> <td>100%</td> </tr> <tr> <td>July</td> <td>100%</td> </tr> </tbody> </table>	Month	Percentage	Y-T-D	93.8%	April	No Activity for April	May	86.1%	June	100%	July	100%	<p>The Office of Tax Policy Analysis has demonstrated improvement in meeting this goal.</p>
Month	Percentage													
Y-T-D	93.8%													
April	No Activity for April													
May	86.1%													
June	100%													
July	100%													

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

TAX POLICY, REVENUE ACCOUNTING, AND TAXPAYER GUIDANCE

PERFORMANCE GOAL	NARRATIVE
<p>Implement a phased program of forms/instructions redesign and simplification, beginning with nonresident income tax return instructions.</p>	<p>The 2006 tax year IT- 203 instructions have been redesigned.</p>
<p>Issue new industry-specific sales tax publications.</p>	<p>The following publication has been issued:</p> <p>Sales Tax Guide for Vet Services</p> <p>The following publication is in the final stages:</p> <p>Sales Tax Guide for Broadcasters</p>
<p>Develop new documents and regulatory proposals that will provide clarification to the taxpayer community on significant outstanding policy issues.</p>	<p>The following documents have been issued:</p> <p>Corporation Partnership regulation Stock Option regulation and TSB-M</p> <p>The Office of Tax Policy and Analysis will be issuing a new method of guidance "rulings", which are intended to provide guidance from the Department on specific questions related to certain facts that have general applicability.</p>
<p>Implement Kudlow Commission recommendations as enacted into law.</p>	<p>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 legislative session is ongoing.</p>

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

CENTRALIZED OPERATIONS SUPPORT

PERFORMANCE GOAL	GRAPH	NARRATIVE										
<p>Reduce telecommunication costs by 2% from 2005-06 level by more efficiently managing such activities, as well as evaluation 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.</p>	<p align="center">Reduce Telecommunication Costs by 2% from 2005-2006 YTD</p> <table border="1"> <caption>Percentage of Reduced Telecommunications Cost</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>2.0%</td> </tr> <tr> <td>May</td> <td>2.5%</td> </tr> <tr> <td>June</td> <td>2.7%</td> </tr> <tr> <td>July</td> <td>2.7%</td> </tr> </tbody> </table>	Month	Percentage	April	2.0%	May	2.5%	June	2.7%	July	2.7%	<p>The Office Services Bureau is currently exceeding this goal. The Department plans to add approximately 890 more VoIP connections late fall to winter 2006, throughout ESD, Green Island, and to Audit staff at Wade Road. Expansion will continue through the entire Department beginning in spring 2007. Currently, 80 staff in the Department have VoIP service. By the end of this fiscal year, it is expected that between 970 and 1000 staff will have VoIP service.</p>
Month	Percentage											
April	2.0%											
May	2.5%											
June	2.7%											
July	2.7%											
<p>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 means to disseminate information.</p>	<p align="center">Reduce Printing Costs by 2% from 2005-06 YTD</p> <table border="1"> <caption>Percentage of Reduced Printing Costs</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>No Data for April</td> </tr> <tr> <td>May</td> <td>2.0%</td> </tr> <tr> <td>June</td> <td>2.1%</td> </tr> <tr> <td>July</td> <td>2.1%</td> </tr> </tbody> </table>	Month	Percentage	April	No Data for April	May	2.0%	June	2.1%	July	2.1%	<p>The Office Services Bureau is currently meeting this goal.</p>
Month	Percentage											
April	No Data for April											
May	2.0%											
June	2.1%											
July	2.1%											

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

CENTRALIZED OPERATIONS SUPPORT

PERFORMANCE GOAL	GRAPH	NARRATIVE												
<p>Mail 100% of all documents within deadlines.</p>	<table border="1"> <caption>Mail 100% of All Documents within Deadlines</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Y-T-D</td> <td>97.2%</td> </tr> <tr> <td>April</td> <td>96.7%</td> </tr> <tr> <td>May</td> <td>94.9%</td> </tr> <tr> <td>June</td> <td>98.6%</td> </tr> <tr> <td>July</td> <td>99.1%</td> </tr> </tbody> </table>	Month	Percentage	Y-T-D	97.2%	April	96.7%	May	94.9%	June	98.6%	July	99.1%	<p>Lack of realistic lead time from Department customers resulted in deadlines that were not met, resulting in mail not being delivered 100% on time. Mail Processing supervisors will meet with Department customers to address programming changes which would establish more appropriate due dates. Mail processing staff will also partner with OTPA to prioritize work and identify more realistic due dates.</p>
Month	Percentage													
Y-T-D	97.2%													
April	96.7%													
May	94.9%													
June	98.6%													
July	99.1%													
PERFORMANCE GOAL	NARRATIVE													
<p>Maintain 100% error free inventory control of seized alcohol and tobacco products.</p>	<p>The Office Services Bureau successfully tested the mass add and update/transfer functionality in the Case Management System (CMS) Articles of Evidence Notebook, which was moved into production in June 2006. This is a process improvement that will save time and reduce potential data entry errors. With this functionality in place, the Office Services Bureau will be able to maintain the 100% error-free inventory control of seized alcohol and tobacco products. The first inventory reconciliation against Law Manager and warehouse inventory records will be completed in late fall to early winter 2006.</p>													

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

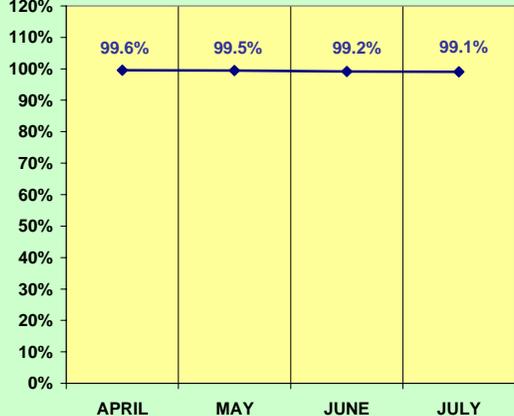
TREASURY MANAGEMENT

PERFORMANCE GOAL	GRAPH	NARRATIVE										
<p>Prepare 99% of monthly reconciliations within 30 days of bank statement receipt. Treasury reconciles over 100* checking accounts each month.</p> <p>* This estimate was adjusted from 150 checking accounts as written in original goal.</p>	<p align="center">TREASURY-RECONCILIATIONS Prepare 99% of Monthly Reconciliations within 30 Days of Bank Statement Receipt YTD</p> <table border="1"> <caption>TREASURY-RECONCILIATIONS Performance Data</caption> <thead> <tr> <th>Month</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr> <td>APRIL</td> <td>99.1%</td> </tr> <tr> <td>MAY</td> <td>99.6%</td> </tr> <tr> <td>JUNE</td> <td>99.4%</td> </tr> <tr> <td>JULY</td> <td>99.6%</td> </tr> </tbody> </table>	Month	Performance (%)	APRIL	99.1%	MAY	99.6%	JUNE	99.4%	JULY	99.6%	<p>Treasury is meeting this performance goal.</p>
Month	Performance (%)											
APRIL	99.1%											
MAY	99.6%											
JUNE	99.4%											
JULY	99.6%											
<p>Mail 100% of General Checking Account checks on time. Daily average is 8,000 checks.</p>	<p align="center">TREASURY-GENERAL CHECKING Mail 100% of General Checking Account Checks on Time YTD</p> <table border="1"> <caption>TREASURY-GENERAL CHECKING Performance Data</caption> <thead> <tr> <th>Month</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr> <td>APRIL</td> <td>100%</td> </tr> <tr> <td>MAY</td> <td>100%</td> </tr> <tr> <td>JUNE</td> <td>100%</td> </tr> <tr> <td>JULY</td> <td>100%</td> </tr> </tbody> </table>	Month	Performance (%)	APRIL	100%	MAY	100%	JUNE	100%	JULY	100%	<p>Treasury is meeting this performance goal.</p>
Month	Performance (%)											
APRIL	100%											
MAY	100%											
JUNE	100%											
JULY	100%											

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

TREASURY MANAGEMENT

PERFORMANCE GOAL	GRAPH	NARRATIVE										
<p>Issue vendor checks requested by paper warrants within two days.</p>	<p align="center">TREASURY- VENDOR CHECKS Issue Vendor Checks Requested by Paper Warrants within Two Days YTD</p>  <p>The graph displays a horizontal line at the 100% mark on the y-axis, which ranges from 0% to 120% in 10% increments. The x-axis lists the months APRIL, MAY, JUNE, and JULY. Each data point is explicitly labeled as 100%.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr> <td>APRIL</td> <td>100%</td> </tr> <tr> <td>MAY</td> <td>100%</td> </tr> <tr> <td>JUNE</td> <td>100%</td> </tr> <tr> <td>JULY</td> <td>100%</td> </tr> </tbody> </table>	Month	Performance (%)	APRIL	100%	MAY	100%	JUNE	100%	JULY	100%	<p>Treasury is meeting this performance goal.</p>
Month	Performance (%)											
APRIL	100%											
MAY	100%											
JUNE	100%											
JULY	100%											
<p>Issue PIT replacement checks within a week of receiving affidavit.</p>	<p align="center">TREASURY-PIT REPLACEMENT CHECKS Issue PIT Replacement Checks within a Week of Receiving Affidavit YTD</p>  <p>The graph displays a line with diamond markers showing a slight downward trend. The y-axis ranges from 0% to 120% in 10% increments. The x-axis lists the months APRIL, MAY, JUNE, and JULY. Data points are labeled as 99.6%, 99.5%, 99.2%, and 99.1% respectively.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr> <td>APRIL</td> <td>99.6%</td> </tr> <tr> <td>MAY</td> <td>99.5%</td> </tr> <tr> <td>JUNE</td> <td>99.2%</td> </tr> <tr> <td>JULY</td> <td>99.1%</td> </tr> </tbody> </table>	Month	Performance (%)	APRIL	99.6%	MAY	99.5%	JUNE	99.2%	JULY	99.1%	<p>The checks that have not been issued within a week are triplicate checks, which are more complex to process.</p>
Month	Performance (%)											
APRIL	99.6%											
MAY	99.5%											
JUNE	99.2%											
JULY	99.1%											

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

TREASURY MANAGEMENT

PERFORMANCE GOAL	GRAPH	NARRATIVE										
<p>Complete 99% of daily trades by 1 PM to maximize trading efficiency.</p>	<p align="center">TREASURY-DAILY TRADES Complete 99% of Daily Trades by 1 PM to Maximize Trading Efficiency YTD</p> <table border="1"> <caption>TREASURY-DAILY TRADES Data</caption> <thead> <tr> <th>Month</th> <th>Completion Rate</th> </tr> </thead> <tbody> <tr> <td>APRIL</td> <td>99.0%</td> </tr> <tr> <td>MAY</td> <td>99.5%</td> </tr> <tr> <td>JUNE</td> <td>99.7%</td> </tr> <tr> <td>JULY</td> <td>99.5%</td> </tr> </tbody> </table>	Month	Completion Rate	APRIL	99.0%	MAY	99.5%	JUNE	99.7%	JULY	99.5%	<p>Treasury is meeting this performance goal.</p>
Month	Completion Rate											
APRIL	99.0%											
MAY	99.5%											
JUNE	99.7%											
JULY	99.5%											
<p>Deposit and report 99.9% of receipts and disbursements within 24 hours.</p> <p>* This goal reflects deposits of checks only</p>	<p align="center">TREASURY-DEPOSITS Deposit and Report 99.9% of Receipts and Disbursements within 24 Hours YTD</p> <table border="1"> <caption>TREASURY-DEPOSITS Data</caption> <thead> <tr> <th>Month</th> <th>Completion Rate</th> </tr> </thead> <tbody> <tr> <td>APRIL</td> <td>100%</td> </tr> <tr> <td>MAY</td> <td>100%</td> </tr> <tr> <td>JUNE</td> <td>100%</td> </tr> <tr> <td>JULY</td> <td>100%</td> </tr> </tbody> </table>	Month	Completion Rate	APRIL	100%	MAY	100%	JUNE	100%	JULY	100%	<p>Treasury is meeting this performance goal.</p>
Month	Completion Rate											
APRIL	100%											
MAY	100%											
JUNE	100%											
JULY	100%											

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

TREASURY MANAGEMENT

PERFORMANCE GOAL	GRAPH	NARRATIVE										
<p>Issue checks requested electronically the same day</p>	<p style="text-align: center;">TREASURY- VENDOR CHECKS Issue Vendor Checks Requested Electronically the Same Day YTD</p>  <p>The graph displays a horizontal line at the 100% mark on the y-axis, which ranges from 0% to 120% in 10% increments. The x-axis lists the months April, May, June, and July. Each data point is labeled '100%'.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr> <td>APRIL</td> <td>100%</td> </tr> <tr> <td>MAY</td> <td>100%</td> </tr> <tr> <td>JUNE</td> <td>100%</td> </tr> <tr> <td>JULY</td> <td>100%</td> </tr> </tbody> </table>	Month	Performance (%)	APRIL	100%	MAY	100%	JUNE	100%	JULY	100%	<p>Treasury is meeting this performance goal.</p>
Month	Performance (%)											
APRIL	100%											
MAY	100%											
JUNE	100%											
JULY	100%											

REVENUE PROCESSING AND RECONCILIATION

PERFORMANCE GOAL	GRAPH	NARRATIVE															
<p>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.</p>	<p style="text-align: center;">Number of Returns and Amount Collected with 100% Accuracy</p>  <p>The graph features two y-axes: the left axis for the number of returns (0 to 12,000,000) and the right axis for the amount collected in billions of dollars (0 to \$30). The x-axis shows the months April, May, June, and July. Two data series are plotted: 'Number of returns' (pink line with square markers) and 'Collected' (blue line with diamond markers). Data points are labeled with their respective values.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Number of returns</th> <th>Collected (Billions)</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>3,800,000</td> <td>\$10.8</td> </tr> <tr> <td>May</td> <td>6,923,563</td> <td>\$15.4</td> </tr> <tr> <td>June</td> <td>8,941,066</td> <td>\$23.4</td> </tr> <tr> <td>July</td> <td>10,056,655</td> <td>\$27.9</td> </tr> </tbody> </table>	Month	Number of returns	Collected (Billions)	April	3,800,000	\$10.8	May	6,923,563	\$15.4	June	8,941,066	\$23.4	July	10,056,655	\$27.9	<p>The Taxpayer Services and Revenue Division is on target to meet this goal.</p>
Month	Number of returns	Collected (Billions)															
April	3,800,000	\$10.8															
May	6,923,563	\$15.4															
June	8,941,066	\$23.4															
July	10,056,655	\$27.9															

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

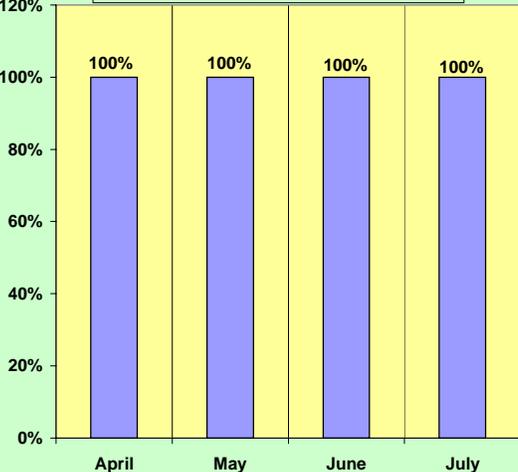
REVENUE PROCESSING AND RECONCILIATION

PERFORMANCE GOAL	GRAPH	NARRATIVE															
<p>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.</p>	<p align="center">Exception Reduction Rate YTD</p> <table border="1"> <caption>Exception Reduction Rate YTD</caption> <thead> <tr> <th>Month</th> <th>Reduction Rate</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>-0.06%</td> </tr> <tr> <td>May</td> <td>-0.27%</td> </tr> <tr> <td>June</td> <td>-0.32%</td> </tr> <tr> <td>July</td> <td>-0.08%</td> </tr> </tbody> </table>	Month	Reduction Rate	April	-0.06%	May	-0.27%	June	-0.32%	July	-0.08%	<p>The June 2006 exception rate was .32% greater than June 2005. The July 2006 exception rate was .08% greater than July 2005. The increase was due to e-MPIRE Release 2 (Corporation Tax) conversion issues which created more exceptions.</p>					
Month	Reduction Rate																
April	-0.06%																
May	-0.27%																
June	-0.32%																
July	-0.08%																
<p>Increase E-file and 2-D bar coding of personal income tax returns 25% over 2005-06 levels (to at least 60%).</p>	<p align="center">Increase of E-file and 2-D Bar Coding of PIT Returns Goal 25% over 2005-06 Levels</p> <table border="1"> <caption>Increase of E-file and 2-D Bar Coding of PIT Returns</caption> <thead> <tr> <th>Month</th> <th>Processing Year 2005 (%)</th> <th>Processing Year 2006 (%)</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>57.29%</td> <td>75.78%</td> </tr> <tr> <td>May</td> <td>51.45%</td> <td>69.07%</td> </tr> <tr> <td>June</td> <td>50.11%</td> <td>67.27%</td> </tr> <tr> <td>July</td> <td>49.21%</td> <td>66.83%</td> </tr> </tbody> </table>	Month	Processing Year 2005 (%)	Processing Year 2006 (%)	April	57.29%	75.78%	May	51.45%	69.07%	June	50.11%	67.27%	July	49.21%	66.83%	<p>Based on the number of e-filed and 2-D bar coded returns filed year to date, the Taxpayer Services and Revenue Division is exceeding the goal to increase the number of e-filed and 2-D bar coded returns filed by 25% over last year. For the 2006 processing year to date, 67% of personal income tax returns received were either 2-D bar coded or electronically filed.</p>
Month	Processing Year 2005 (%)	Processing Year 2006 (%)															
April	57.29%	75.78%															
May	51.45%	69.07%															
June	50.11%	67.27%															
July	49.21%	66.83%															

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

REVENUE PROCESSING AND RECONCILIATION

PERFORMANCE GOAL	GRAPH	NARRATIVE															
<p>Receive 62% of tax revenue by electronic funds transfer.</p>	<p align="center">Receive 62% of Tax Revenue by Electronic Funds Transfer YTD</p>  <table border="1"> <caption>Receive 62% of Tax Revenue by Electronic Funds Transfer YTD</caption> <thead> <tr> <th>Month</th> <th>2005 (%)</th> <th>2006 (%)</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>29.33%</td> <td>37.03%</td> </tr> <tr> <td>May</td> <td>39.31%</td> <td>47.06%</td> </tr> <tr> <td>June</td> <td>42.31%</td> <td>51.79%</td> </tr> <tr> <td>July</td> <td>46.16%</td> <td>42.31%</td> </tr> </tbody> </table>	Month	2005 (%)	2006 (%)	April	29.33%	37.03%	May	39.31%	47.06%	June	42.31%	51.79%	July	46.16%	42.31%	<p>The Taxpayer Services and Revenue Division is on track to meet this goal by the end of the fiscal year.</p>
Month	2005 (%)	2006 (%)															
April	29.33%	37.03%															
May	39.31%	47.06%															
June	42.31%	51.79%															
July	46.16%	42.31%															
<p>Send 95% of PIT refunds to Office of the State Comptroller at least 10 days before interest start date.</p>	<p align="center">Send 95% of PIT Refunds to the Office of the State Comptroller at Least 10 Days Before Interest Start Date</p>  <table border="1"> <caption>Send 95% of PIT Refunds to the Office of the State Comptroller at Least 10 Days Before Interest Start Date</caption> <thead> <tr> <th>Month</th> <th>2005 (%)</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>100%</td> </tr> <tr> <td>May</td> <td>100%</td> </tr> <tr> <td>June</td> <td>100%</td> </tr> <tr> <td>July</td> <td>100%</td> </tr> </tbody> </table>	Month	2005 (%)	April	100%	May	100%	June	100%	July	100%	<p>The Taxpayer Services and Revenue Division is exceeding this performance goal.</p>					
Month	2005 (%)																
April	100%																
May	100%																
June	100%																
July	100%																

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

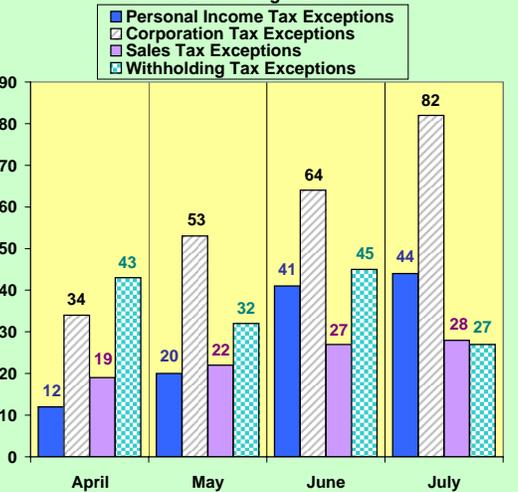
REVENUE PROCESSING AND RECONCILIATION

PERFORMANCE GOAL	GRAPH	NARRATIVE																									
<p>Deposit 99.5% of tax receipts within one day of receipt.</p>	<table border="1"> <caption>Deposit 99.5% of Tax Receipts within One Day of Receipt</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>95.5%</td> </tr> <tr> <td>May</td> <td>100.0%</td> </tr> <tr> <td>June</td> <td>99.5%</td> </tr> <tr> <td>July</td> <td>99.5%</td> </tr> </tbody> </table>	Month	Percentage	April	95.5%	May	100.0%	June	99.5%	July	99.5%	<p>The Taxpayer Services and Revenue Division has been meeting this performance goal.</p>															
Month	Percentage																										
April	95.5%																										
May	100.0%																										
June	99.5%																										
July	99.5%																										
<p>Maintain average age of protest inventories at or below target levels:</p> <p>Personal Income Tax - 60 days</p> <p>Corporation Tax - 60 days</p> <p>Sales Tax - 60 days</p> <p>Withholding Tax - 60 days</p>	<table border="1"> <caption>Maintain Average Age of Protest Inventories at or Below Target Level - Goal 60 Days</caption> <thead> <tr> <th>Month</th> <th>Personal Income Tax</th> <th>Corporation Tax</th> <th>Sales Tax</th> <th>Withholding Tax</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>23</td> <td>49</td> <td>16</td> <td>28</td> </tr> <tr> <td>May</td> <td>24</td> <td>57</td> <td>13</td> <td>28</td> </tr> <tr> <td>June</td> <td>23</td> <td>59</td> <td>21</td> <td>25</td> </tr> <tr> <td>July</td> <td>42</td> <td>61</td> <td>22</td> <td>36</td> </tr> </tbody> </table>	Month	Personal Income Tax	Corporation Tax	Sales Tax	Withholding Tax	April	23	49	16	28	May	24	57	13	28	June	23	59	21	25	July	42	61	22	36	<p>The Taxpayer Services and Revenue Division has exceeded all these goals. Corporation Tax has been trending higher, due to e-MPIRE Release 2 conversion issues.</p>
Month	Personal Income Tax	Corporation Tax	Sales Tax	Withholding Tax																							
April	23	49	16	28																							
May	24	57	13	28																							
June	23	59	21	25																							
July	42	61	22	36																							

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

REVENUE PROCESSING AND RECONCILIATION

PERFORMANCE GOAL	GRAPH	NARRATIVE																									
<p>Maintain average age of exception inventories at or below target levels:</p> <p>Personal Income Tax - 45 days</p> <p>Corporation Tax - 60 days</p> <p>Sales Tax - 60 days</p> <p>Withholding Tax - 60 days</p>	<p align="center">Maintain Average Age of Exception Inventories at or Below Target Levels</p>  <table border="1"> <caption>Average Age of Exception Inventories (Days)</caption> <thead> <tr> <th>Month</th> <th>Personal Income Tax Exceptions</th> <th>Corporation Tax Exceptions</th> <th>Sales Tax Exceptions</th> <th>Withholding Tax Exceptions</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>12</td> <td>34</td> <td>19</td> <td>43</td> </tr> <tr> <td>May</td> <td>20</td> <td>53</td> <td>22</td> <td>32</td> </tr> <tr> <td>June</td> <td>41</td> <td>64</td> <td>27</td> <td>45</td> </tr> <tr> <td>July</td> <td>44</td> <td>82</td> <td>28</td> <td>27</td> </tr> </tbody> </table>	Month	Personal Income Tax Exceptions	Corporation Tax Exceptions	Sales Tax Exceptions	Withholding Tax Exceptions	April	12	34	19	43	May	20	53	22	32	June	41	64	27	45	July	44	82	28	27	<p>The Taxpayer Services and Revenue Division has consistently exceeded the performance goals for Personal Income Tax, Sales Tax and Withholding Tax. For the past two months, they have missed the goal for Corporation Tax, due to e-MPIRE Release 2 conversion issues.</p>
Month	Personal Income Tax Exceptions	Corporation Tax Exceptions	Sales Tax Exceptions	Withholding Tax Exceptions																							
April	12	34	19	43																							
May	20	53	22	32																							
June	41	64	27	45																							
July	44	82	28	27																							
<p>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.</p>	<p align="center">Average of PIT Information Telephone Inquires within 5 Minutes During Peak Processing Periods, and Limit the Average Number of Call Attempts During Peak to 1.5 Attempts or Less</p>  <table border="1"> <caption>Service Level and Call Attempts</caption> <thead> <tr> <th>Month</th> <th>Service Level (%)</th> <th>Attempts</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>77%</td> <td>1.67</td> </tr> <tr> <td>May</td> <td>74%</td> <td>1.64</td> </tr> <tr> <td>June</td> <td>67%</td> <td>1.58</td> </tr> <tr> <td>July</td> <td>74%</td> <td>1.06</td> </tr> </tbody> </table>	Month	Service Level (%)	Attempts	April	77%	1.67	May	74%	1.64	June	67%	1.58	July	74%	1.06	<p>The Taxpayer Services and Revenue Division is missing this target. The goal for the average number of call attempts was met only once during the peak period (January - July). Call volumes were higher than projected, due to an unexpected number of calls from both the new flasher process, and the CISS refund denial process.</p>										
Month	Service Level (%)	Attempts																									
April	77%	1.67																									
May	74%	1.64																									
June	67%	1.58																									
July	74%	1.06																									

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

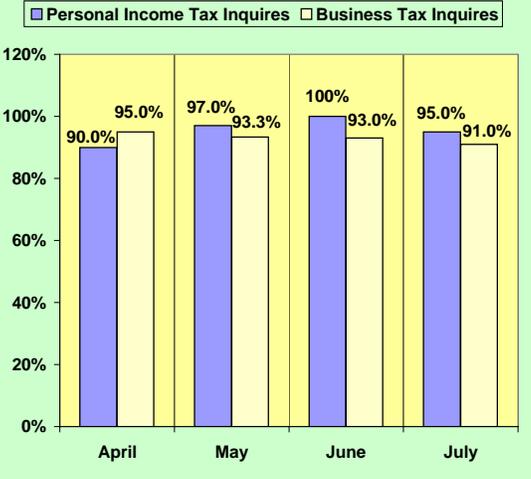
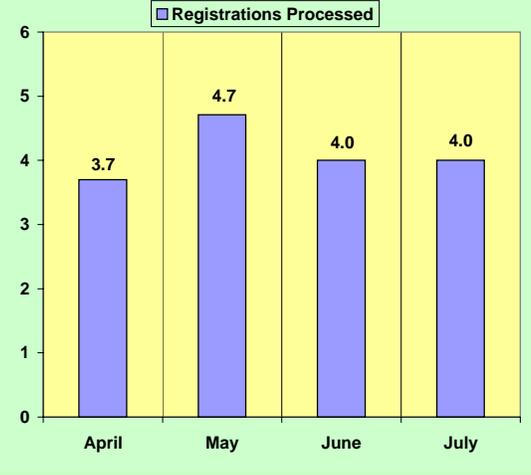
REVENUE PROCESSING AND RECONCILIATION

PERFORMANCE GOAL	GRAPH	NARRATIVE															
<p>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.</p>	<p align="center">Answer 85% of Business Tax Information Telephone Inquires within an Average of Two Minutes, and Limit the Average Number of Call Attempts to 1.2 Attempts or Less</p> <table border="1"> <caption>Service Level and Attempts Data</caption> <thead> <tr> <th>Month</th> <th>Service Level (%)</th> <th>Attempts</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>72%</td> <td>1.09</td> </tr> <tr> <td>May</td> <td>64%</td> <td>1.06</td> </tr> <tr> <td>June</td> <td>76%</td> <td>1.04</td> </tr> <tr> <td>July</td> <td>76%</td> <td>1.04</td> </tr> </tbody> </table>	Month	Service Level (%)	Attempts	April	72%	1.09	May	64%	1.06	June	76%	1.04	July	76%	1.04	<p>The Taxpayer Services and Revenue Division is missing their target for answering inquiries. The goal for the average number of call attempts has been consistently met.</p>
Month	Service Level (%)	Attempts															
April	72%	1.09															
May	64%	1.06															
June	76%	1.04															
July	76%	1.04															
PERFORMANCE GOAL	NARRATIVE																
<p>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.</p>	<p>The annual Taxpayer Services and Revenue Division Call Center Quality Review resulted in a score of 94%, a decrease from last year's score of 96.2%. The area of call closure scored the lowest of all categories at 72.9%, although this was a notable improvement over last year's call closure score of 54.7%. Taxpayer Contact Center management will continue to reinforce this area with their staff.</p>																

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

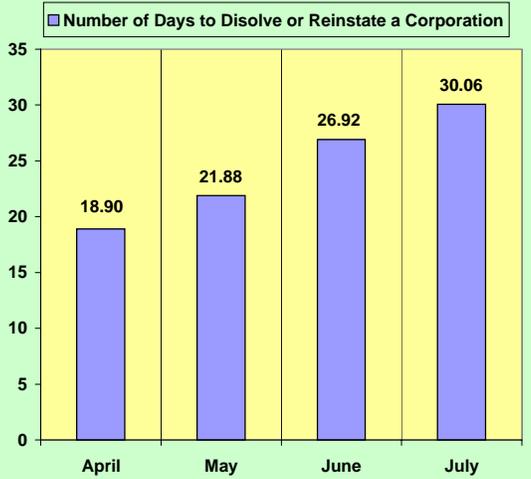
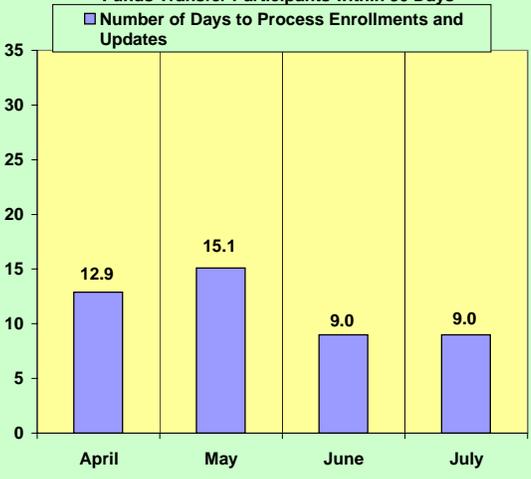
REVENUE PROCESSING AND RECONCILIATION

PERFORMANCE GOAL	GRAPH	NARRATIVE															
<p>Resolve 90% of written inquires (including protests) within 90 days.</p>	<p align="center">Resolve 90% of Written Inquires (Including Protests) within 90 Days</p>  <table border="1"> <caption>Resolve 90% of Written Inquires (Including Protests) within 90 Days</caption> <thead> <tr> <th>Month</th> <th>Personal Income Tax Inquires (%)</th> <th>Business Tax Inquires (%)</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>90.0%</td> <td>95.0%</td> </tr> <tr> <td>May</td> <td>97.0%</td> <td>93.3%</td> </tr> <tr> <td>June</td> <td>100%</td> <td>93.0%</td> </tr> <tr> <td>July</td> <td>95.0%</td> <td>91.0%</td> </tr> </tbody> </table>	Month	Personal Income Tax Inquires (%)	Business Tax Inquires (%)	April	90.0%	95.0%	May	97.0%	93.3%	June	100%	93.0%	July	95.0%	91.0%	<p>The Taxpayer Services and Revenue Division is exceeding this performance goal.</p>
Month	Personal Income Tax Inquires (%)	Business Tax Inquires (%)															
April	90.0%	95.0%															
May	97.0%	93.3%															
June	100%	93.0%															
July	95.0%	91.0%															
<p>Process sales tax registrations within 5 days of receipt.</p>	<p align="center">Sales Tax Registrations Processed within 5 Days of Receipt</p>  <table border="1"> <caption>Sales Tax Registrations Processed within 5 Days of Receipt</caption> <thead> <tr> <th>Month</th> <th>Registrations Processed</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>3.7</td> </tr> <tr> <td>May</td> <td>4.7</td> </tr> <tr> <td>June</td> <td>4.0</td> </tr> <tr> <td>July</td> <td>4.0</td> </tr> </tbody> </table>	Month	Registrations Processed	April	3.7	May	4.7	June	4.0	July	4.0	<p>The Taxpayer Services and Revenue Division is meeting this performance goal.</p>					
Month	Registrations Processed																
April	3.7																
May	4.7																
June	4.0																
July	4.0																

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

REVENUE PROCESSING AND RECONCILIATION

PERFORMANCE GOAL	GRAPH	NARRATIVE										
<p>Assist taxpayers in legally dissolving or reinstating corporations within 30 days of receipt.</p>	<p align="center">Assist Taxpayers in Legally Dissolving or Reinstating Corporations within 30 Days of Receipt</p>  <table border="1"> <caption>Number of Days to Dissolve or Reinstatement a Corporation</caption> <thead> <tr> <th>Month</th> <th>Number of Days</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>18.90</td> </tr> <tr> <td>May</td> <td>21.88</td> </tr> <tr> <td>June</td> <td>26.92</td> </tr> <tr> <td>July</td> <td>30.06</td> </tr> </tbody> </table>	Month	Number of Days	April	18.90	May	21.88	June	26.92	July	30.06	<p>The Taxpayer Services and Revenue Division is slightly below this performance goal, due to e-MPIRE Release 2 implementation.</p>
Month	Number of Days											
April	18.90											
May	21.88											
June	26.92											
July	30.06											
<p>Process enrollments and updates for mandatory and voluntary electronic funds transfer participants within 30 days.</p>	<p align="center">Number of Days to Process Enrollments and Updates for Mandatory and Voluntary Electronic Funds Transfer Participants within 30 Days</p>  <table border="1"> <caption>Number of Days to Process Enrollments and Updates</caption> <thead> <tr> <th>Month</th> <th>Number of Days</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>12.9</td> </tr> <tr> <td>May</td> <td>15.1</td> </tr> <tr> <td>June</td> <td>9.0</td> </tr> <tr> <td>July</td> <td>9.0</td> </tr> </tbody> </table>	Month	Number of Days	April	12.9	May	15.1	June	9.0	July	9.0	<p>The Taxpayer Services and Revenue Division is exceeding this performance goal by a substantial margin.</p>
Month	Number of Days											
April	12.9											
May	15.1											
June	9.0											
July	9.0											

PERFORMANCE BASED BUDGET

PERFORMANCE TRENDS

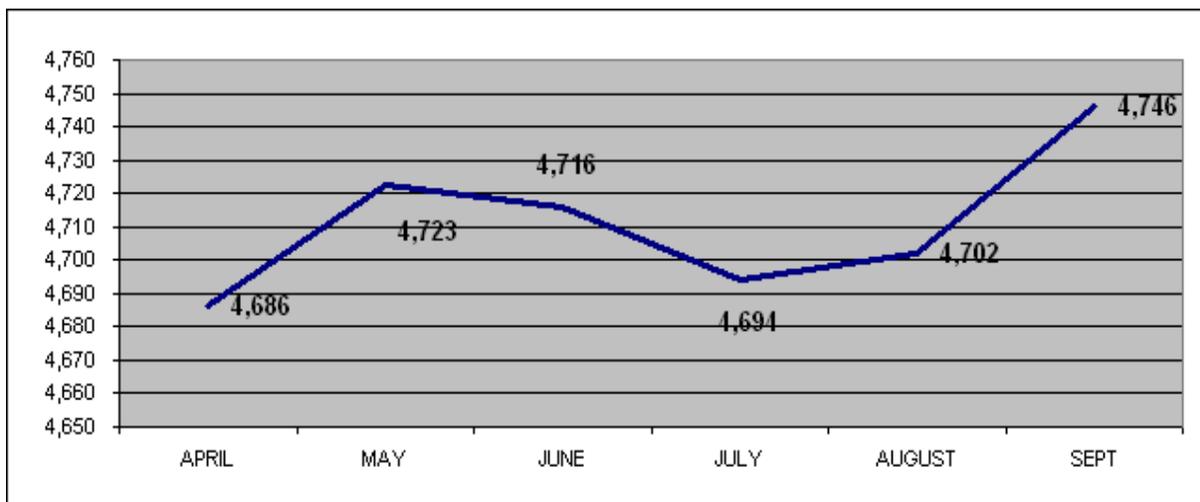
REVENUE PROCESSING AND RECONCILIATION

PERFORMANCE GOAL	GRAPH	NARRATIVE										
<p>Resolve exceptions for mandatory and voluntary electronic funds transfer participants within 60 days.</p>	<p align="center">Number of Days to Resolve Exceptions for Mandatory and Voluntary Electronic Funds Transfer Participants within 60 Days</p> <p align="center">■ Number of Days to Resolve EFT Exceptions</p> <table border="1"> <caption>Number of Days to Resolve EFT Exceptions</caption> <thead> <tr> <th>Month</th> <th>Number of Days</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>5.4</td> </tr> <tr> <td>May</td> <td>9.7</td> </tr> <tr> <td>June</td> <td>5.0</td> </tr> <tr> <td>July</td> <td>12.0</td> </tr> </tbody> </table>	Month	Number of Days	April	5.4	May	9.7	June	5.0	July	12.0	<p>The Taxpayer Services and Revenue Division is exceeding this performance goal by a substantial margin.</p>
Month	Number of Days											
April	5.4											
May	9.7											
June	5.0											
July	12.0											
<p>Process cigarette retail license applications/renewals within 10 days.</p>	<p align="center">Number of Days to Process Cigarette Applications or Renewals Goal - 10 Days</p> <p align="center">■ Number of Days to Process Cigarette Applications or Renewals</p> <table border="1"> <caption>Number of Days to Process Cigarette Applications or Renewals</caption> <thead> <tr> <th>Month</th> <th>Number of Days</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>3.3</td> </tr> <tr> <td>May</td> <td>1.3</td> </tr> <tr> <td>June</td> <td>2.0</td> </tr> <tr> <td>July</td> <td>3.0</td> </tr> </tbody> </table>	Month	Number of Days	April	3.3	May	1.3	June	2.0	July	3.0	<p>The Taxpayer Services and Revenue Division is exceeding this performance goal by a substantial margin.</p>
Month	Number of Days											
April	3.3											
May	1.3											
June	2.0											
July	3.0											

❖ Resources and Impacts

- Average Full-Time Equivalent (FTE) Trends for Fiscal Year 2006-2007

PROGRAM AREA	MONTHLY AVERAGE FTEs					
	APRIL	MAY	JUNE	JULY	AUG	SEPT
AUDIT, COLLECTION & ENFORCEMENT						
Audit Division	1,641	1,629	1,611	1,581	1,578	1,630
Tax Compliance Division	654	681	693	693	700	695
Office of Tax Enforcement	132	130	129	131	128	130
CENTRALIZED OPERATIONS SUPPORT	163	163	163	165	164	162
CONCILIATION AND MEDIATION	27	27	27	27	27	27
MANAGEMENT, ADMINISTRATION & COUNSEL						
Administration	187	188	190	188	187	186
Office of Counsel	85	86	86	87	86	86
REVENUE PROCESSING & RECONCILIATION	978	997	1,004	992	1,000	1,001
TAX POLICY, REVENUE ACCOUNTING, AND TAXPAYER GUIDANCE	205	202	198	199	201	200
TECHNOLOGY AND INFORMATION SERVICES						
Enterprise Services Division	395	401	405	424	425	426
e-MPIRE	176	173	168	164	164	164
TREASURY MANAGEMENT	43	44	43	43	42	41
TOTAL AVERAGE FULL TIME EQUIVALENTS	4,686	4,723	4,716	4,694	4,702	4,746



- **Projected Personal and Non-Personal Service Expenditures for Fiscal Year 2006-2007**

	PROJECTED EXPENDITURES		
	FISCAL YEAR 2006-2007		
	(\$000s)		
PROGRAM AREA	PS	NPS	TOTAL
AUDIT, COLLECTION, & ENFORCEMENT			
Audit Division	84,456	6,898	91,354
Tax Compliance Division	28,209	904	29,113
Office of Tax Enforcement	7,744	678	8,422
CENTRALIZED OPERATIONS SUPPORT	6,091	38,632	44,723
CONCILIATION AND MEDIATION	1,789	127	1,916
MANAGEMENT, ADMINISTRATION & COUNSEL			
Administration	10,550	1,375	11,925
Office of Counsel	6,139	1,031	7,170
REVENUE PROCESSING & RECONCILIATION	46,272	59,250	105,522
TAX POLICY, REVENUE ACCOUNTING, AND TAXPAYER GUIDANCE	11,729	2,973	14,702
TECHNOLOGY AND INFORMATION SERVICES			
Enterprise Services Division	25,934	44,619	70,553
e-MPIRE	9,042	18,198	27,240
TREASURY MANAGEMENT	1,722	144	1,866
TOTAL PROJECTED EXPENDITURES	239,675	174,829	414,504

- **Performance Impacts**

During the first half of the State Fiscal Year, DTF was tasked with implementing a number of legislative initiatives. As the operations of DTF are often subject to the creation of new programs and/or program changes, this has not been unlike previous years. However, two legislative initiatives enacted during this fiscal year (Motor Fuel Tax Cap and Star Rebate) have strained our resources and caused delays in both operational and project work.

❖ 2006-2007 Initiatives

Initiative	Status
e-MPIRE	<ul style="list-style-type: none"> • Release 2 – Corporate Tax: We continue to add system functionality and to train staff on the application and associated process changes. • Release 3 – Personal Income Tax (PIT): Detailed design work is underway and architecture piloting work was completed successfully.
Enhancing e-Services	<ul style="list-style-type: none"> • The SWAN Project to improve our authentication processes for web users is on schedule to be completed in October 2006. • The Corporation Tax Project to expand our e-file program to include corporation tax and partnership returns is on schedule to be completed in January 2007. • The ACH E-pay for the Estimated Tax Project was implemented in January 2006. • The ACH E-pay for the PIT Project was implemented in March 2006.
Issue Better Guidance to Taxpayers	<ul style="list-style-type: none"> • The 2005 Personal Income Tax Return and Instructions packet was redesigned for processing year 2006. • A Portfolio Review for Policy Group was chartered to provide DTF executives with sound and consistent policy recommendations.
Improve Collections	<ul style="list-style-type: none"> • A collection outsourcing RFP was awarded. Automated information transfer and security is under development and on schedule for implementation this calendar year. • The CISS Collections Project will develop and implement a risk based collection analysis system to enhance the effectiveness of collection efforts and incrementally increase the rate of collection through the use of a data warehouse with mechanisms to access, analyze and interpret data. This project is on schedule for a spring 2007 implementation. • The Electronic Warrant Docketing Project for Albany and Schoharie County increased the speed that warrants are docketed at county clerks' offices and at the Office of the Secretary of State. This allows DTF to enforce tax warrants sooner, eliminate filing backups and expedite revenue collection. The project was completed on time and within budget. • The Reciprocal Refund Offset Project developed the capability to combine New York State and other state tax debts for offset against state income tax refunds (if any) of the New York tax debtors, and will provide reciprocal service for the partner states participating in the offset process.
Partnering Audit and Enforcement	<p>The Audit Division and the Office of Tax Enforcement have increased information sharing and audit selection efforts for programs that increase voluntary compliance through both criminal and civil enforcement. Audit staff has been assigned to work directly with Tax Enforcement staff on selected cases.</p>

Administer Tax Shelter Voluntary Compliance Initiative	This initiative is complete and its goal of \$75 million in receipts was substantially exceeded.
Institutionalize Project Management and Portfolio Review	Project identification and selection criteria have been established and disseminated for both technical and non-technical initiatives. Currently, the Department's project portfolio includes 25 technical and 8 non-technical projects.
Manage for Performance	<ul style="list-style-type: none"> • DTF is a participant in the Performance Based Budget Pilot Project. • AuditStat has been instituted to provide a means for Department executives and Audit Division managers to review individual Audit Division functional performance management information and other management developments. Efficiencies, efficacious voluntary compliance initiatives and data analysis are exported throughout the Division. This program has been expanded to the Taxpayer Services and Revenue Division and the Office of Counsel.
Manage a Changing Workforce and Workplace	<ul style="list-style-type: none"> • The Leadership Academy implemented the Management and Leadership Initiative which provides managers and leaders with necessary learning resources for their continuing development. • The Affirmative Action Plan was updated and disseminated throughout the Department. • An Integrity and Corruption Awareness Program was established by the Department's Office of the Deputy Inspector General. Investigators are available to staff for questions, assistance, and complaints. Anti-corruption and ethics presentations to Department staff are underway, and bribery awareness presentations were given to the new auditors hired during this fiscal year. • The Intranet Redesign Project is scheduled to be completed by the end of the SFY. • A Business Continuity Plan is under development and on track to be completed by the end of this SFY.
Increase Processing Efficiency	<ul style="list-style-type: none"> • A new bank front-end process for PIT was implemented. • Highway Use Tax in-sourcing of returns processing is on target for a December 2007 implementation. • RFPs were to be issued for front-end processing of Sales and Use Tax, Estate Tax, IFTA and HUT returns in February 2006. This has been deferred until October 2006 to better align with e-MPIRE requirements as they progress. The Department subsequently received approval from OSC to have contract extensions granted for Sales Tax, Estate Tax and IFTA, while HUT is being in-sourced as stated above.

<p>Leverage Intergovernmental Cooperation</p>	<p>DTF is leading multi-state efforts to combat illegal tax shelters. DTF has partnered with other states and the Federation of Tax Administrators to design and implement a multi-state associations research database with the IRS. This work has begun with DTF leading the pilot team to identify and work with the IRS to overcome taxpayer information disclosure issues.</p>
<p>Kudlow Commission Recommendations</p>	<p>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 legislative session is ongoing.</p>

PERFORMANCE BASED BUDGET

2007-2008 PROPOSED GOAL CHANGES

MANAGEMENT, ADMINISTRATION, AND COUNSEL

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
<p>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.</p>	<p>Eliminate.</p>	<p>This goal has been met.</p>
<p>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.</p>	<p>No change.</p>	
<p>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.</p>	<p>Eliminate.</p>	<p>This should be removed as a goal. It's an initiative that will become operational.</p>
<p>Respond to 95% of Disclosure and Government Exchange requests for information within 60 days.</p>	<p>No change.</p>	
<p>Pay 98% of travel vouchers within two weeks of receipt.</p>	<p>No change.</p>	
<p>Pay 98% of accounts payable invoices within 30 days of Merchandise Invoice Receipt date.</p>	<p>No change.</p>	
<p>Complete 95% of signed contract renewals six weeks prior to expiration date.</p>	<p>Review 100% of requisitions and select a method of procurement within two weeks of Budget Unit approval.</p>	<p>The Bureau of Fiscal Services proposes that this goal be changed to one that better informs management decisions.</p>

PERFORMANCE BASED BUDGET

2007-2008 PROPOSED GOAL CHANGES

MANAGEMENT, ADMINISTRATION, AND COUNSEL

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
Forward response to internal requests for legal guidance to Deputy Commissioner and Counsel within 30 days.	Submit 85% of responses for internal and external requests for legal advice and guidance to Deputy Commissioner and Counsel within 60 days.	Based on current fiscal year experience, the response time and percentage goals should be modified. Participation in the newly established Portfolio Review for Policy Group should assist in attaining this performance goal on a monthly basis by improving and expediting communication with impacted division managers.
Respond to external requests for legal advice and guidance within 60 days.	Combined with above goal.	This should be combined with the above performance goal to better manage the entire volume of requests for advice and guidance.
Prepare tax-related budget bills and amendments accurately and on time.	No change.	
Resolve 95% of legislatively-referred constituent problems within 15 days.	No change.	

AUDIT, COLLECTION, AND ENFORCEMENT

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
Meet or exceed 2006-07 Audit Plan target in first-year collections, including \$50 million from the tax shelter voluntary compliance initiative.	Meet or exceed 2007-08 Audit Plan target in first-year collections.	The wording of this goal should be adjusted to eliminate reference to, and collections associated with, the tax shelter voluntary compliance initiative.
Desk Audit: <ul style="list-style-type: none"> ▪ Complete 550,000 reviews 	Complete ____ Desk Audits.	This will be submitted in December 2006 as part of the 2007-2008 Audit Plan.
Corporation Tax Field Audit: <ul style="list-style-type: none"> ▪ Complete 2,800 reviews 	Complete ____ Corporation Tax Field Audits.	This will be submitted in December 2006 as part of the 2007-2008 Audit Plan.
Income Tax Field Audit: <ul style="list-style-type: none"> ▪ Complete 3,400 reviews 	Complete ____ Income Tax Field Audits.	This will be submitted in December 2006 as part of the 2007-2008 Audit Plan.

PERFORMANCE BASED BUDGET

2007-2008 PROPOSED GOAL CHANGES

AUDIT, COLLECTION, AND ENFORCEMENT

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
Sales Tax Field Audit: <ul style="list-style-type: none"> ▪ Complete 5,700 reviews 	Complete ____ Sales Tax Field Audits.	This will be submitted in December 2006 as part of the 2007-2008 Audit Plan.
Transaction and Transfer Tax Audit: <ul style="list-style-type: none"> ▪ Complete 800 reviews 	Complete ____ Transaction and Transfer Tax Audits.	This will be submitted in December 2006 as part of the 2007-2008 Audit Plan.
Maintain average age of Audit protest inventory of 60 days or less.	Eliminate.	This should be removed as a goal. Audit works to resolve informal protests as quickly as possible; most protests are resolved within 90 days of receipt and many within 60 days. Measuring the age of open inventory takes many factors into account; some factors cause average age computations to deviate significantly or have no bearing on the effectiveness or efficiency of audit operations. Also, some factors are beyond the control of the Division.
	Open at least ____ Multi-Tax Audits.	This is a new goal and will be submitted in December 2006 as part of the 2007-2008 Audit Plan.
Meet or exceed 2006-07 Collection Plan target in total cash collections.	Meet or exceed 2007-08 Collection Plan target in total cash collections.	This goal should be changed to reflect the current fiscal year.
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.	Increase the collections recovery rate by 3% over a 5-year period from 2006-07 baseline levels. The recovery rate is the percentage of average inventory collected on an annual basis. This goal is based on the continued development and implementation of CISS – Collections, a data warehouse case scoring, selection, and workflow tool, which is projected to increase collections after its scheduled release in 2007-08.	<p>This goal should be changed to indicate the 3% increase in recovery rate is expected over a 5 year period, as outlined in the <i>CISS – Collections High Level Design Executive Summary</i>.</p> <p>The outsourcing initiative should be removed, since money collected by vendors is not included in the collections recovery rate as measured here.</p>

PERFORMANCE BASED BUDGET

2007-2008 PROPOSED GOAL CHANGES

AUDIT, COLLECTION, AND ENFORCEMENT

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
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 and business seizures) 	No change.	
Child Support Enforcement Operations: <ul style="list-style-type: none"> ▪ File 70,000 warrants ▪ Complete 60,000 other enforcement actions (levies served, income executions and business seizures) 	No change.	
Achieve an average quality score of more than 90% in annual Call Center Quality Review, an annual customer service/quality review of recorded calls.	No change.	
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.	Open at least 25 civil and/or criminal cases arising out of the joint Audit and Enforcement Compliance Intelligence Assessment (CIA) initiative, which uses data analysis tools to identify areas and patterns of noncompliance.	The number of civil and/or criminal cases should be increased to 25 based on indications of this program's success during the first year of implementation.
Refer 150 PATB Enforcement (excise tax) cases for prosecution, a 5% increase over 2005-06.	Refer 200 PATB Enforcement (excise tax) cases for prosecution, a 33% increase over 2006-07.	The number of Petroleum, Alcohol & Tobacco Bureau Enforcement (excise tax) cases should be increased to 200, which is a 33% increase from the prior year's goal.
Refer 120 RCB Enforcement (income, franchise, and sales tax) cases for prosecution, a 5% increase over 2005-06.	Refer 125 RCB Enforcement (income, franchise, and sales tax) cases for prosecution, a 5% increase over 2006-07.	The number of Revenue Crimes Bureau Enforcement (income, franchise, and sales tax) should be increased to 125, which is a 5% increase from the prior year's goal.

PERFORMANCE BASED BUDGET

2007-2008 PROPOSED GOAL CHANGES

AUDIT, COLLECTION, AND ENFORCEMENT

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
Maintain downstate CITE cigarette regulatory compliance rate at 95% or better.	No change.	

CONCILIATION AND MEDIATION

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
Acknowledge 95% of: <ul style="list-style-type: none"> ▪ accepted cases within 14 days ▪ rejected cases within 14 days ▪ dismissed cases within 22 days 	No change.	
Schedule 90% of initial cases within 180 days.	Schedule 90% of cases for conference within 180 days.	The wording of this goal should be changed slightly to be more descriptive.
Issue 85% of decisions within three months of conference date.	No change.	

TECHNOLOGY AND INFORMATION SERVICES

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
Continue the development, construction, and implementation of the e-MPIRE integrated tax system, thereby allowing complete migration off the existing, antiquated UNISYS platform.	No change.	
Ensure access to major online systems during 99% of normal work hours.	No change.	
Ensure availability of network resources during 99% of normal work hours.	No change.	
Complete and/or advance portfolio of more than 50 discrete technology projects on time and within budget.	Complete and/or advance the portfolio of discrete technology projects within 10% of final schedule baseline and 10% of final NPS budget.	The wording of this goal should be updated to reflect a more measurable and realistic goal.

PERFORMANCE BASED BUDGET

2007-2008 PROPOSED GOAL CHANGES

TECHNOLOGY AND INFORMATION SERVICES

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
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.	Eliminate as goal will be met.	This should be removed as a goal. It is a project scheduled to be completed during the current fiscal year.
Implement Corporation Tax e-file by January 2007.	Eliminate as goal will be met.	This should be removed as a goal. It is a project scheduled to be completed during the current fiscal year.

TAX POLICY, REVENUE ACCOUNTING, AND TAXPAYER GUIDANCE

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
Issue annual tax forms and instructions on time with 100% accuracy.	Issue all tax forms and instructions on time with 100% accuracy.	Wording of this goal should change to include all forms.
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.	Issue taxpayer guidance on Tax Law changes (publications, notices, and TSB-Ms) within 60 days of the date of enactment or 30 days prior to the taxpayer needing the information, whichever is later.	The wording of this goal should be modified slightly to be more flexible, and to address various situations that are encountered; response time should be increased to within 60 days of the date of enactment or possibly later.
Issue advisory opinions within 90 days of receiving a completed petition.	No change.	
Prepare 100% of fiscal notes within four weeks of request.	No change.	
Implement a phased program of forms/instructions redesign and simplification, beginning with nonresident income tax return instructions.	Continue a phased program of forms/instructions redesign and simplification.	
Issue new industry-specific sales tax publications.	Issue more publications for all taxes, especially new industry-specific sales tax publications.	The wording of this goal should be broadened to include publications for all taxes.

PERFORMANCE BASED BUDGET

2007-2008 PROPOSED GOAL CHANGES

TAX POLICY, REVENUE ACCOUNTING, AND TAXPAYER GUIDANCE

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
Develop new documents and regulatory proposals that will provide clarification to the taxpayer community on significant outstanding policy issues.	Draft regulations that will provide clarification to the taxpayer community on significant issues.	The wording of this goal should be modified to be more precise.
Implement Kudlow Commission recommendations as enacted into law.	Eliminate.	This should be removed as a goal.

CENTRALIZED OPERATIONS SUPPORT

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
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.	<p>Disconnect 100% of under-utilized or overlapping telecommunication services within two weeks of identification.</p> <p>Obtain division executive management sign-off of 100% of new telephony service requests prior to processing.</p> <p>Reduce Department telecommunication expenditures by 5% by 3/31/2009, assuming agency-wide implementation of Voice over IP (VoIP) is in place.</p>	This goal should be rewritten to better inform managers of performance in three functional areas of telecommunication activities.
Reduce printing and mailing expenditures by 2% from 2005-06 levels through more efficient workflow processes, ongoing validation and refinement of mail volumes, and leveraging the Internet as a means to disseminate information.	Provide cost analysis for 100% of any unscheduled (external) print and mail work to Executive management for approval prior to processing.	This goal should be rewritten to better inform managers of performance.
Mail 100% of all documents within deadlines.	Mail 95% of all timely received documents by requested deadlines.	This goal should be changed to measure only timely-received documents.

PERFORMANCE BASED BUDGET

2007-2008 PROPOSED GOAL CHANGES

CENTRALIZED OPERATIONS SUPPORT

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
Maintain 100% error free inventory control of seized alcohol and tobacco products.	No change.	

TREASURY MANAGEMENT

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
Prepare 99% of monthly reconciliations within 30 days of bank statement receipt. Treasury reconciles over 100 checking accounts each month.	No change.	
Mail 100% of General Checking Account checks on time.	No change.	
Issue vendor checks requested by paper warrants within two days and checks requested electronically the same day.	No change.	
Issue PIT replacement checks within a week of receiving affidavit.	No change.	
Complete 99% of daily trades by 1 PM to maximize trading efficiency.	No change.	
Deposit and report 99.9% of receipts and disbursements within 24 hours. *This goal reflects deposits of checks only.	Deposit and report 99.9% of checks received by 2:00 p.m. within one business day.	This goal should be changed to reflect the reporting of checks received.
	Issue UIB replacement checks within a week of receiving a Lost Draft Application (LDA).	This is a new goal.

PERFORMANCE BASED BUDGET

2007-2008 PROPOSED GOAL CHANGES

REVENUE PROCESSING AND RECONCILIATION

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
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.	No change.	
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.	No change.	
Increase E-file and 2-D bar coding of personal income tax returns 25% over 2005-06 levels (to at least 60%).	Increase Personal Income Tax electronic return filing (including extensions) 20% over 2006-07 actual levels.	This goal should be changed to align with initiatives.
Receive 62% of tax revenue by electronic funds transfer.	Increase electronic funds payments received for Personal Income Tax (including return, estimated tax and extension payments) by 100% over 2006-07 levels. Receive 10% of Corporation Tax receipts via electronic funds payments.	This goal should be changed to separate corporate and personal tax payments.
Send 95% of PIT refunds to Office of the State Comptroller at least 10 days before interest start date.	Send 100% of timely filed PIT refund requests to the Office of the State Comptroller no later than 10 days before the interest free period ends.	This is a better measure from a taxpayer and fiscal point of view and aligns with our data sources.
Deposit 99.5% of tax receipts within one day of receipt.	No change.	
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 	No change.	

PERFORMANCE BASED BUDGET

2007-2008 PROPOSED GOAL CHANGES

REVENUE PROCESSING AND RECONCILIATION

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
<p>Maintain average age of exception inventories at or below target levels:</p> <ul style="list-style-type: none"> ▪ Personal Income Tax - 45 days ▪ Corporation Tax - 60 days ▪ Sales Tax - 60 days ▪ Withholding Tax - 60 days 	<p>No change.</p>	
<p>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.</p>	<p>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.</p> <p>Answer 85% of PIT information telephone inquiries within an average of 2 minutes during non-peak processing periods, and limit the average number of call attempts during non-peak to 1.1 attempts or less.</p>	<p>This goal should be modified to include non-peak periods.</p>
<p>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.</p>	<p>Answer 85% of business tax information telephone inquiries within an average of 2 minutes, and limit the average number of call attempts to 1.1 attempts or less.</p>	<p>This goal should be changed to decrease the number of attempts from 1.2 to 1.1.</p>
<p>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.</p>	<p>No change.</p>	
<p>Resolve 90% of written inquiries (including protests) within 90 days.</p>	<p>No change.</p>	
<p>Process sales tax registrations within 5 days of receipt.</p>	<p>No change.</p>	
<p>Assist taxpayers in legally dissolving or reinstating corporations within 30 days of receipt.</p>	<p>Assist taxpayers in legally dissolving or reinstating corporations within 15 days of receipt.</p>	<p>This goal should be changed from 30 to 15 days to better service the taxpayer.</p>

PERFORMANCE BASED BUDGET

2007-2008 PROPOSED GOAL CHANGES

REVENUE PROCESSING AND RECONCILIATION

2006-2007 Performance Goal	Proposed 2007-2008 Performance Goal	Comments
Process enrollments and updates for mandatory and voluntary electronic funds transfer participants within 30 days.	Eliminate as it is no longer needed.	This should be removed as a goal. As a result of system improvements, the enrollment data will be taxpayer maintained for the most part.
Resolve exceptions for mandatory and voluntary electronic funds transfer participants within 60 days.	Eliminate.	This should be removed as a goal. This work is being merged with other payment exception activity and will not be easily segregated.
Process cigarette retail license applications/renewals within 10 days.	No change.	
	Convert 90% of the "No Tax Due" Sales Tax Tele-filers to web filers by the end of 2007-08.	This is a new goal.
	Convert 50% of the magnetic media filers to electronic filers by the end of 2007-08.	This is a new goal.
	Reduce the average number of repeat calls from taxpayers inquiring about the status of their refunds by 10% from 2006-07 levels.	This is a new goal.
	Reduce the number of taxpayers who call inquiring about the status of their refunds by 5% from 2006-07 levels.	This is a new goal.