



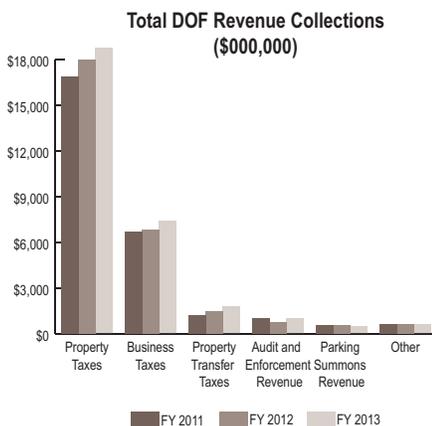
# DEPARTMENT OF FINANCE

David M. Frankel, Commissioner

## What We Do

The Department of Finance collects over \$30 billion in revenue for the City and assesses more than one million properties currently valued at over \$800 billion. Finance also records property-related documents; administers exemption and abatement programs; adjudicates and collects on parking tickets; maintains the City's treasury; and enforces compliance with City tax laws. In addition, the Department chairs the City's Banking Commission and, through the Office of the Sheriff, acts as the City's chief civil law enforcement officer.

Through the Mayor's Office of Pensions and Investments, Finance also advises the Administration on the \$130 billion City pension system and \$12 billion deferred compensation plan.



## Our Services and Goals

### Service 1: Bill and collect property and other taxes.

- Goal 1a: Increase the proportion of individuals and businesses that are in compliance with tax and revenue laws.
- Goal 1b: Promptly review applications for Senior Citizen Rent Increase Exemptions.
- Goal 1c: Promptly review requests for refunds.
- Goal 1d: Increase the percentage of payments made online.

### Service 2: Bill, adjudicate, and collect on parking tickets.

- Goal 2a: Increase the proportion of parking tickets that are collected.
- Goal 2b: Assure that all respondents are offered convenient options for challenging tickets.

### Service 3: Provide public access to data.

- Goal 3a: Increase the percentage of property tax documents that are available online.

## How We Performed in Fiscal 2013

### Service 1: Bill and collect property and other taxes.

#### Goal 1a: Increase the proportion of individuals and businesses that are in compliance with tax and revenue laws.

The percent of billed property taxes that were paid and the percent paid on time remained high at 97.5 and 94.8 percent, respectively.

Using evolving data-mining technologies, Finance staff has built models to identify taxpayers who were more likely than most to be underpaying their business and excise taxes. As a result, the number of audits resulting in no change, meaning that the audited taxpayer was found not to owe any additional tax, has dropped from one in three to one in five over the last four years. In the past year, Finance also increased the share of audits that were closed within a year by nearly six percentage points, from 33.7 percent to 39.3 percent, and average turnaround times decreased by almost eight percent. Compared to the amount originally filed, the average tax liability per closed audit rose by 13.6 percent.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14		
★ Property taxes billed that are paid (%)	98.1%	98.1%	97.0%	97.3%	97.5%	*	97.0%	Up	Neutral
- Paid on time (%)	93.3%	95.0%	95.0%	94.4%	94.8%	*	*	Up	Neutral
Average turnaround time for audits (days)	NA	598	612	684	632	*	*	Down	NA
Increase in tax liability as a result of audits (%)	7.4%	18.6%	26.9%	10.5%	13.6%	*	*	Neutral	Up
Originally noticed properties sold in lien sale (%)	20%	19%	20%	19%	20%	*	*	Down	Neutral

★ Critical Indicator "NA" - means Not Available in this report ↕ shows desired direction

### Goal 1b: Promptly review applications for Senior Citizen Rent Increase Exemptions.

The substantial backlog of SCRIE applications was one of the most vexing problems the Department faced in 2010. Over the past three years, administration of the program has improved dramatically. In Fiscal 2013 initial SCRIE applications were reviewed and a written response sent to the applicant in an average of 17.3 days; renewal applications were processed in 13.4 days. Finance has eliminated the backlog of SCRIE applications, and in recent months, applications were processed within five days. Inquiries are responded to even more quickly; any senior calling Finance with an inquiry receives a return call from SCRIE staff within 48 hours.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14		
Senior Citizen Rent Increase Exemption (SCRIE) - Initial applications received	NA	NA	NA	NA	7,094	*	*	Neutral	NA
SCRIE - Renewal applications received	NA	NA	NA	NA	22,670	*	*	Neutral	NA
★ Average time to process initial applications (days)	NA	NA	NA	NA	17.3	*	↓	Down	NA
★ Average time to process renewal applications (days)	NA	NA	NA	NA	13.4	*	↓	Down	NA

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### Goal 1c: Promptly review requests for refunds.

Business tax refunds were issued in 30 days, two days faster than last year, and significantly better than the 45 day target, while the average time to issue a property tax refund continued to trend upward, increasing by one day to 27 days, above the 20 day target. A 64 percent increase in property refund cases that required specialized research and account adjustments accounts for the slight uptick in the time to issue those refunds.

Finance is constantly working to streamline its operations and ensure that the tens of thousands of refund requests it receives each month are satisfied in a timely manner. Most recently, in August, Finance created an automated system to refund property tax credits owed to landlords participating in the SCRIE program and the comparable program for eligible disabled persons (DRIE).

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14		
★ Average time to issue a property tax refund (days)	14	19	22	26	27	20	20	Down	Up
★ Average time to issue a business tax refund (days)	44	39	39	32	30	45	32	Down	Down

★ Critical Indicator "NA" - means Not Available in this report ↓ ↑ shows desired direction

### Goal 1d: Increase the percentage of payments made online.

The Department offers individuals, paying any number of charges, the ability to pay how, when, and where they want. In the past year, the consolidation of many payment operations into [CityPay](#) triggered a marked increase in electronic payments, which includes Electric Funds Transfers and Automated Clearing House debits. Whereas last year only 20.8 percent of payments were made using this method, this past reporting period nearly 46 percent of payments were made electronically.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14		
★ Payment method (%) - Electronic (ACH/EFT)	NA	16.7%	16.5%	20.8%	45.9%	*	50.0%	Up	NA

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**Service 2: Bill, adjudicate, and collect on parking tickets.**

**Goal 2a: Increase the proportion of parking tickets that are collected.**

The percentage of parking tickets paid within 90 days decreased slightly from 65.1 percent last year to 63.5 percent this year. Finance is constantly working to increase the timely resolution of parking tickets and collect all money owed to the City. The Department is piloting variations on the notice sent to vehicle owners whose tickets are about to accrue penalties in an effort to encourage motorists to pay. In August 2013 Finance expanded the scofflaw booting program to replace the towing of vehicles that have \$350 in judgment parking debt. Booting is a major customer service improvement for vehicle owners. Since it is more efficient than towing, it will also enable Sheriff and Marshal enforcement teams to increase the number of enforcement actions in the months and years ahead.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14		
Tickets paid before enforcement action (%)	NA	NA	NA	NA	56.3%	*	*	Up	NA
★ Parking tickets issued that are paid within 90 days (%)	62.0%	61.1%	63.3%	65.1%	63.5%	*	65.0%	Up	Neutral

★ Critical Indicator "NA" - means Not Available in this report ↕ ↗ shows desired direction

**Goal 2b: Assure that all respondents are offered convenient options for challenging tickets.**

Motorists can choose from a variety of convenient options for challenging parking, bus lane, and red light camera summonses. More than 221,000 online hearings were conducted during this year's reporting period, comprising approximately one-quarter of the 901,026 summonses adjudicated, compared to 17 percent last year. Additional adjudication options include hearings by-mail or visiting one of Finance's Business Centers, which are in each of the five boroughs. Turnaround times for all hearing types have steadily improved, particularly for hearings-by-mail, and all key indicators show positive performance trends.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14		
★ Parking ticket hearings - Total	NA	NA	1,169,864	1,235,067	901,026	*	*	Neutral	NA
★ Average turnaround time for in-person parking ticket hearings (minutes)	28	25	23	18	19	40	35	Down	Down
★ Average turnaround time to issue decision for parking ticket hearing-by-web (days)	NA	NA	7.0	6.5	3.8	*	8.0	Down	NA
★ Average turnaround time to issue decision for parking ticket hearing-by-mail (days)	NA	NA	27.3	23.2	4.2	*	13.0	Down	NA
Parking ticket appeals granted a reversal (%)	14.4%	15.1%	15.6%	12.2%	9.9%	*	*	Down	Down
Average time to issue decision for parking ticket appeals (days)	11.2	11.0	11.0	11.0	11.0	15.0	15.0	Down	Neutral

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**Service 3: Provide public access to data.**

**Goal 3a: Increase the percentage of property tax documents that are available online.**

Finance remains committed to ensuring that taxpayer's recorded documents, account information, assessments, and Property Tax Bills are accessible when needed. These documents are available on Finance's redesigned [website](#). Finance also recently published Property Tax Guides for Tax Classes 1 and 2, enabling owners of these properties to learn about the assessment process and the calculations that go into creating their bills.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14		
★ Current property tax documents available online (%)	NA	NA	100%	100%	100%	*	100%	Up	NA

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## Agency-wide Management

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14		
Total revenue collected (\$000,000)	NA	NA	\$27,014	\$28,178	\$30,113	*	*	Neutral	NA
- Property taxes collected (\$000,000)	NA	NA	\$16,868	\$17,945	\$18,742	*	*	Neutral	NA
- Business taxes collected (\$000,000)	NA	NA	\$6,717	\$6,838	\$7,407	*	*	Neutral	NA
- Property transfer taxes collected (\$000,000)	NA	NA	\$1,229	\$1,448	\$1,810	*	*	Neutral	NA
- Parking summons revenue (\$000,000)	NA	NA	\$570	\$569	\$509	*	*	Neutral	NA
- Audit and enforcement revenue collected (\$000,000)	NA	NA	\$988	\$743	\$1,009	*	*	Neutral	NA
- Other revenue (\$000,000)	NA	NA	\$641	\$634	\$636	*	*	Neutral	NA

## Agency Customer Service

In Fiscal 2013 Finance responded to 85 percent of e-mails and 91 percent of letters within 14 days, significantly better than a year ago. In-person wait times at the Department's walk-in service centers averaged 7 minutes, also better than last year.

Performance Indicators	Actual					Target		5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14	
Customer Experience								
E-mails responded to in 14 days (%)	NA	92	78	75	85	75	85	NA
Letters responded to in 14 days (%)	NA	97	77	61	91	61	83	NA
Average customer in-person wait time (minutes)	NA	8	12	11	7	11	10	NA
Completed customer requests for interpretation	NA	3,070	2,921	3,274	3,254	NA	NA	NA
CORE customer experience rating (0-100)	NA	89	85	82	86	82	86	NA

## Agency Resources

Resource Indicators	Actual					Plan <sup>1</sup>		5yr Trend
	FY09	FY10	FY11	FY12	FY13	FY13	FY14	
Expenditures (\$000,000) <sup>2</sup>	\$225.1	\$230.9	\$219.7	\$221.3	\$232.7	\$231.7	\$234.4	Neutral
Revenues (\$000,000)	\$691.9	\$709.6	\$679.2	\$693.6	\$651.7	\$654.2	\$673.5	Neutral
Personnel	2,058	1,930	1,756	1,814	1,802	1,963	1,983	Down
Overtime paid (\$000)	\$297	\$349	\$355	\$618	\$830	\$637	\$581	Up

<sup>1</sup>Authorized Budget Level      <sup>2</sup>Expenditures include all funds.      "NA" - Not Available in this report

## Noteworthy Changes, Additions or Deletions

- The Department dropped the indicator 'City debt resolved (%)' as it works to determine more precise means of tracking the resolution of certain types of debt.
- The Department set more ambitious Fiscal 2014 targets for the three indicators that report on the average times to issue decisions for parking ticket hearings, and updated the target for the indicator that reports on the percent of payments paid electronically.

For more information on the agency, please visit: [www.nyc.gov/dof](http://www.nyc.gov/dof).