

# DEPARTMENT OF FINANCE

Jacques Jiha, Commissioner



## WHAT WE DO

The Department of Finance has a broad range of responsibilities including collecting more than \$30 billion annually in revenue for the City and valuing more than one million properties worth a total of more than \$900 billion. Finance also records property-related documents, administers property tax exemption and abatement programs, adjudicates parking tickets, administers the City's network of bank accounts, manages the City's cash flows and administers the City's business and excise taxes.

In addition, the Department provides administrative support to the City's Banking Commission, which recommends interest rates for late payments of property taxes and approves bank and trust companies to hold City funds.

Through the Office of the Sheriff, Finance enforces court mandates, orders, warrants and decrees, and administers enforcement tools such as evictions, towing and booting.

Through the Mayor's Office of Pensions and Investments, Finance advises the Administration on the management of the City's five pension systems.

## FOCUS ON EQUITY

The Department of Finance administers the City's tax and revenue laws fairly, transparently and efficiently to instill public confidence and encourage compliance while providing exceptional customer service. These organizing principles guide the agency as it pursues an ambitious agenda of tax reforms, including the creation of an independent Taxpayer's Advocate Office, providing relief to low-income taxpayers, and ensuring that similarly situated property owners are treated fairly.

## OUR SERVICES AND GOALS

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### **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.

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### **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.

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### **SERVICE 3 Provide public access to data.**

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

## HOW WE PERFORMED

- The percent of audits closed by the Department within one year from the audit's start date grew to 59 percent, a 29 percentage point improvement. In large part, the increase is attributed to a greater proportion of commercial rent tax and sales and use tax cases, which are generally completed more quickly than business income tax audits. At the same time, the average number of days to complete an audit declined by 212 days to 526 days compared to 738 days for the same period last year. The percentage increase in tax liability as a result of audits also increased, from 17.8 percent to 31.5 percent, and the average amount collected from an audit rose by more than 84 percent to \$164,000 from \$89,000 a year ago. While overall audit results were strong, these increases are principally due to the settlement of several large audit cases with significant increases in tax liability and, in particular, the settlement of an exceptionally large audit which closed in September 2014.
- Fiscal 2015 has been a year of major growth for the NYC Rent Freeze Program for seniors (Senior Citizen Rent Increase Exemption or SCRIE program). Due to a July 2014 increase in income eligibility, from \$29,000 to \$50,000, and an ambitious push to increase program enrollment, Finance received a record 8,141 initial applications for SCRIE during July to October 2014 versus 2,623 for the same period last year. Largely as a result of the increase in application volume, the average time to process both initial and renewal applications rose, from 4.7 to 14 days for initial applications and from 7.6 to 11.9 days for renewal applications. In December 2014 the Department released a comprehensive report, which estimates that a total of 94,000 City residents may be eligible for the program but have not yet enrolled. Finance's enhanced outreach plan uses the report's demographic data to tailor outreach efforts to meet community needs with the ultimate goal of maximizing program participation.
- At the beginning of Fiscal 2015 the Department embarked on an ambitious initiative to streamline processing operations and enhance customer service at Finance's Business Centers. Despite a more than nine percent increase in the number of visits, these improvements have already resulted in shorter wait times, with customers waiting an average of 13 minutes to speak to a customer service representative compared to 18 minutes last year.

## 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
★ Property taxes billed that are paid (%)	97.3%	97.5%	98.6%	97.0%	97.0%	NA	NA
- Paid on time (%)	94.4%	94.8%	95.0%	*	*	94.6%	94.4%
Average turnaround time for audits (days)	684	632	677	*	*	738	526
Increase in tax liability as a result of audits (%)	10.5%	13.6%	16.0%	*	*	17.8%	31.5%
Originally noticed properties sold in lien sale (%)	19%	20%	21%	*	*	NA	NA

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

## Goal 1b

Promptly review applications for Senior Citizen Rent Increase Exemptions.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Senior Citizen Rent Increase Exemption (SCRIE) - Initial applications received	NA	7,094	8,272	*	*	2,623	8,141
SCRIE - Renewal applications received	NA	22,670	21,239	*	*	7,117	8,287
★Average time to process initial applications (days)	NA	17.3	4.4	10.0	10.0	4.7	14.0
★Average time to process renewal applications (days)	NA	13.4	9.6	10.0	10.0	7.6	11.9

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## Goal 1c

Promptly review requests for refunds.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
★Average time to issue a property tax refund (days)	26	27	37	28	28	27	22
★Average time to issue a business tax refund (days)	32	30	29	32	32	20	29

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

## Goal 1d

Increase the percentage of payments made online.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
★Payment method (%) - Electronic (ACH/EFT)	20.8%	45.9%	32.9%	50.0%	50.0%	20.3%	25.7%
- Credit card	37.9%	20.1%	28.2%	*	*	38.0%	36.4%

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## SERVICE 2 Bill, adjudicate and collect on parking tickets.

### Goal 2a

Increase the proportion of parking tickets that are collected.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Tickets paid before penalty assessed (%)	NA	51.5%	53.1%	*	*	53.9%	52.0%
★Parking tickets issued that are paid within 90 days (%)	65.1%	63.5%	63.2%	65.0%	65.0%	63.4%	64.5%

★ 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.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
★ Parking ticket hearings - Total	1,235,067	901,026	1,104,940	*	*	382,340	386,792
★ Average turnaround time for in-person parking ticket hearings (minutes)	18	19	25	30	30	26	20
★ Average turnaround time to issue decision for parking ticket hearing-by-web (days)	6.5	3.8	7.0	8.5	8.5	7.3	9.0
★ Average turnaround time to issue decision for parking ticket hearing-by-mail (days)	23.2	4.2	10.3	14.0	14.0	12.0	10.0
Parking ticket appeals granted a reversal (%)	12.2%	9.9%	12.8%	*	*	14.8%	15.0%

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

### SERVICE 3 Provide public access to data.

**Goal 3a**

Increase the percentage of property tax documents that are available online.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
★ Current property tax documents available online (%)	100%	100%	100%	100%	100%	NA	NA

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## AGENCY-WIDE MANAGEMENT

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Total revenue collected (\$000,000)	\$28,178	\$30,113	\$32,223	*	*	NA	NA
- Property taxes collected (\$000,000)	\$17,945	\$18,742	\$19,920	*	*	NA	NA
- Business taxes collected (\$000,000)	\$6,838	\$7,407	\$7,490	*	*	NA	NA
- Property transfer taxes collected (\$000,000)	\$1,448	\$1,810	\$2,500	*	*	NA	NA
- Parking summons revenue (\$000,000)	\$569	\$509	\$588	*	*	NA	NA
- Audit and enforcement revenue collected (\$000,000)	\$743	\$1,009	\$932	*	*	NA	NA
- Other revenue (\$000,000)	\$634	\$636	\$780	*	*	NA	NA

## AGENCY CUSTOMER SERVICE

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Customer Experience							
Emails responded to in 14 days (%)	75%	85%	86%	85%	85%	88%	83%
Letters responded to in 14 days (%)	60%	91%	79%	85%	85%	67%	91%
Completed customer requests for interpretation	3,274	3,254	4,353	*	*	NA	NA
Average customer in-person wait time (minutes)	11	7	17	12	12	18	13
CORE customer experience rating (0-100)	82	86	92	90	90	NA	NA

## AGENCY RESOURCES

Resource Statistics	Actual			Sept. 2014 MMR Plan	Updated Plan	Plan	4-Month Actual	
	FY12	FY13	FY14	FY15	FY15 <sup>1</sup>	FY16 <sup>1</sup>	FY14	FY15
Expenditures (\$000,000) <sup>2</sup>	\$221.3	\$222.3	\$240.3	\$249.4	\$265.6	\$262.3	\$93.2	\$112.8
Revenues (\$000,000)	\$693.6	\$652.1	\$743.8	\$679.5	\$701.7	\$683.9	\$250.0	\$281.8
Personnel	1,814	1,802	1,870	2,008	2,110	2,105	1,830	1,866
Overtime paid (\$000)	\$618	\$1,240	\$1,545	\$1,356	\$1,356	\$1,356	\$259	\$405

<sup>1</sup>February 2015 Financial Plan      <sup>2</sup>Expenditures include all funds.      "NA" - Not Available in this report

## NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- The Department corrected previously reported Fiscal 2014 data for 'Average turnaround time for audits (days)' to 677 days from 576 days.

## ADDITIONAL RESOURCES

For additional information on items referenced in the narrative, go to:

- NYC Rent Freeze Program for Seniors (SCRIE): <http://www1.nyc.gov/site/finance/benefits/tenants-scrie.page>

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

