

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

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 2014

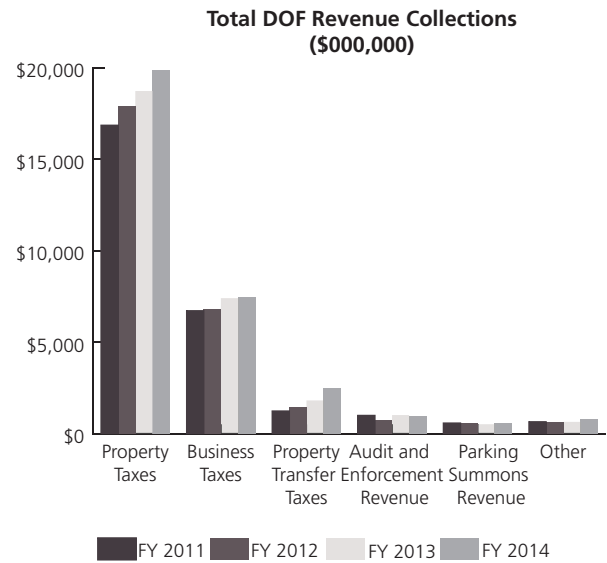
SERVICE 1 Bill and collect property and other taxes.

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

In Fiscal 2014 property tax payments rose slightly to almost 99 percent of the amount billed, with 95 percent of payments made within one month of the due date.

Utilizing the most current data-mining technology to streamline the audit process and ensure that resources are managed effectively, the Department strategically selects cases for audit. Accordingly, the percentage of audits resulting in no additional tax due continued to decrease. The average tax liability per closed audit rose by 27.4 percent to \$107,000.

By providing clear guidance and regular updates to taxpayers, business professionals, business owners, property owners and the public on the laws, rules and procedures which govern the tax administration process, Finance strives to achieve maximum taxpayer compliance.



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★ Property taxes billed that are paid (%)	98.1%	97.0%	97.3%	97.5%	98.6%	97.0%	97.0%	Up	Neutral
- Paid on time (%)	95.0%	95.0%	94.4%	94.8%	95.0%	*	*	Up	Neutral
Average turnaround time for audits (days)	598	612	684	632	576	*	*	Down	Neutral
Increase in tax liability as a result of audits (%)	18.6%	26.9%	10.5%	13.6%	16.0%	*	*	Up	Down
Originally noticed properties sold in lien sale (%)	19%	20%	19%	20%	21%	*	*	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 Department continued to prioritize the prompt processing of [Senior Citizen Rent Increase Exemption \(SCRIE\)](#) applications and overall SCRIE administration. Since eliminating the backlog of applications last year, average processing times in Fiscal 2014 improved by 75 percent for initial applications to 4.4 days, and by 28 percent for renewal applications to 9.6 days. A letter to the applicant indicating the results of the review is generated once a review is concluded. Additional focus has also been placed on direct customer service. A dedicated SCRIE customer service unit was created in August 2013. Service requests, emails and phone inquiries are responded to in an expeditious manner; any senior contacting Finance with an inquiry receives a response from SCRIE staff within 48 hours.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Senior Citizen Rent Increase Exemption (SCRIE) - Initial applications received	NA	NA	NA	7,094	8,272	*	*	Neutral	NA
SCRIE - Renewal applications received	NA	NA	NA	22,670	21,239	*	*	Neutral	NA
★ Average time to process initial applications (days)	NA	NA	NA	17.3	4.4	↓	10.0	Down	NA
★ Average time to process renewal applications (days)	NA	NA	NA	13.4	9.6	↓	10.0	Down	NA

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Goal 1c Promptly review requests for refunds.

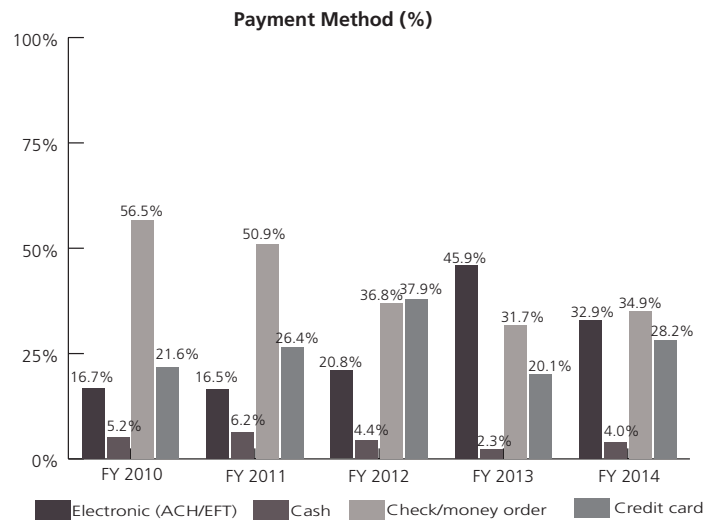
Finance received approximately 55,000 requests for business and property tax refunds in Fiscal 2014. Business tax refunds were processed and issued in an average of 29 days, one day faster than last year, continuing on a downward trend, while property tax refunds were issued in an average of 37 days, an increase of 10 days over last year. The longer processing time resulted from staff redeployment to work on other property tax related adjustments, including working with delinquent property owners on installment agreements prior to the lien sale.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★Average time to issue a property tax refund (days)	19	22	26	27	37	20	28	Down	Up
★Average time to issue a business tax refund (days)	39	39	32	30	29	32	32	Down	Down

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

Goal 1d Increase the percentage of payments made online.

Finance offers customers the ability to pay how, where and when they want while encouraging electronic payments. Electronic payments include online payments by credit card and e-check as well as Electronic Funds Transfer (EFT) and Automated Clearinghouse (ACH) debits through home banking and other direct electronic payments. In Fiscal 2014 more than 61 percent of all payments were made electronically, and Finance expects the percentage to rise in Fiscal 2015.



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★Payment method (%) - Electronic (ACH/EFT)	16.7%	16.5%	20.8%	45.9%	32.9%	50.0%	50.0%	Up	Up
- Credit card	21.6%	26.4%	37.9%	20.1%	28.2%	*	*	Up	Up

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

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

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

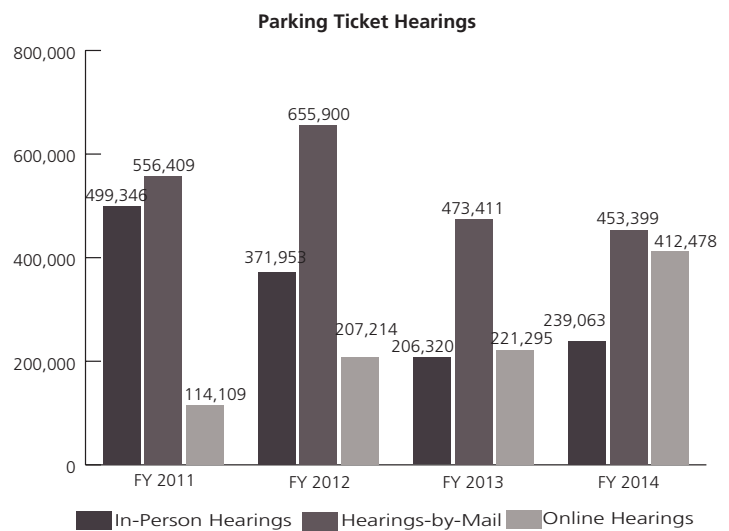
The proportion of parking tickets paid within 90 days prior to entering into judgment was 63.2 percent, in line with historical averages. Finance continues to expand parking ticket payment options and, in Fiscal 2014, introduced the ability to pay parking tickets from home banking sites to encourage quick and easy payments.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Tickets paid before penalty assessed (%)	NA	NA	NA	51.5%	53.1%	*	*	Up	NA
★ Parking tickets issued that are paid within 90 days (%)	61.1%	63.3%	65.1%	63.5%	63.2%	65.0%	65.0%	Up	Neutral

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

Customers can quickly and conveniently challenge parking, bus lane, and speed and red light camera violations using in-person, mail or online hearing options. In Fiscal 2014 Finance held over 1.1 million hearings, an increase of 22.6 percent, and adjudicated more than 2.1 million summonses. Over 78 percent of hearings were conducted by mail and online, with online hearings growing by 86 percent, to 412,478, due to the expanded ability to electronically upload evidence. On average, turnaround times for all three hearing types were higher largely as a result of the increase in hearing volume but remained better than the respective performance targets.



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★ Parking ticket hearings - Total	NA	1,169,864	1,235,067	901,026	1,104,940	*	*	Neutral	NA
★ Average turnaround time for in-person parking ticket hearings (minutes)	25	23	18	19	25	35	30	Down	Neutral
★ Average turnaround time to issue decision for parking ticket hearing-by-web (days)	NA	7.0	6.5	3.8	7.0	8.0	8.5	Down	NA
★ Average turnaround time to issue decision for parking ticket hearing-by-mail (days)	NA	27.3	23.2	4.2	10.3	13.0	14.0	Down	NA
Parking ticket appeals granted a reversal (%)	15.1%	15.6%	12.2%	9.9%	12.8%	*	*	Down	Down

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SERVICE 3 Provide public access to data.

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

The Department continued to provide timely public access to all property-related documents online. This includes property tax bills, statements of account, property assessments and all documents recorded through the Department's Land Records Division.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★ Current property tax documents available online (%)	NA	100%	100%	100%	100%	100%	100%	Up	NA

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AGENCY-WIDE MANAGEMENT

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Total revenue collected (\$000,000)	NA	\$27,014	\$28,178	\$30,113	\$32,223	*	*	Neutral	NA
- Property taxes collected (\$000,000)	NA	\$16,868	\$17,945	\$18,742	\$19,920	*	*	Neutral	NA
- Business taxes collected (\$000,000)	NA	\$6,717	\$6,838	\$7,407	\$7,490	*	*	Neutral	NA
- Property transfer taxes collected (\$000,000)	NA	\$1,229	\$1,448	\$1,810	\$2,500	*	*	Neutral	NA
- Parking summons revenue (\$000,000)	NA	\$570	\$569	\$509	\$588	*	*	Neutral	NA
- Audit and enforcement revenue collected (\$000,000)	NA	\$988	\$743	\$1,009	\$932	*	*	Neutral	NA
- Other revenue (\$000,000)	NA	\$641	\$634	\$636	\$780	*	*	Neutral	NA

AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Customer Experience									
Emails responded to in 14 days (%)	92%	78%	75%	85%	86%	85%	85%	Up	Neutral
Letters responded to in 14 days (%)	97%	77%	60%	91%	79%	83%	85%	Up	Down
Completed customer requests for interpretation	3,070	2,921	3,274	3,254	4,353	*	*	Neutral	Up
Average customer in-person wait time (minutes)	8	12	11	7	17	10	12	Down	Up
CORE customer experience rating (0-100)	89	85	82	86	92	86	90	Up	Neutral

AGENCY RESOURCES

Resource Indicators	Actual					Plan ¹		5-year Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	
Expenditures (\$000,000) ²	\$230.9	\$219.7	\$221.3	\$222.3	\$248.9	\$249.2	\$249.4	Neutral
Revenues (\$000,000)	\$709.6	\$679.2	\$693.6	\$652.1	\$744.9	\$674.8	\$679.5	Neutral
Personnel	1,930	1,756	1,814	1,802	1,870	1,988	2,008	Neutral
Overtime paid (\$000)	\$349	\$355	\$618	\$1,240	\$1,353	\$1,353	\$1,356	Up

¹Authorized Budget Level

"NA" - Not Available in this report

²Expenditures include all funds.

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- The Department introduced Fiscal 2015 targets for the indicators that report on the average times to process initial and renewal Senior Citizen Rent Increase Exemption (SCRIE) applications.
- The Department revised the Fiscal 2015 target for 'Average time to issue a property tax refund (days)' from 22 days to 28 days based on recent trends in work volume and processing times, and also revised the target for 'Average turnaround time to issue decision for parking ticket hearing-by-web (days)' from 7 to 8.5 days due to changes in staffing.
- The indicator 'Tickets paid before enforcement action (%)', which included summonses that were challenged and dismissed, was replaced with 'Tickets paid before penalty assessed (%)', which excludes these summonses.
- The metric 'Average time to issue a decision for parking ticket appeals' was retired and replaced with an indicator that tracks the number of summonses appealed. The intent of the original indicator was to ensure that respondents were offered timely appeals as the Parking Violations Bureau's rules used to require that respondents pay any outstanding fines prior to appeal.

ADDITIONAL RESOURCES

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

- Senior Citizen Rent Increase Exemption (SCRIE):
http://www.nyc.gov/html/dof/html/property/property_tax_reduc_drie_sc_te.shtml

For more information on the agency, please visit: www.nyc.gov/dof.