

## PERFORMANCE BASED BUDGET YEAR-TO-DATE THROUGH MAY 2006

### MANAGEMENT, ADMINISTRATION, AND COUNSEL

Performance Goal	Status
<b>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.</b>	The Project Portfolio contains 46 projects. During the fiscal year 7 new projects have been approved and 9 have been completed.
<b>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.</b>	<p>93% of the managers and leaders have participated in the Leadership Academy Program. The remaining 7% will likely retire or separate from the agency during 2006.</p> <p>Of the 93% participating managers and leaders - 82% have completed at least the minimum amount of training required in the three categories.</p> <p>Of the 82% who completed the required training - 85% have completed more than what was required.</p> <p>This completes our first year of the Leadership Academy.</p>
<b>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.</b>	The template for the report is being formatted and finalized. The report will also contain an agency overview, as well as a report-out of the performance based budget measures.
<b>Respond to 95% of Disclosure and Government Exchange requests for information within 60 days.</b>	99.5%
<b>Pay 98% of travel vouchers within two weeks of receipt.</b>	100%
<b>Pay 98% of accounts payable invoices within 30 days of Merchandise Invoice Receipt date.</b>	98.3%
<b>Complete 95% of signed contract renewals six weeks prior to expiration date.</b>	0 renewals were projected and 0 were effectuated.
<b>Forward response to internal requests for legal guidance to Deputy Commissioner and Counsel within 30 days.</b>	100%
<b>Respond to external requests for legal advice and guidance within 60 days.</b>	75%
<b>Prepare tax-related budget bills and amendments accurately and on time.</b>	100%
<b>Resolve 95% of legislatively-referred constituent problems within 15 days.</b>	84%

## AUDIT, COLLECTION, AND ENFORCEMENT

Performance Goal	Status
Meet or exceed 2006-07 Audit Plan target in first-year collections, including \$50 million from the tax shelter voluntary compliance initiative.	\$ 565.3 Million
<b>Desk Audit:</b> <ul style="list-style-type: none"> <li>▪ Complete 550,000 reviews</li> </ul>	88,870
<b>Corporation Tax Field Audit:</b> <ul style="list-style-type: none"> <li>▪ Complete 2,800 reviews</li> </ul>	447
<b>Income Tax Field Audit:</b> <ul style="list-style-type: none"> <li>▪ Complete 3,400 reviews</li> </ul>	682
<b>Sales Tax Field Audit:</b> <ul style="list-style-type: none"> <li>▪ Complete 5,700 reviews</li> </ul>	1,328
<b>Transaction &amp; Transfer Tax Audit:</b> <ul style="list-style-type: none"> <li>▪ Complete 800 reviews</li> </ul>	106
Maintain average age of Audit protest inventory of 60 days or less.	Average Age of Protest Inventory 5/31/2006: 88 Days
Meet or exceed 2006-07 Collection Plan target in total cash collections.	<p><b>Tax Collections</b></p> <p>Plan YTD: \$ 186,867,591            Actual YTD: \$ 195,006,850            Actual vs. Plan: \$ 8,139,259</p> <p><b>Child Support Enforcement</b></p> <p>Plan YTD: \$ 8,901,750            Actual YTD: \$ 8,698,592            Actual vs. Plan: \$ (203,158)</p> <p><b>Total Collections</b></p> <p>Plan YTD: \$ 195,769,341            Actual YTD: \$ 203,705,442            Actual vs. Plan: \$ 7,936,101</p>
<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>The detail design phase of the CISS 2 project began in April 2006 and is expected to be complete by 8/15/2006.</p> <p>The Application Release Plan and Build 1 Project plan is expected to be in place by 9/15/2006 with Release 1 deployment on 4/30/2007.</p>
<b>Tax Collections Operations:</b> <ul style="list-style-type: none"> <li>▪ Complete 1.2 million case contacts (Call Center and District Office incoming and outgoing telephone contacts + public counter)</li> <li>▪ File 220,000 warrants</li> <li>▪ Complete 220,000 other enforcement actions (levies served + income executions + business seizures)</li> </ul>	<p># of Case Contacts: 222,508</p> <p># of Warrants Filed: 38,055</p> <p># of Other Enforcement Actions: 51,179</p>

<b>Child Support Enforcement Operations:</b> <ul style="list-style-type: none"> <li>▪ File 70,000 warrants</li> <li>▪ Complete 60,000 other enforcement actions (levies served + income executions + business seizures)</li> </ul>	# of Warrants Filed: 10,314 # of Other Enforcement Actions: 13,029
<b>Achieve an average quality score of more than 90% in annual Call Center Quality Review, an annual customer service/quality review of recorded calls.</b>	The Call Center Study began on 05/01/06.
<b>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.</b>	1
<b>Refer 150 PATB Enforcement (excise tax) cases for prosecution, a 5% increase over 2005-06.</b>	51
<b>Refer 120 RCB Enforcement (income, franchise, and sales tax) cases for prosecution, a 5% increase over 2005-06.</b>	32
<b>Maintain downstate CITE cigarette regulatory compliance rate at 95% or better.</b>	93%

<b>CONCILIATION AND MEDIATION</b>	
<b>Performance Goal</b>	<b>Status</b>
<b>Acknowledge 95% of:</b> <ul style="list-style-type: none"> <li>▪ accepted cases within 14 days</li> <li>▪ rejected cases within 14 days</li> <li>▪ dismissed cases within 22 days</li> </ul>	99.7% acknowledged within 14 days 98.6% acknowledged within 14 days 100% acknowledged within 22 days
<b>Schedule 90% of initial cases within 180 days.</b>	98.1% scheduled within 180 days
<b>Issue 85% of decisions within three months of conference date.</b>	88.2% issued within 3 months of conference date

## TECHNOLOGY AND INFORMATION SERVICES

Performance Goal	Status
<p><b>Continue the development, construction, and implementation of the e-MPIRE integrated tax system, thereby allowing complete migration off the existing, antiquated UNISYS platform.</b></p>	<p><u>Release 2 – Corporation Tax</u>                      Release 2 activities wound down during May as the remaining components are migrating to Production. Major issues closed down or functionality moved to Production include Resettlement, Transcripts, Unsettled Sub S returns and the Load of IAP Internet Application.</p> <p>Processing of COD (Converted) returns in Production continues to expand into more complex return categories. Delinquency processing will be presented to users in mid June. Finalization of testing on remaining categories of Amended Returns is also scheduled to wrap up in June.</p> <p><u>Release 3 – Personal Income Tax</u>                      Release 3 architecture work is a primary focus. ESD and e-MPIRE managers and staff are developing the appropriate pilot / performance tests to validate that the proposed architecture based on a WPS platform will support the requirements of Release 3. We expect to complete all tests by late July and complete the analysis of the test results in August.</p>
<p><b>Ensure access to major online systems during 99% of normal work hours.</b></p>	<p>Major online systems were available 99% of normal work hours.</p>
<p><b>Ensure availability of network resources during 99% of normal work hours.</b></p>	<p>Network resources were available 99% of normal work hours.</p>
<p><b>Complete and/or advance portfolio of more than 50 discrete technology projects on time and within budget.</b></p>	<p>ESD is continuing to work with the PMO toward this goal.</p>
<p><b>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.</b></p>	<p>The consolidated SWAN design team began work in May. The design should be done by June 12 with coding to follow. To date, the team has produced a nine screen prototype of SWAN UI functionality. DTF technical staff worked with OFT Directory Services on the definition of web services required by SWAN (to be delivered by NYSDS). Agreements have been made as to how OFT will write these services in accordance with the Statewide Trust Model. In addition, OFT has assigned a SWAN Project manager to work on the delivery of OFT services for SWAN. In addition, other DTF staff is working on the business component coding and invocation schemes required by e-MPIRE.</p>
<p><b>Implement Corporation Tax e-file by January 2007.</b></p>	<p>A project kick-off meeting was held. Investigation of the prototypes planned for the project was begun. The high level project plan was created and baselined.</p>

<b>TAX POLICY, REVENUE ACCOUNTING, AND TAXPAYER GUIDANCE</b>	
<b>Performance Goal</b>	<b>Status</b>
Issue annual tax forms and instructions on time with 100% accuracy.	100%
Issue taxpayer guidance on Tax Law changes (publications, TSB-Ms, forms, instructions) at least 30 days prior to effective date or, if retroactive, within six weeks of DTF becoming aware of need.	100%
Issue advisory opinions within 90 days of receiving a completed petition.	25%
Prepare 100% of fiscal notes within four weeks of request.	86%
Implement a phased program of forms/instructions redesign and simplification, beginning with nonresident income tax return instructions.	Ongoing
Issue new industry-specific sales tax publications.	Ongoing
Develop new documents and regulatory proposals that will provide clarification to the taxpayer community on significant outstanding policy issues.	Ongoing
Implement Kudlow Commission recommendations as enacted into law.	Not applicable for this period.

<b>CENTRALIZED OPERATIONS SUPPORT</b>	
<b>Performance Goal</b>	<b>Status</b>
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.	2.5% reduction
Reduce printing and mailing expenditures by 2% from 2005-06 levels through more efficient work-flow processes, ongoing validation and refinement of mail volumes, and leveraging the Internet as a means to disseminate information.	2% reduction
Mail 100% of all documents within deadlines.	96% - Lack of realistic lead time resulted in the 4% of the deadlines that were not met.
Maintain 100% error free inventory control of seized alcohol and tobacco products.	OSB successfully tested the mass add and update/transfer functionality in the CMS Articles of Evidence Notebook which have been moved into production by ESD. This is a process improvement that will save time and reduce potential data entry errors.

<b>TREASURY MANAGEMENT</b>	
<b>Performance Goal</b>	<b>Status</b>
<b>Prepare 99% of monthly reconciliations within 30 days of bank statement receipt. Treasury reconciles over 100* checking accounts each month.</b> * This estimate was adjusted from 150 checking accounts as written in original goal.	99.6%
<b>Mail 100% of General Checking Account checks on time. Daily average is 8,000 checks.</b>	100%
<b>Issue vendor checks requested by paper warrants within two days and checks requested electronically the same day.</b>	100% for both
<b>Issue PIT replacement checks within a week of receiving affidavit.</b>	99.5%
<b>Complete 99% of daily trades by 1 PM to maximize trading efficiency.</b>	99.5%
<b>Deposit and report 99.9% of receipts and disbursements within 24 hours.</b>	100%
<b>Issue UIB replacement checks within a week of receiving an LDA (Lost Draft Application).</b>	86.4%

<b>REVENUE PROCESSING AND RECONCILIATION</b>	
<b>Performance Goal</b>	<b>Status</b>
<b>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.</b>	Through May 2006, we processed 6,923,563 returns and collected \$15,420,546,001 in State and local tax payments on time with 100% accuracy.
<b>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.</b>	Data not available for this period.
<b>Increase E-file and 2-D bar coding of personal income tax returns 25% over 2005-06 levels (to at least 60%).</b>	28%
<b>Receive 62% of tax revenue by electronic funds transfer.</b>	38%
<b>Send 95% of PIT refunds to Office of the State Comptroller at least 10 days before interest start date.</b>	100%
<b>Deposit 99.5% of tax receipts within one day of receipt.</b>	99.99%

<b>Maintain average age of protest inventories at or below target levels:</b> <ul style="list-style-type: none"> <li>▪ Personal Income Tax - 60 days</li> <li>▪ Corporation Tax - 60 days</li> <li>▪ Sales Tax - 60 days</li> <li>▪ Withholding Tax - 60 days</li> </ul>	24 Days 57 Days 13 Days 28 Days
<b>Maintain average age of exception inventories at or below target levels:</b> <ul style="list-style-type: none"> <li>▪ Personal Income Tax - 45 days</li> <li>▪ Corporation Tax - 60 days</li> <li>▪ Sales Tax - 60 days</li> <li>▪ Withholding Tax - 60 days</li> </ul>	20 Days 53 Days 22 Days 32 Days
<b>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.</b>	74% Service Level  1.64 attempts
<b>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.</b>	64% Service Level  1.06 attempts
<b>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.</b>	94.1% average quality score
<b>Resolve 90% of written inquiries (including protests) within 90 days.</b>	<u>TCC</u> 100% of written inquiries are resolved within 90 days  <u>PERB</u> Personal Income Tax – 97% Corporation Tax – 81%  Sales Tax – 100% Withholding Tax – 99%
<b>Process sales tax registrations within 5 days of receipt.</b>	4.71 days
<b>Assist taxpayers in legally dissolving or reinstating corporations within 30 days of receipt.</b>	Dissolutions – 25.7 days Reinstatements – 24.0 days
<b>Process enrollments and updates for mandatory and voluntary electronic funds transfer participants within 30 days.</b>	15.1 days
<b>Resolve exceptions for mandatory and voluntary electronic funds transfer participants within 60 days.</b>	9.7 days
<b>Process cigarette retail license applications/renewals within 10 days.</b>	1.3 days