

PERFORMANCE BASED BUDGET YEAR-TO-DATE THROUGH OCTOBER 2006

MANAGEMENT, ADMINISTRATION, AND COUNSEL

Performance Goal	Status
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.	The Project Portfolio contains 36 projects. During the fiscal year seventeen new projects have been approved, twenty two have been completed and three were cancelled.
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.	The following data reflects participation for the first five months of the Leadership Academy year – June 1, 2006 – May 31, 2007. 56% of the managers and leaders have participated in the Leadership Academy Program.
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 OPA will be completed by the end of November, 2006.
Respond to 95% of Disclosure and Government Exchange requests for information within 60 days.	99.0%
Pay 98% of travel vouchers within two weeks of receipt.	100%
Pay 98% of accounts payable invoices within 30 days of Merchandise Invoice Receipt date.	99.0%
Complete 95% of signed contract renewals six weeks prior to expiration date.	3.5%
Forward response to internal requests for legal guidance to Deputy Commissioner and Counsel within 30 days.	57.9%
Respond to external requests for legal advice and guidance within 60 days.	59.3%
Prepare tax-related budget bills and amendments accurately and on time.	100%
Resolve 95% of legislatively-referred constituent problems within 15 days.	82.0%

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.	\$ 2.076 Billion																											
Desk Audit: <ul style="list-style-type: none"> ▪ Complete 550,000 reviews 	433,303																											
Corporation Tax Field Audit: <ul style="list-style-type: none"> ▪ Complete 2,800 reviews 	1,506																											
Income Tax Field Audit: <ul style="list-style-type: none"> ▪ Complete 3,400 reviews 	2,127																											
Sales Tax Field Audit: <ul style="list-style-type: none"> ▪ Complete 5,700 reviews 	3,885																											
Transaction & Transfer Tax Audit: <ul style="list-style-type: none"> ▪ Complete 800 reviews 	364																											
Maintain average age of Audit protest inventory of 60 days or less.	81 Days																											
Meet or exceed 2006-07 Collection Plan target in total cash collections.	<p>Tax Collections</p> <table> <tr> <td>Plan YTD:</td> <td>\$</td> <td>655,468,905</td> </tr> <tr> <td>Actual YTD:</td> <td>\$</td> <td>711,279,552</td> </tr> <tr> <td>Actual vs. Plan:</td> <td>\$</td> <td>55,810,647</td> </tr> </table> <p>Child Support Enforcement</p> <table> <tr> <td>Plan YTD:</td> <td>\$</td> <td>31,156,125</td> </tr> <tr> <td>Actual YTD:</td> <td>\$</td> <td>33,069,842</td> </tr> <tr> <td>Actual vs. Plan:</td> <td>\$</td> <td>1,913,717</td> </tr> </table> <p>Total Collections</p> <table> <tr> <td>Plan YTD:</td> <td>\$</td> <td>686,625,030</td> </tr> <tr> <td>Actual YTD:</td> <td>\$</td> <td>744,349,394</td> </tr> <tr> <td>Actual vs. Plan:</td> <td>\$</td> <td>57,724,364</td> </tr> </table>	Plan YTD:	\$	655,468,905	Actual YTD:	\$	711,279,552	Actual vs. Plan:	\$	55,810,647	Plan YTD:	\$	31,156,125	Actual YTD:	\$	33,069,842	Actual vs. Plan:	\$	1,913,717	Plan YTD:	\$	686,625,030	Actual YTD:	\$	744,349,394	Actual vs. Plan:	\$	57,724,364
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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.	The 12 month rolling recovery rate is 25.26% compared to 23.28% for the same period last year.																											
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 + business seizures) 	# of Case Contacts: 838,226 # of Warrants Filed: 131,947 # of Other Enforcement Actions: 142,987																											
Child Support Enforcement Operations: <ul style="list-style-type: none"> ▪ File 70,000 warrants ▪ Complete 60,000 other enforcement actions (levies served + income executions + business seizures) 	# of Warrants Filed: 52,640 # of Other Enforcement Actions: 63,447																											

Achieve an average quality score of more than 90% in annual Call Center Quality Review, an annual customer service/quality review of recorded calls.	88.8%
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.	19
Refer 150 PATB Enforcement (excise tax) cases for prosecution, a 5% increase over 2005-06.	213
Refer 120 RCB Enforcement (income, franchise, and sales tax) cases for prosecution, a 5% increase over 2005-06.	98
Maintain downstate CITE cigarette regulatory compliance rate at 95% or better.	94%

CONCILIATION AND MEDIATION

Performance Goal	Status
Acknowledge 95% of: <ul style="list-style-type: none"> ▪ accepted cases within 14 days ▪ rejected cases within 14 days ▪ dismissed cases within 22 days 	99.8% acknowledged within 14 days 96.2% acknowledged within 14 days 96.0% acknowledged within 22 days
Schedule 90% of initial cases within 180 days.	98.8% scheduled within 180
Issue 85% of decisions within three months of conference date.	87.3% issued within three months

TECHNOLOGY AND INFORMATION SERVICES

Performance Goal	Status
Continue the development, construction, and implementation of the e-MPIRE integrated tax system, thereby allowing complete migration off the existing, antiquated UNISYS platform.	<p><u>Release 3 – Personal Income Tax</u></p> <p>The Core Team made substantial progress in the review of the functional Design. The review is expected to be completed in November</p> <p>DSD and User Validation Review sessions have been scheduled. DSD reviews began as planned in October and are on schedule for completion by the end of the calendar year. User Validation sessions will begin mid November. Containing scope remains a priority for all team members. Representatives from TSS, Audit, ESD and e-MPIRE have begun the development of the implementation plan for R3. Completion of this task is scheduled for January 31, 2007.</p> <p>e-MPIRE met this month to identify the requirements for the R3 training environment to facilitate development of the detailed technical plan to support R3 training.</p> <p>The Corporation Tax ELF program is scheduled to go live the 2nd week of January 2007. Migration of this code to systems testing in November is an important checkpoint since it the first of the migration processes for the new technologies being utilized in R3.</p>

	<p>All six contracts (with the winner and runner-up for three categories of the recently awarded RFP for consultant services) have been submitted to OSC and are awaiting approval.</p> <p>Recruitment of state (IT) staff (primarily JAVA resources) continues to be a priority (approximately 20 candidates will be interviewed in November).</p> <p>The System/User Test Approach is under development. This will serve as a discussion tool with TSRD, Audit and TCD related to User Test staffing needs. A request for "R3 testing resources" will be sent to the operational divisions in November.</p> <p>Discussions continue among e-MPIRE, TSRD, Audit and ESD staff on training, change management and other employee preparedness strategies. These strategies must recognize the rapid ramp-up required for PIT and accommodate the related activities within the schedule to ensure organizational and employee readiness by January 2008.</p> <p style="text-align: center;"><u>Release 4</u></p> <p>The R4 Business Requirements were delivered ahead of schedule on October 13th. This is a major accomplishment for the Sales Tax Core Team which expects to complete the business flows of Sales Tax in November. A high level implementation plan of R4 functionality will be developed during the month of November</p>
<p>Ensure access to major online systems during 99% of normal work hours.</p>	<p>Major online systems were available 99% of normal work hours.</p>
<p>Ensure availability of network resources during 99% of normal work hours.</p>	<p>Network resources were available 99% of normal work hours.</p>
<p>Complete and/or advance portfolio of more than 50 discrete technology projects on time and within budget.</p>	<p>During the fiscal year to date, ESD allocated 10% of available staff time to project work. Eight mandatory IT projects have been completed. Six of the eight mandatory projects (75%) completed within 10% of the project end date.</p>
<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>SWAN, now known as OTC (On-line Tax Center) is behind schedule for delivery. It is anticipated that it will be implemented early in November. OTC is also expected to be enhanced with desired features until early next year. The long term migration and support mechanisms for SWAN are being developed.</p>
<p>Implement Corporation Tax e-file by January 2007.</p>	<p>Fed/State development continues. Coding of Java services needed for the project is being completed and integration of these services by Process Server staff is being worked on this month.</p> <p>Workplace Forms has been brought in for testing and evaluation. It has already been integrated with e-MPIRE and has been proven capable of solving the transcript issue with CT Fed/State e-filing. The first filing prototype (NYS-45) is underway and should be completed in early November.</p>

TAX POLICY, REVENUE ACCOUNTING, AND TAXPAYER GUIDANCE

Performance Goal	Status
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.	98.6%
Issue advisory opinions within 90 days of receiving a completed petition.	11.1%
Prepare 100% of fiscal notes within four weeks of request.	92.9%
Implement a phased program of forms/instructions redesign and simplification, beginning with nonresident income tax return instructions.	The 2006 tax year IT-203 instructions have been redesigned.
Issue new industry-specific sales tax publications.	The following publication has been issued: Sales Tax Guide for Vet Services The following publication is in the final stages: Sales Tax Guide for Broadcasters
Develop new documents and regulatory proposals that will provide clarification to the taxpayer community on significant outstanding policy issues.	The following documents have been issued: Corporation Partnership regulation Stock Option regulation and TSB-M 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.
Implement Kudlow Commission recommendations as enacted into law.	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.

CENTRALIZED OPERATIONS SUPPORT

Performance Goal	Status
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.	1.2% 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.	6.0% increase
Mail 100% of all documents within deadlines.	98.3%
Maintain 100% error free inventory control of seized alcohol and tobacco products.	Planned alcohol auction to be rescheduled after inventory lots are adjusted to reflect the reduced volumes of alcohol to be used in OTE field operations.

TREASURY MANAGEMENT

Performance Goal	Status
Prepare 99% of monthly reconciliations within 30 days of bank statement receipt. Treasury reconciles over 100* checking accounts each month. * This estimate was adjusted from 150 checking accounts as written in original goal.	99.0%
Mail 100% of General Checking Account checks on time. Daily average is 17,000 checks (the original estimate was 8,000).	100%
Issue vendor checks requested by paper warrants within two days and checks requested electronically the same day.	100% for both
Issue PIT replacement checks within a week of receiving affidavit.	99.2%
Complete 99% of daily trades by 1 PM to maximize trading efficiency.	99.6%
Deposit and report 99.9% of receipts and disbursements within 24 hours. *This goal reflects deposits of checks only.	100%
Issue UIB replacement checks within a week of receiving an LDA (Lost Draft Application).	88.6%

REVENUE PROCESSING AND RECONCILIATION

Performance Goal	Status
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.	Through October we processed 14,450,038 returns and \$46,339,463,704 in state and local tax payments on time with 99.9% accuracy.
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.	The cumulative rate for April through October was 5.51%. This is an increase over the rate of 4.84% for the same period last year.
Increase E-file and 2-D bar coding of personal income tax returns 25% over 2005-06 levels (to at least 60%).	Filings from April through October increased 41.06% over last year.
Receive 62% of tax revenue by electronic funds transfer.	45.2%
Send 95% of PIT refunds to Office of the State Comptroller at least 10 days before interest start date.	100%
Deposit 99.5% of tax receipts within one day of receipt.	99.0% (calculated from the April – October averages)
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 	70 days 68 days 22 days 32 days
Maintain average age of exception inventories at or below target levels: <ul style="list-style-type: none"> ▪ Personal Income Tax - 45 days ▪ Corporation Tax - 60 days ▪ Sales Tax - 60 days ▪ Withholding Tax - 60 days 	8 days 68 days 18 days 24 days

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.	72.9% Service Level (calculated from the April – October averages) 1.31 attempts (calculated from the April – October averages)
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.	69.7% Service Level (calculated from the April – October averages) 1.05 attempts (calculated from the April – October averages)
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.	94.1%
Resolve 90% of written inquiries (including protests) within 90 days.	Calculated from the April – October averages Business Tax – 92.2% Personal Income Tax – 85%
Process sales tax registrations within 5 days of receipt.	4.2 days
Assist taxpayers in legally dissolving or reinstating corporations within 30 days of receipt.	27.0 days
Process enrollments and updates for mandatory and voluntary electronic funds transfer participants within 30 days.	21.7 days
Resolve exceptions for mandatory and voluntary electronic funds transfer participants within 60 days.	7.9 days
Process cigarette retail license applications/renewals within 10 days.	2.5 days