

DEPARTMENT OF TAXATION AND FINANCE

MISSION

The Department of Taxation and Finance administers the State's taxes and related local taxes and manages the State Treasury. In fulfilling its responsibilities under the State's Tax Laws, the Department collects approximately \$39.6 billion in State revenue and approximately \$21.3 billion in local taxes, including New York City and the City of Yonkers income taxes, on behalf of municipalities.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner who is appointed by the Governor and confirmed by the Senate. It fulfills its mission through 11 programs: Administration, Revenue Support, Office of the Counsel, Tax Policy and Analysis, Tax Enforcement, Tax Compliance, Treasury Management, Audit, Revenue and Information Management, Taxpayer Services and the Office of Conciliation and Mediation. The Department of Taxation and Finance will have a workforce of 5,419 positions in 2000-01, of which 4,995 will be funded by State tax dollars in the General Fund.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2000-01, the Department will be financed primarily with State tax dollars from the General Fund, which support its revenue generation, collection, and administration programs. The Executive Budget recommends \$383.2 million to support the Department's operating budget. This amount includes \$280.2 million in General Fund support, which will finance 73.1 percent of the Department's operations, and which will be supplemented by fee income of \$34.5 million and Federal funding of \$500,000. Fee income will support costs associated with the collection of personal income taxes for New York City, and financial and investment services for certain State agencies and public benefit corporations. The Budget further recommends \$68 million for the Banking Services Fund. The Fund pays banking institutions for certain services related to administering personal income and other taxes.

PROGRAM HIGHLIGHTS

Tax and Finance Department employees are responsible for providing equitable and efficient service to taxpayers. The Department is organized along functional lines to support a high level of taxpayer service:

- **Administration:** This program includes the Department's central policy direction and oversight functions. Activities include fiscal management, human resources/payroll, internal audit, management services and public information.
- **Revenue Support:** This program provides essential support services for the Department, including managing office and warehouse space, developing and printing tax forms and instructions, and mailing tax liability notices, refunds and other tax forms.
- **Office of the Counsel:** This Office prepares regulations, interprets statutes, manages litigation, and drafts and reviews proposed legislation. The Office is involved in resolving taxpayer protests and litigation, and maintains coordination between the Department, the Department of Law and the Division of Tax Appeals.
- **Tax Policy and Analysis:** This program estimates the revenues expected to be produced by each tax, assesses the impact of different tax structures and tax

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- proposals on the State's economy, reviews tax policies and legislation, and prepares descriptive and analytical studies.
- **Tax Enforcement:** This program identifies and investigates alleged evasion of the State tax code. Staff assigned to this program work with Federal, State and local law enforcement officials in the prosecution of tax fraud and tax evasion cases.
 - **Tax Compliance:** This is the State's largest accounts receivable program, collecting delinquent State and local taxes. Computer-generated billings and an automated telephone collection system are used in collection activities.
 - **Audit:** The Audit Division ensures that voluntarily remitted taxes are accurate and complete. The Division plans, conducts and evaluates desk and field audits, increasingly with the aid of technology.
 - **Revenue and Information Management:** This program contains the Department's information management, tax processing and tax accounting functions. It supports the collection of an estimated \$60.9 billion in State and local voluntary and non-voluntary tax collections.
 - **Taxpayer Services:** This program assists taxpayers in fulfilling their tax obligations by developing and distributing tax information, advice and instructions.
 - **Office of Conciliation and Mediation:** This program offers taxpayers the option of informally resolving disputes with the Department.

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$368,880,650	\$382,435,000	+\$13,554,350	....
Aid To Localities	750,000	750,000
Capital Projects
Total	<u>\$369,630,650</u>	<u>\$383,185,000</u>	<u>+\$13,554,350</u>	<u>....</u>

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ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1999-00	Personal Service (Regular)	Maintenance Undistributed	2000-01 Recommended Average Fill Level Total Recommended 2000-01	Change
Administration					
General Fund	95	93	....	93	-2
Audit					
General Fund	1,978	1,945	....	1,945	-33
Office of Conciliation and Mediation					
General Fund	35	35	....	35	....
Counsel					
General Fund	78	77	....	77	-1
Tax Policy and Analysis					
General Fund	36	35	....	35	-1
Revenue and Information Management					
General Fund	1,753	1,655	....	1,655	-98
Special Revenue Funds - Other	392	379	....	379	-13
Revenue Support Services					
General Fund	71	70	....	70	-1
Tax Compliance					
General Fund	835	821	....	821	-14
Tax Enforcement					
General Fund	123	131	....	131	+8
Taxpayer Services					
General Fund	135	133	....	133	-2
Treasury Management					
Special Revenue Funds - Other	37	36	....	36	-1
Subtotal, Direct Funded Programs	5,568	5,410	....	5,410	-158
Suballocations:					
Special Revenue Funds - Federal	9			9	....
Total	5,577			5,419	-158

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$273,424,650	\$279,468,000	+\$6,043,350
Special Revenue Funds - Federal	300,000	500,000	+200,000
Special Revenue Funds - Other	32,761,000	34,492,000	+1,731,000
Internal Service Funds	62,395,000	67,975,000	+5,580,000
Total	\$368,880,650	\$382,435,000	+\$13,554,350
Adjustments:			
Transfer(s) To			
Internal Service Funds	+1,310,000		
Appropriated 1999-00	\$370,190,650		

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STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Administration			
General Fund	\$5,115,000	\$5,156,000	+\$41,000
Audit			
General Fund	98,598,000	101,747,000	+3,149,000
Banking Services			
Internal Service Funds	62,395,000	67,975,000	+5,580,000
Office of Conciliation and Mediation			
General Fund	2,118,000	2,135,000	+17,000
Counsel			
General Fund	4,695,000	4,733,000	+38,000
Tax Policy and Analysis			
General Fund	2,025,000	2,041,000	+16,000
Revenue and Information Management			
General Fund	80,723,000	83,007,000	+2,284,000
Special Revenue Funds - Federal	300,000	.....	-300,000
Special Revenue Funds - Other	30,758,000	32,473,000	+1,715,000
Revenue Support Services			
General Fund	30,215,000	30,809,000	+594,000
Tax Compliance			
General Fund	33,014,650	32,282,000	-732,650
Tax Enforcement			
General Fund	7,801,000	8,364,000	+563,000
Special Revenue Funds - Federal	.....	500,000	+500,000
Taxpayer Services			
General Fund	9,120,000	9,194,000	+74,000
Treasury Management			
Special Revenue Funds - Other	2,003,000	2,019,000	+16,000
Total	\$368,880,650	\$382,435,000	+\$13,554,350

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total Personal Service		Personal Service Regular (Annual Salaried)		Temporary Service (Nonannual Salaried)	
	Amount	Change	Amount	Change	Amount	Change
Administration	\$4,747,000	+\$38,000	\$4,709,000	+\$38,000	.....	.....
Audit	85,218,000	+2,173,000	84,253,000	+2,165,000	\$842,000	+\$7,000
Office of Conciliation and Mediation	2,040,000	+16,000	2,022,000	+16,000	.....	.....
Counsel	4,605,000	+37,000	4,385,000	+35,000	215,000	+2,000
Tax Policy and Analysis	2,018,000	+16,000	1,934,000	+15,000	81,000	+1,000
Revenue and Information Management	58,376,000	-2,659,000	55,318,000	-2,684,000	2,468,000	+20,000
Revenue Support Services	4,043,000	+33,000	3,544,000	+29,000	496,000	+4,000
Tax Compliance	28,740,000	+231,000	28,690,000	+231,000	.....	.....
Tax Enforcement	6,683,000	+476,000	6,659,000	+476,000	16,000	.....
Taxpayer Services	6,855,000	+55,000	5,882,000	+47,000	969,000	+8,000
Total	\$203,325,000	+\$416,000	\$197,396,000	+\$368,000	\$5,087,000	+\$42,000

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	\$38,000	.....
Audit	123,000	+\$1,000
Office of Conciliation and Mediation	18,000	.....
Counsel	5,000	.....
Tax Policy and Analysis	3,000	.....
Revenue and Information Management	590,000	+5,000
Revenue Support Services	3,000	.....
Tax Compliance	50,000
Tax Enforcement	8,000
Taxpayer Services	4,000
Total	\$842,000	+\$6,000

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STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	\$409,000	+\$3,000	\$291,000	+\$2,000
Audit	16,529,000	+976,000	32,000	....
Office of Conciliation and Mediation	95,000	+1,000	4,000	....
Counsel	128,000	+1,000	8,000	....
Tax Policy and Analysis	23,000	....	5,000	....
Revenue and Information Management	24,631,000	+4,943,000	1,777,000	+429,000
Revenue Support Services	26,766,000	+561,000	151,000	+1,000
Tax Compliance	3,542,000	-963,650	279,000	+2,000
Tax Enforcement	1,681,000	+87,000	11,000	....
Taxpayer Services	2,339,000	+19,000	71,000	+1,000
Total	\$76,143,000	+\$5,627,350	\$2,629,000	+\$435,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	\$5,000	....	\$74,000	+\$1,000
Audit	4,196,000	+\$877,000	11,141,000	+90,000
Office of Conciliation and Mediation	70,000	+1,000	21,000	....
Counsel	30,000	....	88,000	+1,000
Tax Policy and Analysis	6,000	....	10,000	....
Revenue and Information Management	116,000	+28,000	20,230,000	+4,882,000
Revenue Support Services	6,000	....	26,609,000	+560,000
Tax Compliance	604,000	+5,000	2,017,000	-975,650
Tax Enforcement	592,000	+78,000	995,000	+8,000
Taxpayer Services	10,000	....	2,255,000	+18,000
Total	\$5,635,000	+\$989,000	\$63,440,000	+\$4,584,350

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	\$39,000	....	....	....
Audit	1,160,000	+\$9,000	....	....
Counsel	2,000	....	....	....
Tax Policy and Analysis	2,000	....	....	....
Revenue and Information Management	1,653,000	+399,000	\$855,000	-\$795,000
Tax Compliance	642,000	+5,000	....	....
Tax Enforcement	83,000	+1,000
Taxpayer Services	3,000
Total	\$3,584,000	+\$414,000	\$855,000	-\$795,000

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STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Banking Services	\$67,975,000	+\$5,580,000	....	....
Revenue and Information Management	32,473,000	+1,415,000	\$16,300,000	-\$80,000
Tax Enforcement	500,000	+500,000	....	....
Treasury Management	2,019,000	+16,000	1,345,000	+11,000
Total	\$102,967,000	+\$7,511,000	\$17,645,000	-\$69,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Banking Services .....	....	....	\$67,975,000	+\$5,580,000
Revenue and Information Management	\$16,173,000	+\$1,795,000	....	-300,000
Tax Enforcement .....	....	....	500,000	+500,000
Treasury Management	674,000	+5,000	....	....
Total	\$16,847,000	+\$1,800,000	\$68,475,000	+\$5,780,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$750,000	\$750,000	....
Total	\$750,000	\$750,000	....

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Administration General Fund	\$750,000	\$750,000	....
Total	\$750,000	\$750,000	....