



**Department of
Taxation and Finance**

Formal Budget Hearing

December 14, 2017

Agency Snapshot

25,848,570
tax returns processed
In fiscal year 2016-17

Returns Processed by Tax Type

Corporation Tax
1,017,741

Income Tax
12,107,360

Sales Tax
1,858,330

Withholding Tax
9,470,643

MCTMT
222,378

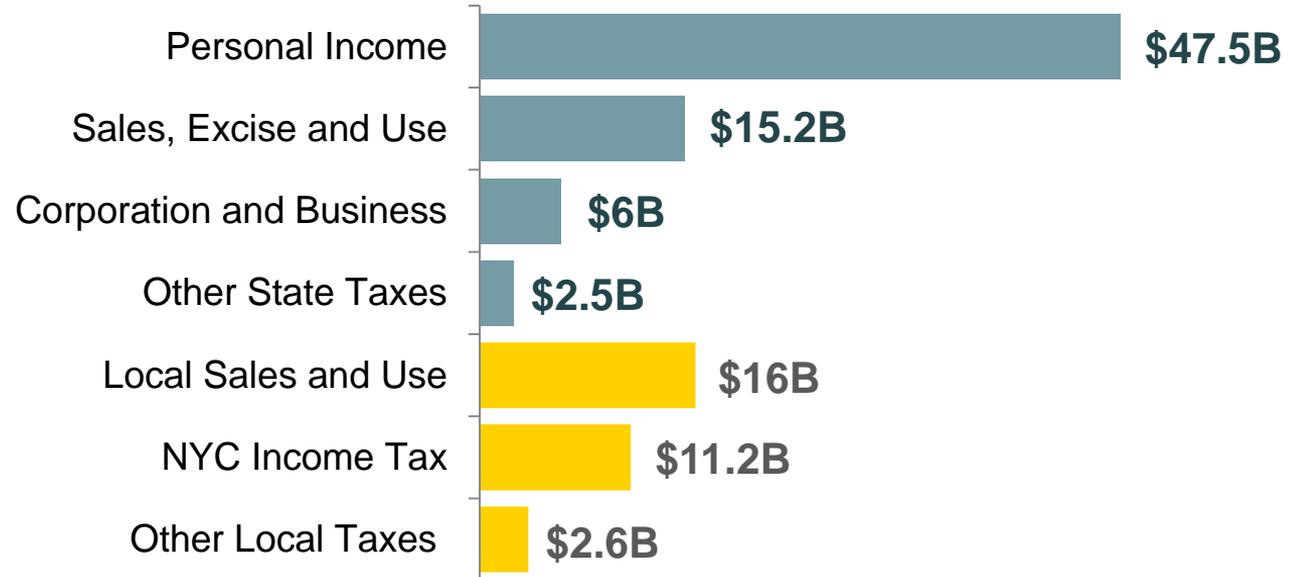
Other Taxes
1,172,118

Collections Snapshot

Taxes Collected in the 2016-17 fiscal year (\$101 billion Total)*

State taxes
collected
\$71.2 billion

Local taxes
collected
\$29.8 billion



*All figures represent net collections for period; excludes Stock Transfer Tax (fully eligible for rebate).



Department of
Taxation and Finance

2017-18 Appropriations

State operations

General fund	\$262M
Special revenue (federal)	\$5M
Special revenue (other)	\$107M
Internal service funds	\$77M
All funds total	\$451M

Local assistance

General fund	\$1M
Special revenue (other)	\$4M
All funds total	\$5M

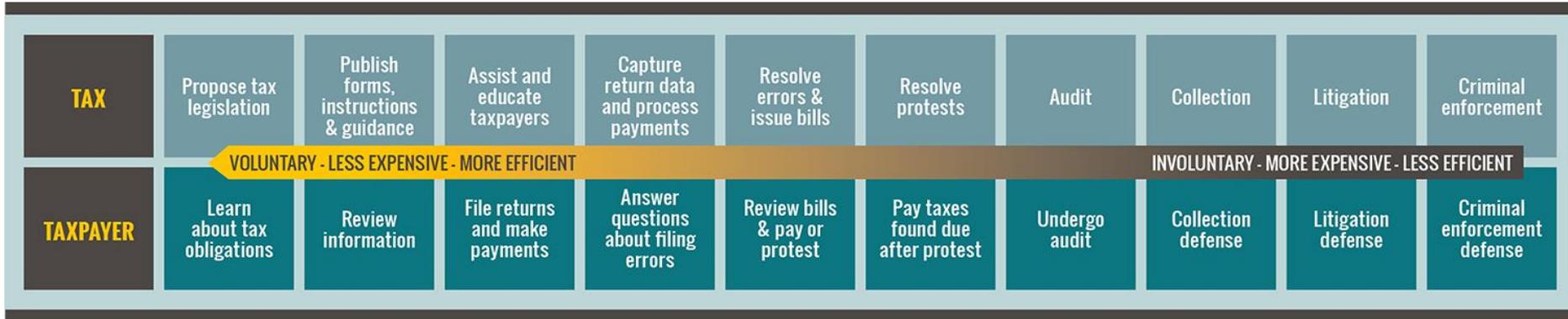


Four Pillars of Tax Administration



Efficiency • Integrity • Fairness

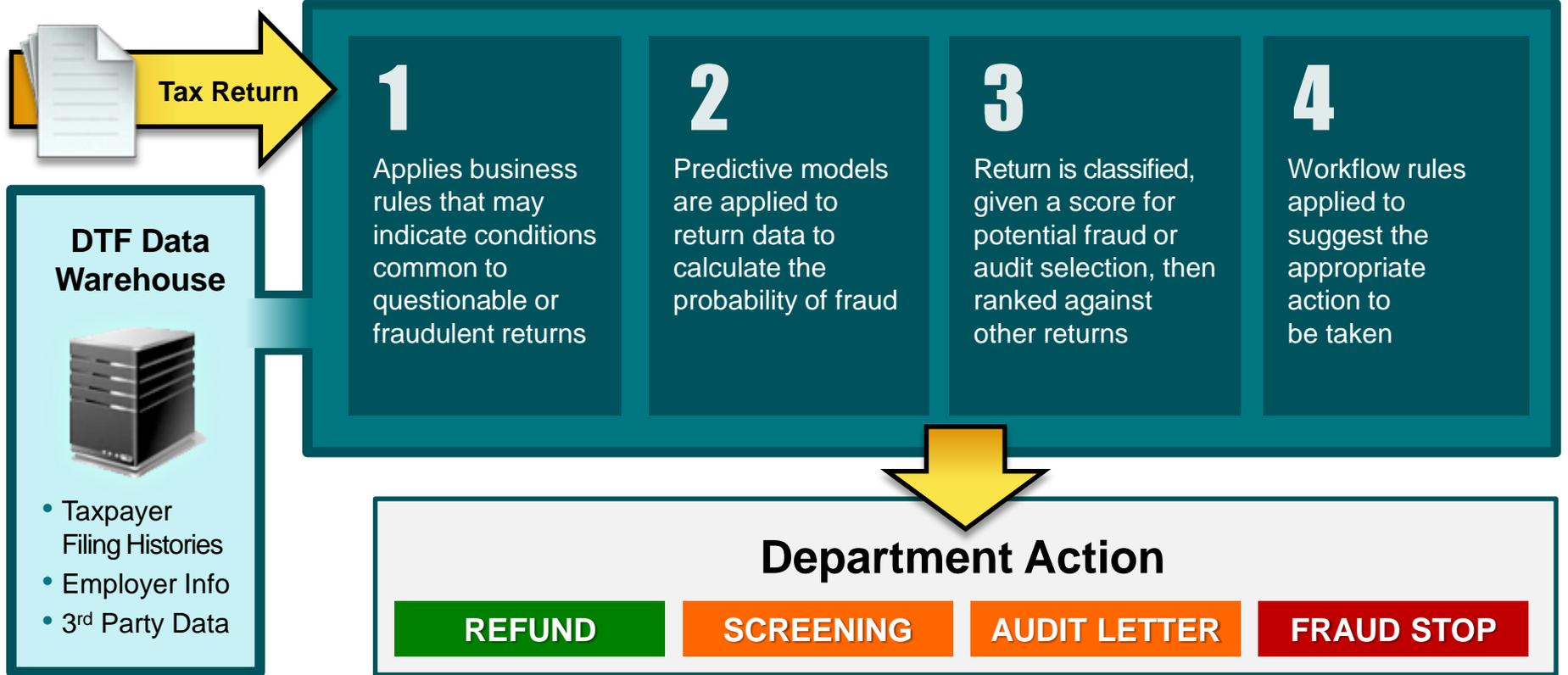
The Compliance Continuum



Our Mission:

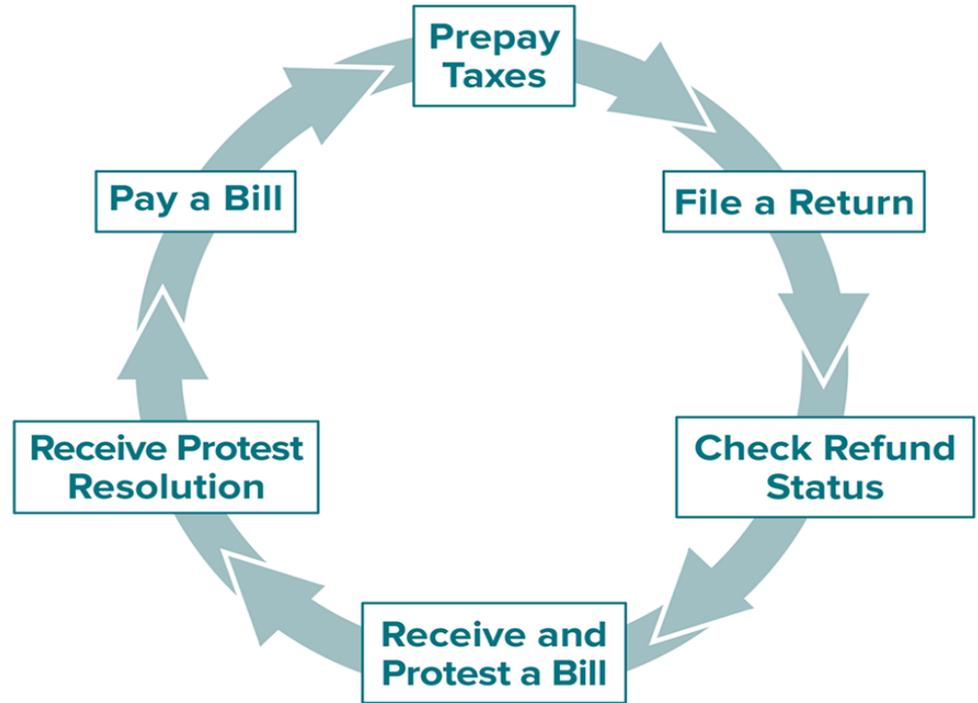
To efficiently collect tax revenues in support of State services and programs while acting with integrity and fairness in the administration of the tax laws of New York State.

Technology Dependent



Customer Service

Online Services 24/7



Process Used for Detecting Fraud



DTF Data Warehouse

Maxmind

(3rd party services)
Used to join the IP address location information into the return data.

Tax Return Data

C.I.S.S.

(Case Identification and Selection System)

F.A.S.T.

(Fraud Analysis and Selection Team)

1

Reports are created using Statistical Analysis System (SAS), stored on SQL servers, and then accessed through Excel spread sheets.

2

The team reviews the SAS reports using statistical models that look for unusual commonalities shared between multiple returns, an indication of possible fraud.

3

The data attributes of questionable returns are assigned codes using Advanced Query Tool (AQT) .



4

The additional data from AQT is put back into CISS, making it easier to detect incoming fraudulent returns in the future.

Denied Refunds - Volumes and Revenue

Processing Year	2010	2011	2012	2013	2014	2015	2016	2017*
Inquiry Letters	197,909	284,086	272,742	255,103	252,138	299,252	381,946	407,404
Audit Denied Refunds	\$301M	\$390M	\$372M	\$367M	\$331M	\$404M	\$405M	\$405M
OPS Denied Refunds	\$54M	\$51M	\$58M	\$46M	\$119M	\$96M	\$149M	\$122M
Total Refunds Denied	\$355M	\$431M	\$430M	\$413M	\$450M	\$500M	\$554M	\$528M

*as of December, 2017

Rapidly Changing Environment

Plan, monitor & adjust

- Projections and planning
 - data analytics
- Monitoring inventories
- Rapid adjustment
 - change instructions
 - shift staff
 - change tolerances
 - modify action



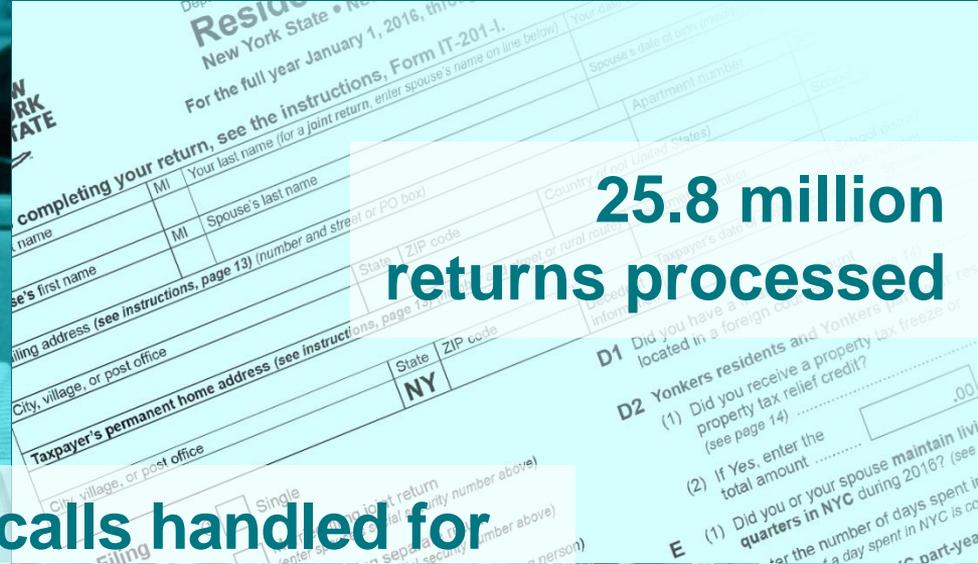
**Dedicated,
resourceful, and
flexible employees**



**3 million phone calls handled for
DTF and other state agencies**



\$101 billion collected



**25.8 million
returns processed**

Resident
New York State
For the full year January 1, 2016, 2017-1.

completing your return, see the instructions, Form IT-201-1.

Your last name (for a joint return, enter spouse's name on line below)

Your first name MI Spouse's last name MI Spouse's first name MI

City, village, or post office State ZIP code

Taxpayer's permanent home address (see instructions, page 13) (number and street or PO box) State ZIP code

City, village, or post office State ZIP code

NY

D1 Did you have a location in a foreign country (United States)?

D2 Yonkers residents and Yonkers property tax relief credit?

(1) Did you receive a property tax relief credit? (see page 14)

(2) If Yes, enter the total amount

E (1) Did you or your spouse maintain living quarters in NYC during 2016? (see instructions for the number of days spent in a day spent in NYC is co part-year



Powerful, nimble systems



Department of Taxation and Finance

Efficiency • Integrity • Fairness