62nd Tax Institute
University at Buffalo School of Management
Commissioner Jerry Boone
Public/Private

- **Public**
  - Federal Regulatory Attorney
  - NYS Assistant Attorney General
  - NYS Solicitor General

- **Private**
  - Corporate – General Counsel, Chief Operating Officer, Chief Human Resources Officer
  - Small Business Owner
And Back Again…

- Drawn by Governor Cuomo’s vision and plans to make New York “a great place” again.
- Transforming New York Government:
  - Modernization
  - Transparency
  - Business Climate
  - Tax Policy
Modernizing State Government

- Agency Consolidation
- Transition to Shared Services
- LEAN Management
- Performance Focus
Governor Cuomo’s Open Data New York Initiative

Advisory Groups

Regional Economic Development Councils
  • Created to transform the State’s economic development process from the bottom up – 10 economic development regions – Since 2011:
    • $2.9 Billion dollars has been awarded/committed to support over 3,100 projects and commitments for 150,000 jobs created/retained

Round V – compete for $780 million in capital grants and credits and $1.5 billion in Upstate Revitalization Initiative funds
Improving the Business Climate

- Under Governor Cuomo, New York has gone from a $10 billion deficit to a $5 billion surplus.
- Because we spend less, we can tax less.
- And we have.
Creating Jobs

- Jobs in New York are at record levels - Unemployment down in every region of the State
- More private sector jobs today than at any other point
  - 670,000 new jobs since 2011
- And STARTUP-NY is working
- 143 Companies
  - creating 3,841 new jobs across New York
  - Investing $184 million
Governor Cuomo’s Tax Initiatives

- Lowest middle class tax rates since 1953
- Lowest corporate income tax rates since 1968
- Lowest manufacturers tax rate since 1917
Improving the Business Climate

Governor Cuomo’s Tax Initiatives

- Corporate tax reform
- Estate tax reform
- Real property tax relief
Leading the Workforce to leading the Tax Department
Discovery

My First 100 Days
A History of Leadership

- **1988** – Computer-assisted audits & imaged tax returns
- **2003** – Business analytics to audit every return
- **2008** – Clear language initiative
- **2009** – Taxpayer Rights Advocate & voluntary disclosure
- **2013** – Protecting taxpayers through taxpayer regulations & scheme detection
- **2014** – Tax modernization and simplification
Where We Focus

- Efficient administration
- Deterring tax evasion and fraud
- Customer service
- Improving voluntary compliance
Efficient Administration

Despite declining headcount, we continue to do more with less.

<table>
<thead>
<tr>
<th>Year</th>
<th>Tax Department Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>6023</td>
</tr>
<tr>
<td>1999</td>
<td>5334</td>
</tr>
<tr>
<td>2003</td>
<td>5036</td>
</tr>
<tr>
<td>2007</td>
<td>4727</td>
</tr>
<tr>
<td>2011</td>
<td>4761</td>
</tr>
<tr>
<td>2013</td>
<td>4657</td>
</tr>
<tr>
<td>2015</td>
<td>4355</td>
</tr>
</tbody>
</table>
Taxes Collected by DTF in the 2014-15 Fiscal year ($97.3B Total)

State taxes collected $68.1 Billion

- Personal Income: $43.7B
- Sales, Excise and User: $14.5B
- Corporation and Business: $7.6B
- Other State Taxes: $2.3B

Local taxes collected $29.2 Billion

- Local Sales and Use: $15.3B
- NYC Income Tax: $10.2B
- Other Local Taxes: $3.7B

All figures represent net collections for period; excludes Stock Transfer Tax (fully eligible for rebate)
Deter Tax Evasion and Fraud

- Technology allows us to stop questionable refunds saving taxpayers billions (In FY 14-15, 252,000 returns, $450 million)

- Federal tax breach - we were already stopping returns that fit the profile and assisting other states
Deter Tax Evasion and Fraud

Examine every return filed using advanced business analytics (C.I.S.S.*)

- identity theft
- third-party data
- large-scale fraud schemes

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inquiry Letters</td>
<td>74,000</td>
<td>205,000</td>
<td>181,584</td>
<td>197,909</td>
<td>284,086</td>
<td>272,742</td>
<td>255,103</td>
<td>252,138</td>
</tr>
<tr>
<td>Denied Refunds</td>
<td>$110M</td>
<td>$248M</td>
<td>$300M</td>
<td>$355M</td>
<td>$431M</td>
<td>$430 M</td>
<td>$413M</td>
<td>$450M</td>
</tr>
</tbody>
</table>

* Case Identification and Selection System
Customer Service

- Ensure that all taxpayers are served and their rights are preserved
- Taxpayer protections
- Making it easier to do business with us
- Improved, clear communications and guidance
Taxpayer Bill of Rights

New York State taxpayers have the right to:

- Receive Quality Service
  Receive prompt, courteous, and professional service from the Tax Department.

- Be Informed
  Clear explanations of your obligations under the Tax Law.

- Appeal the Tax Department's decision in an independent forum
  - A fair and impartial administrative appeal of most Tax Department decisions.
  - Receive a written response regarding the Office of Appeals' decision.
  - Take your case to court.

- Challenge the Tax Department's position
  - Provide the department with documentation and information in support of your challenge to a department action, and
  - Receive a timely response to your challenge.

- Assistance in paying your tax debt
  Apply for an installment plan if you can't pay the tax you owe.

---

Finality
- Know how much time you have to challenge a Tax Department action, and
- Know when the Department is barred from proceeding against you to collect a tax debt or similar action.

Privacy and Confidentiality
- Expect that the Tax Department will keep your tax information confidential, only sharing it with employees who are required to have access to it.

Retain Representation
- Represent yourself during any Tax Department proceeding,
- Have someone else accompany you, or
- Have someone represent you in your absence.

Pay no more than the correct amount of tax
- Pay only the amount of tax legally due, including interest and penalties.

A Fair and Just Tax System
- Expect that all New York State taxpayers pay their fair share of tax.
Preparers hold the trust of their clients

- Paid preparers: 7.3 million
- Self-prepared: 3.3 million

Personal Income Tax Returns
Taxpayer Protections - Consumers

- Office of Professional Responsibility - 4th State in nation to regulate tax preparer industry

- Helps ensure that taxpayers receive competent advice when they engage a preparer

- Identify and discipline tax preparers who fail to meet regulatory standards
Taxpayer Protections – Appeal/Mediation

- Bureau of Conciliation and Mediation Services
  - You may protest by filing a Request for Conciliation Conference or a Petition for Tax Appeals Hearing
  - Request or petition must be filed within a certain period from the date the department mailed you notice of its action.
  - You may appear on your own behalf or have an authorized representation present your case for review.
Issuance of Statutory Notice → Choice of Action → Petition to Division of Tax Appeals → Request filed with BCMS → Conciliation conference → Consent signed? (Y) → Case closed (N) → Conciliation order issued → Petition filed? (Y) → Case closed (N)
Taxpayer Protections - Mediation

Bureau of Conciliation and Mediation Services

- Handles approximately 4,400 cases annually
- Agreements reached in 75% of cases
- 73% of cases are scheduled for conference within 90 days

<table>
<thead>
<tr>
<th>Age of Open Cases (9/30/15)</th>
<th>Number of Open Cases</th>
<th>Percent Open</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months or less</td>
<td>1290</td>
<td>85.0%</td>
</tr>
<tr>
<td>7 months - 1 year</td>
<td>160</td>
<td>10.6%</td>
</tr>
<tr>
<td>1 year - 1 ½ years</td>
<td>37</td>
<td>2.4%</td>
</tr>
<tr>
<td>1 ½ years - 2 years</td>
<td>3</td>
<td>0.2%</td>
</tr>
<tr>
<td>over 2 years</td>
<td>27</td>
<td>1.8%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1517</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Taxpayer Protections - Advocate

- Independent office within the department
- Committed to helping all New York State taxpayers
- Balance taxpayer assistance and enforcement efforts
Taxpayer Protections: Advocate

Case Advocacy

- Tax debt is causing undue hardship or unnecessary compliance burdens
- Issues can’t be resolved through normal department channels
- Department procedures are not working as they should

Systemic Advocacy

- Increase efficiencies
- Identify and reform systemic problems with tax laws, regulations, policies, tax administration, etc.
<table>
<thead>
<tr>
<th>Year</th>
<th>Cases Resolved</th>
<th>Cases Receiving Full or Partial Relief</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-2010</td>
<td>1,307</td>
<td>914</td>
<td>70%</td>
</tr>
<tr>
<td>2011</td>
<td>1,360</td>
<td>911</td>
<td>67%</td>
</tr>
<tr>
<td>2012</td>
<td>1,062</td>
<td>427</td>
<td>40%</td>
</tr>
<tr>
<td>2013</td>
<td>1,625</td>
<td>713</td>
<td>44%</td>
</tr>
<tr>
<td>2014</td>
<td>2,072</td>
<td>1,283</td>
<td>62%</td>
</tr>
<tr>
<td>2015 - Sept</td>
<td>1,723</td>
<td>770</td>
<td>45%</td>
</tr>
<tr>
<td>Totals</td>
<td>9,149</td>
<td>5,018</td>
<td>55%</td>
</tr>
</tbody>
</table>
Form DTF-911

You start the process by completing and mailing this form
### Customer Service

More offers in compromise accepted

<table>
<thead>
<tr>
<th>Fiscal Year Ending</th>
<th>Cases Accepted</th>
<th>% Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>275</td>
<td>26%</td>
</tr>
<tr>
<td>2009</td>
<td>214</td>
<td>25%</td>
</tr>
<tr>
<td>2010</td>
<td>249</td>
<td>29%</td>
</tr>
<tr>
<td>2011</td>
<td>460</td>
<td>46%</td>
</tr>
<tr>
<td>2012</td>
<td>698</td>
<td>58%</td>
</tr>
<tr>
<td>2013</td>
<td>1440</td>
<td>69%</td>
</tr>
<tr>
<td>2014</td>
<td>1389</td>
<td>69%</td>
</tr>
</tbody>
</table>
## More revenue from installment payment agreements

<table>
<thead>
<tr>
<th>Fiscal Year Ending</th>
<th>IPAs Approved</th>
<th>Revenue (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>68,600</td>
<td>$163</td>
</tr>
<tr>
<td>2010</td>
<td>90,000</td>
<td>$204</td>
</tr>
<tr>
<td>2011</td>
<td>84,000</td>
<td>$224</td>
</tr>
<tr>
<td>2012</td>
<td>87,000</td>
<td>$231</td>
</tr>
<tr>
<td>2013</td>
<td>10,869</td>
<td>$250</td>
</tr>
<tr>
<td>2014</td>
<td>100,869</td>
<td>$285</td>
</tr>
<tr>
<td>2015</td>
<td>94,401</td>
<td>$307</td>
</tr>
</tbody>
</table>
Making it Easier to do Business with Us

- **Transparency - Debunking the Myths**
  - Charitable contributions do **not** make you a domiciliary of New York
  - E-filed returns are **not** more likely to be audited or result in bills
  - Department staff are **not** evaluated based on collections
  - Audits sometimes do result in a refund
Making It Easier to Do Business With Us

Total Online Services Accounts

- 2008: 169,630
- 2009: 358,744
- 2010: 650,334
- 2011: 1,048,210
- 2012: 1,376,406
- 2013: 1,701,689
- 2014: 2,159,113
- 10/2015: 2,600,004
Old: Tax Professional Account Summary

Department of Taxation and Finance

Account summary for: ELITE TAX GROUP LLC (07-8607103)

Client information

Account messages

Account summary

Bills

Filing and payments

Services

Client information

Select client and press Go:

Select client

Go

Manage client access

E-ZFiling form TR-2000

Add business client

Add individual client

Date: 10/27/2014
Message: You have a new liability due
Sent to: @gmail.com

Date: 01/28/2013
Message: Web file your Sales Tax Returns
Sent to: @gmail.com

Date: 01/28/2013
Message: Web file your Monthly Sales Tax Returns
Sent to: @gmail.com

Date: 01/14/2013
Message: Web file your Monthly Sales Tax Returns
Sent to: @gmail.com

Date: 01/15/2013
Message: Web file your Sales Tax Returns
Sent to: @gmail.com

Assessment ID: L000005608-2
Tax type: Sales and Use
Filing period end date: 11/30/2012
Original bill date: 06/06/2014
Current balance ($) 1,753.17

Payment options

- Corporation tax
- Sales tax
- Fuel tax
- Withholding tax

Support | Contact Us | Logout
## Client Summary

### Clients

<table>
<thead>
<tr>
<th>Messages</th>
<th>Client</th>
<th>Taxpayer ID</th>
<th>Actions</th>
<th>Delete</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Brewer, Stephanie</td>
<td>XXX-XX-1234</td>
<td>Select action</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Conti, Paolo</td>
<td>XXX-XX-5010</td>
<td>Select action</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Cool, Joe</td>
<td>XXX-XX-7760</td>
<td>Select action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Corp Example</td>
<td>91-0028172</td>
<td>Select action</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>D'Agostini, Ruben</td>
<td>XXX-XX-0281</td>
<td>Select action</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Federal Express</td>
<td>TF-0290764</td>
<td>Select action</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Fulham, Maria</td>
<td>XXX-XX-0490</td>
<td>Select action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Johnson, Jane</td>
<td>XXX-XX-9909</td>
<td>Select action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Smith, John</td>
<td>XXX-XX-1772</td>
<td>Select action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Thomas, Amos</td>
<td>XXX-XX-5001</td>
<td>Select action</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Message Description</td>
<td>Sent to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>--------------------------------------</td>
<td>-------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>09/11/2014</td>
<td>Response to your inquiry</td>
<td><a href="mailto:1.2.mam3@gmail.com">1.2.mam3@gmail.com</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td>09/11/2014</td>
<td>Response to your inquiry</td>
<td><a href="mailto:1.2.mam3@gmail.com">1.2.mam3@gmail.com</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td>07/31/2014</td>
<td>You have a new liability due</td>
<td><a href="mailto:1.2.mam3@gmail.com">1.2.mam3@gmail.com</a></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Our records indicate you have a new liability due. View the bill for the details and a computation of the balance due. The bill contains important information, including response and payment deadlines.

HOW TO PAY:
- Online: The easiest and fastest way to pay, click on the View and pay bills link.
- Phone: Call (518) 457-5434
- Mail: Print the payment portion of the notice and mail to the indicated address.

HOW TO CONTACT US IF YOU DISAGREE:
- Online: The easiest and fastest way to respond, click on the Respond to department notice link.
- Phone: Refer to the telephone number listed on the bill.
- Text Telephone (TTY) Hotline: (518) 485-5082.
- Mail or Fax: Follow the instructions noted on the bill for sending disagreement documentation via mail or fax.

To view the bill, click the View button.

For a full explanation of your rights as a taxpayer, go to www.tax.ny.gov/tr/taxrights.htm

<table>
<thead>
<tr>
<th>Date</th>
<th>Message Description</th>
<th>Sent to</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/20/2014</td>
<td>You have a new liability due</td>
<td><a href="mailto:1.2.mam3@gmail.com">1.2.mam3@gmail.com</a></td>
</tr>
<tr>
<td>03/03/2014</td>
<td>Personal income tax refund for XXX0XX7944</td>
<td><a href="mailto:1.2.mam3@gmail.com">1.2.mam3@gmail.com</a></td>
</tr>
</tbody>
</table>
Redesign: Adding a Business Client

Information needed to Add a Business Client

- Client taxpayer ID
- Signed E-Zrep TR-2000 Form
- Tax return information for Corporation, Sales, or Withholding tax returns filed within the past 12 months, or
- An assessment ID number, or
- A five-digit PIN, or
- Confirmation that no NYS returns have been recently filed
Tax Policy

- Corporate Tax Reform
- Estate Tax
- Real Property Tax Cap

Looking Forward ….sales tax reform
Dedicated Section of tax.ny.gov

- FAQs
- Technical memos
- Draft regulations
Regulations Available Online

- Posting new regulations online prior to formal comment period
- Corporations Subject to Tax – posted 9/3 for informal review
- New last week - two draft regulations
  - Other Business Receipts
  - Digital Products
Increasing Voluntary Compliance

Bureau of Voluntary Compliance

- Leverages big data and communications expertise in order to:
  - better identify non-compliance
  - deliver clear, precise, engaging messages
  - improve understanding of tax obligations
  - make filing easier

Provides proactive, coordinated, and targeted taxpayer guidance.
Voluntary Compliance

Our enforcement activities support voluntary compliance, as well.
Increasing Voluntary Compliance

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.
Connect With Us

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- Direct news
  - Twitter
  - Facebook
  - Subscription Service
- Web site
  - www.tax.ny.gov
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University at Buffalo School of Management
Commissioner Jerry Boone