

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Benjamin Kallos
Chair, Committee on Governmental Operations



Report on the Fiscal 2017 Preliminary Budget and the Fiscal 2016 Preliminary Mayor's Management Report Office of Administrative Tax Appeals

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Office of Administration Tax Appeals Overview

The Office of Administrative Tax Appeals (OATA) consists of two divisions: the Tax Commission and the Tax Appeals Tribunal. The Tax Commission is responsible for conducting hearings on appeals of real property tax assessments determined and released by the Department of Finance each year. The agency is responsible for reviewing applications for which exemptions are sought, but denied by the Department of Finance. The Tax Appeals Tribunal will conduct hearings to resolve disputes between taxpayers and the New York City Department of Finance regarding taxes other than the New York City real property tax, including business income and excise taxes.

OATA Financial Summary						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Budget by Program Area						
Personnel Services	\$3,932	\$4,035	\$4,294	\$4,380	\$4,523	\$229
Full-Time Salaried - Civilian	\$3,375	\$3,420	\$3,766	\$3,646	\$3,828	\$61
Other Salaried	107	77	270	165	165	(105)
Overtime - Civilian	151	235	100	150	100	0
Other PS	212	166	115	115	119	4
Unsalariated	86	138	43	304	312	269
Other Than Personnel Services	\$229	\$226	\$314	\$289	\$314	\$0
Contractual Services	\$16	\$7	\$168	\$124	\$168	\$0
Other Services & Charges	58	97	71	85	71	0
Property & Equipment	104	92	61	61	61	0
Supplies & Materials	52	29	13	18	13	0
	0	0	0	0	0	0
TOTAL	\$4,162	\$4,261	\$4,608	\$4,669	\$4,837	\$229
Funding						
City Funds	\$4,162	\$4,261	\$4,608	\$4,669	\$4,837	\$229
TOTAL	\$4,162	\$4,261	\$4,608	\$4,669	\$4,837	\$229
Budgeted Headcount						
Full-Time Positions - Civilian	36	38	41	41	41	0
TOTAL	36	38	41	41	41	-

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Fiscal 2017 Preliminary Budget for the Office of Administrative Tax Appeals totals \$4.8 million, including \$4.5 million in personnel services funding to support 41 full-time positions. Of that personnel services total, \$2.9 million is allocated to the Tax Commission for 28 positions and \$1.3 million is allocated to the Tax Appeals Tribunal for 13 positions. City tax-levy funding, accounts for the agency's entire budget. The Preliminary Budget includes \$112,000 in baseline funding for one administrative law judge in the Office of Administrative Tax Appeals.

Revenue	Actual			Planned	
	FY 13	FY 14	FY15	FY 16	FY 17
Tax Commission Fee	\$1,544,965	\$1,558,596	\$1,483,161	\$1,475,000	\$1,475,000

Application Fee Revenue

The Tax Commission generates miscellaneous revenue by charging a \$175 fee on applications for correction where the assessed value on the notice of property value is \$2 million or more. In Fiscal 2015, the Tax Commission generated \$1.48 million.

Tax Commission Performance

As of the writing of this report the 2015 Annual Report for the Tax Commission was not on their website. As such, a summary of their previous Annual Report is below.

According to the Tax Commission's 2014 Annual Report:

In 2014, the Tax Commission received 52,221 applications, covering 193,305 separately assessed tax lots, encompassing \$177.6 billion in assessed value.

The Tax Commission conducted 24,254 substantive hearings in 2014. Under its jurisdiction, the Tax Commission took remedial actions in 2014 that, in the aggregate, granted \$5.9 billion in assessment reductions, yielding about \$520.8 million in tax relief to aggrieved taxpayers. In conjunction with its disposition of applications protesting 2014 assessments, the Tax Commission also brought closure to 16,495 pending judicial review proceedings claiming errors in assessments for prior years totaling \$60 billion.

In the same year, the Law Department disposed of approximately 601 judicial proceedings claiming errors in assessment totaling \$1.9 billion (presumably the more intractable matters) by settlement. In recent years, the Courts, after trial, have issued judgments disposing of few proceedings; in 2014, there were 74 Article 7 petitions taken to trial and decided by the Courts, resolving \$43 million in claimed errors.

Appendix A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
OATA Budget as of the Adopted 2016 Budget	\$4,608	\$0	\$4,608	\$4,718	\$0	\$4,718
New Needs						
Attorney Hire	56	\$0	56	112	\$0	\$112
Subtotal, New Needs	\$56	\$0	\$56	\$112	\$0	\$112
Other Adjustments						
Collective Bargaining (CTL), Staff Analysts	\$5	\$0	\$5	\$6	\$0	\$6
Subtotal, Other Adjustments	\$5	\$0	\$5	\$6	\$0	\$6
TOTAL, All Changes	\$61	\$0	\$61	\$119	\$0	\$119
OATA Budget as of the Preliminary 2017 Budget	\$4,669	\$0	\$4,669	\$4,837	\$0	\$4,837

Appendix B: Contract Charts

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personnel service provided to the City by means of a contract. The Contract Budget is actually a subset of the OTPS portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget.

Category	Number	Budgeted
Contractual Services General	1	\$157,483
Telecommunications Maintenance	1	\$250
Office Equipment Maintenance	1	\$2,000
Data Processing Equipment	1	\$8,600
Fiscal 2016 Preliminary Budget	4	\$168,333