

THE COUNCIL OF THE CITY OF NEW YORK



Hon. Melissa Mark-Viverito  
Speaker of the Council

Hon. Ben Kallos  
Chair, Committee on Governmental Operations

Hearing on the Fiscal 2016 Preliminary Budget & the  
Fiscal 2015 Preliminary Mayor's Management Report

Office of Administrative Tax Appeals

March 19, 2015

**John Russell, Unit Head**

**Finance Division**

Latonia McKinney, Director

Regina Poreda Ryan, Deputy Director

Nathan Toth, Deputy Director



## The Office of Administrative 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>	2013	2014	2015	Preliminary		*Difference
	Actual	Actual	Adopted	2015	2016	2015 - 2016
<b>Spending</b>						
<b>Personal Services</b>	<b>\$3,911</b>	<b>\$3,932</b>	<b>\$3,954</b>	<b>\$4,096</b>	<b>\$4,155</b>	<b>\$201</b>
Full-Time Salaried	3,491	3,375	3,543	3,569	3,733	190
Other Salaried & Unsalariated	199	194	204	236	214	10
Additional Gross Pay	111	212	108	141	108	0
Overtime	111	151	100	150	100	0
<b>Other Than Personal Services</b>	<b>\$336</b>	<b>\$229</b>	<b>\$319</b>	<b>\$319</b>	<b>\$319</b>	<b>\$0</b>
Supplies and Materials	21	52	16	25	16	0
Property and Equipment	61	104	61	64	61	0
Other Services and Charges	225	58	71	75	71	0
Contractual Services	29	16	171	155	171	0
<b>TOTAL</b>	<b>\$4,247</b>	<b>\$4,162</b>	<b>\$4,273</b>	<b>\$4,415</b>	<b>\$4,473</b>	<b>\$201</b>
<b>Funding</b>						
<i>City Funds</i>	\$4,247	\$4,247	\$4,273	\$4,415	\$4,473	\$201
<b>TOTAL</b>	<b>\$4,247</b>	<b>\$4,247</b>	<b>\$4,273</b>	<b>\$4,415</b>	<b>\$4,473</b>	<b>\$201</b>
<b>Positions</b>						
Full-Time Positions	<b>39</b>	<b>36</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>0</b>

\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.

The Fiscal 2016 Preliminary Budget for the Office of Administrative Tax Appeals totals \$4.5 million, including \$4.2 million in personal services funding to support 41 full-time positions. Of that personal 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 November Plan included \$201,000 for staff salary increases and collective bargaining adjustments. There were no expense budget actions for OATA in the Fiscal 2016 Preliminary Plan.

**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 2014 the Tax Commission generated \$1.55 million.

Miscellaneous Revenue	Actuals			Planned	
	FY 12	FY 13	FY 14	FY 15	FY 16
Tax Commission Fee	\$1,396,619	\$1,544,965	\$1,558,596	\$1,475,000	\$1,475,000

**Tax Commission Performance**

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. In exercising its two-year 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 Preliminary Plans

<i>Dollars in Thousands</i>	FY 2015			FY 2016		
	City	Non-City	Total	City	Non-City	Total
<b>OATA Budget as of Fiscal 2015 Adopted Plan</b>	<b>\$4,273</b>	<b>\$0</b>	<b>\$4,273</b>	<b>\$4,273</b>	<b>\$0</b>	<b>\$4,273</b>
<b>Other Adjustments</b>						
Collective Bargaining Adjustments	69	0	69	108	0	108
Staff Salary Increases and Adjustments	73	0	73	93	0	93
<b>TOTAL Other Adjustments</b>	<b>\$142</b>	<b>\$0</b>	<b>\$142</b>	<b>\$201</b>	<b>\$0</b>	<b>\$201</b>
<b>TOTAL All Changes</b>	<b>\$142</b>	<b>\$0</b>	<b>\$142</b>	<b>\$201</b>	<b>\$0</b>	<b>\$201</b>
<b>OATA Budget as of Fiscal 2016 Prelim Plan</b>	<b>\$4,415</b>	<b>\$0</b>	<b>\$4,415</b>	<b>\$4,474</b>	<b>\$0</b>	<b>\$4,474</b>

## Appendix B: Contract Budget

Category	Number	Budgeted
Contractual Services General	1	\$160,000
Telecommunications Maintenance	1	\$250
Office Equipment Maintenance	1	\$2,000
Data Processing Equipment	1	\$8,600
<b>Fiscal 2016 Preliminary Budget</b>	<b>4</b>	<b>\$170,850</b>