

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Fernando Cabrera
Chair, Committee on Governmental Operations



Report of the Finance Division on the
Fiscal 2019 Preliminary Budget and the
Fiscal 2018 Preliminary Mayor's Management Report for the
Office of Administrative Tax Appeals

March 19, 2018

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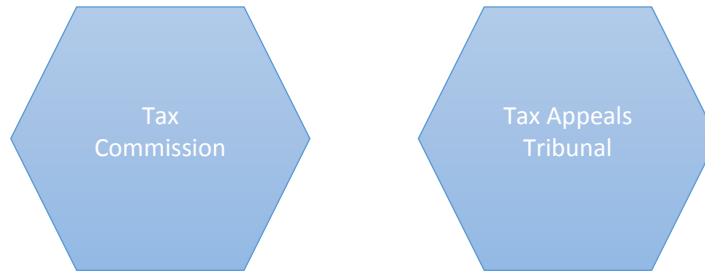
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Office of Administrative Tax Appeals Overview

The Office of Administrative Tax Appeals (OATA) is comprised of two divisions: the Tax Commission and the Tax Appeals Tribunal.

Divisions



The Tax Commission.

The Tax Commission (Commission) is responsible for conducting hearings on appeals of real property tax assessments determined and released by the Department of Finance each year. The Commission is responsible for reviewing applications for which exemptions are sought, but denied by the Department of Finance.

The Tax Appeals Tribunal.

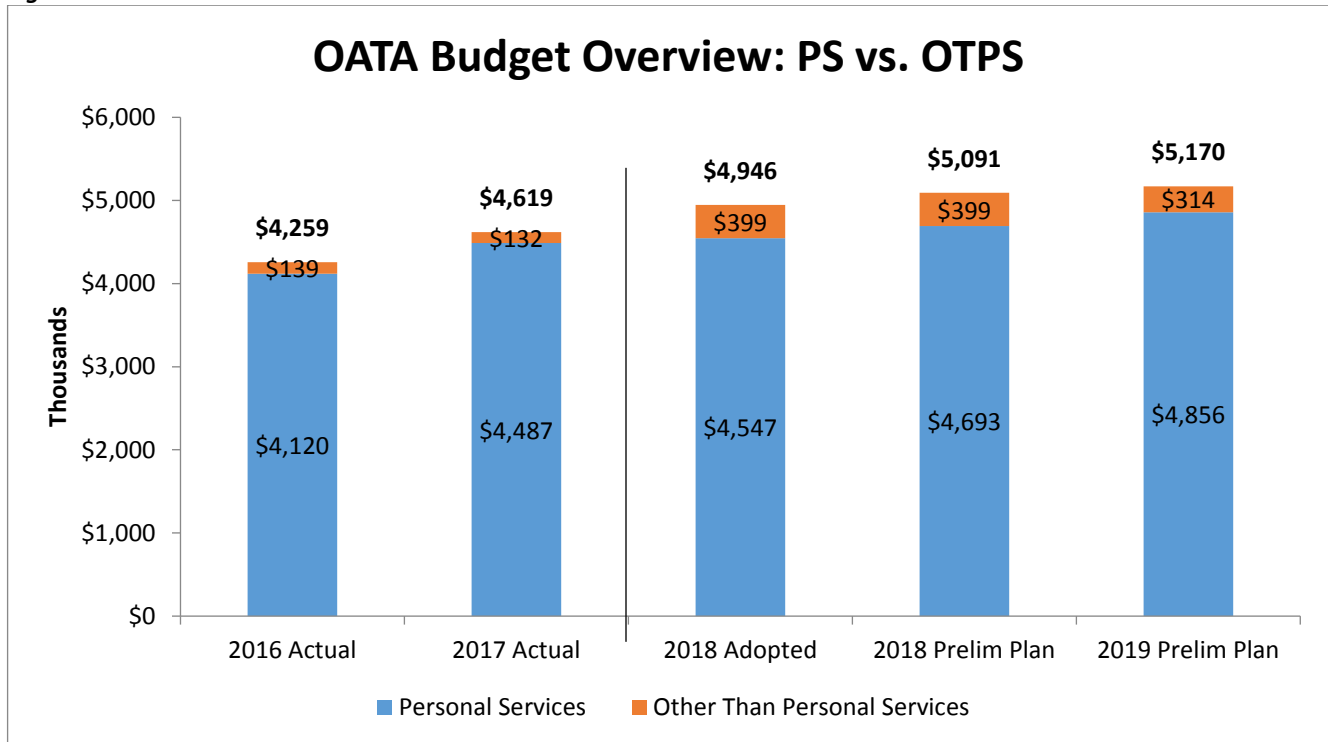
The Tax Appeals Tribunal will conduct hearings to resolve disputes between taxpayers and the New York City Department of Finance regarding taxes other than the New York City real property tax, including business income and excise taxes.

Fiscal 2019 Preliminary Budget Highlights

The Office of Administrative Tax Appeals' Fiscal 2019 Preliminary Budget totals \$5.2 million, including \$4.9 million in Personal Services (PS) funding to support 46 full time positions. The entirety of OATA's Fiscal 2019 Budget is City tax-levy funds. The Office's budget is subdivided into two units of appropriation (U/As): Personal Services and Other Than Personal Services (OTPS).¹

¹ Units of Appropriation are the subdivisions of the City Expense Budget that the City Council votes upon.

Figure 1



Highlights of OATA’s Fiscal 2019 Preliminary Budget

- **New Needs.** Since Adoption of the Fiscal 2018 Plan, the Office of Administrative Tax Appeals has identified \$160,000 in new needs for Fiscal 2019.
- **Citywide Savings Program.** The Office of Administrative Tax Appeals will generate budget savings of \$52,000 in Fiscal 2018 and \$43,000 in Fiscal 2019 as part of the Citywide Savings Program introduced since the Adoption of the Fiscal 2018 Plan. These savings represent one percent of OATA’s total Expense Budget in Fiscal 2018 and 0.8 percent of OATA’s total Expense Budget in Fiscal 2019.
- **Miscellaneous Revenue.** The Financial Plan projects that the Office of Administrative Tax Appeals will generate Miscellaneous Revenue totaling \$1.6 million in Fiscal 2019 from Tax Commission Fees.

Financial Plan Summary

Table 1

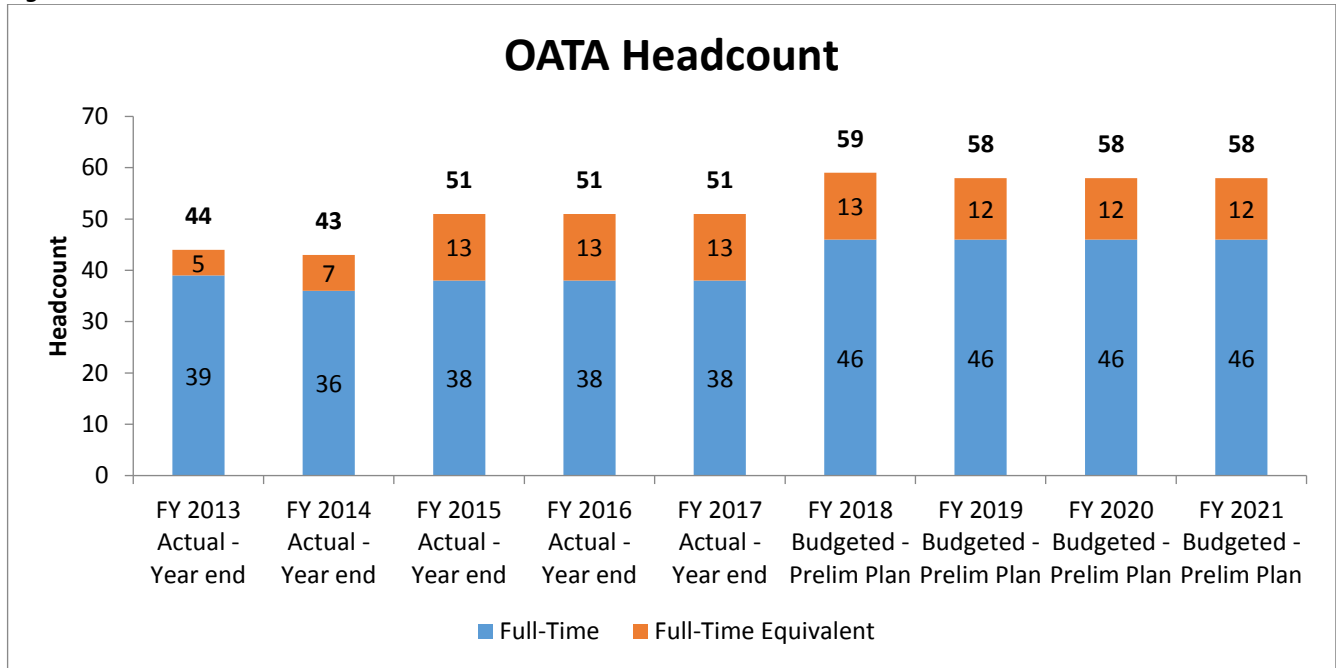
OATA Financial Summary						
	FY16	FY17	FY18	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	FY18	FY19	FY18-FY19
Spending						
Personal Services	\$4,120	\$4,487	\$4,547	\$4,693	\$4,856	\$309
Other Than Personal Services	139	132	399	399	314	(85)
TOTAL	\$4,259	\$4,619	\$4,946	\$5,091	\$5,170	\$224
Personal Services						
Additional Gross Pay	\$112	\$121	\$108	\$108	\$108	\$0
Full-Time Salaried - Civilian	3,503	3,837	4,014	4,000	4,323	309
Other Salaried & Unsalariated	311	337	377	405	377	0
Overtime - Civilian	194	191	49	180	49	0
SUBTOTAL	\$4,120	\$4,487	\$4,547	\$4,693	\$4,856	\$309
Other Than Personal Services						
Contractual Services	\$8	\$6	\$168	\$131	\$168	\$0
Other Services & Charges	64	45	71	83	71	\$0
Property & Equipment	47	53	146	167	61	(\$85)
Supplies & Materials	20	28	13	18	13	\$0
SUBTOTAL	\$139	\$132	\$399	\$399	\$314	(\$85)
TOTAL	\$4,259	\$4,619	\$4,946	\$5,091	\$5,170	\$224
Funding						
City Funds			\$4,946	\$5,091	\$5,170	\$224
TOTAL	\$4,259	\$4,619	\$4,946	\$5,091	\$5,170	\$224
Budgeted Headcount						
Full-Time Positions - Civilian	38	38	44	46	46	2
TOTAL	38	38	44	46	46	2

*The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Preliminary Budget.

OATA's Fiscal 2019 Preliminary Budget totals \$5.2 million, including \$4.9 million to support 46 full-time positions. The Office's is entirely City tax-levy funded. OATA's Fiscal 2019 Preliminary Budget is \$224,000 greater than its Fiscal 2018 Adopted Budget, primarily due to financial plan PS savings in Fiscal 2018 as a part of the Fiscal 2018 Citywide Savings Plan. This is due to a transfer of two positions and baselined PS funding of \$150,000 to the Tax Commission from the Department of Finance, as well as financial plan savings in the Office's Fiscal 2018 Adopted Budget.

Headcount

Figure 2

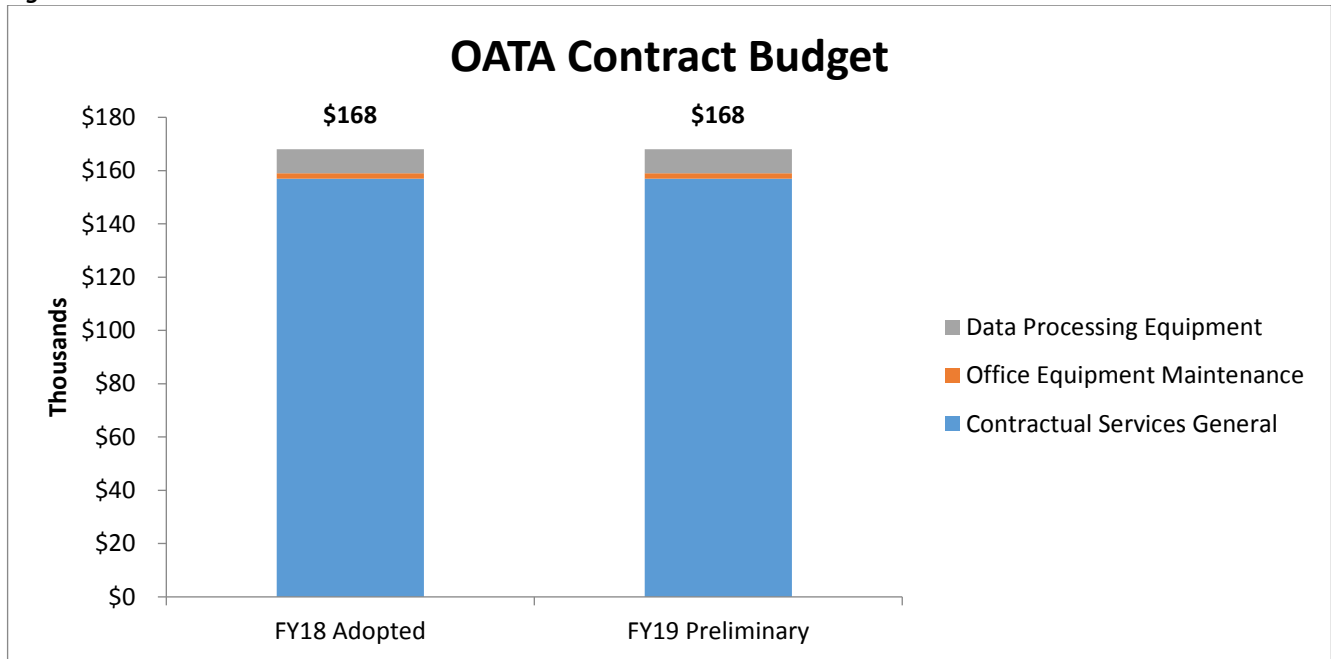


In the Fiscal 2019 Preliminary Plan, the Office of Administrative Trials and Hearings’ Fiscal 2019 Budget provides \$4.9 million in PS funding to support a headcount of 46 full-time positions and 12 full-time equivalent positions. Please see Appendix B for more details regarding OPA’s headcount.

Contract Budget

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 Other Than Personal Services portion of the City’s Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. The Fiscal 2019 Preliminary Contract Budget totals \$15.6 billion for procurement expenditures across all agencies.

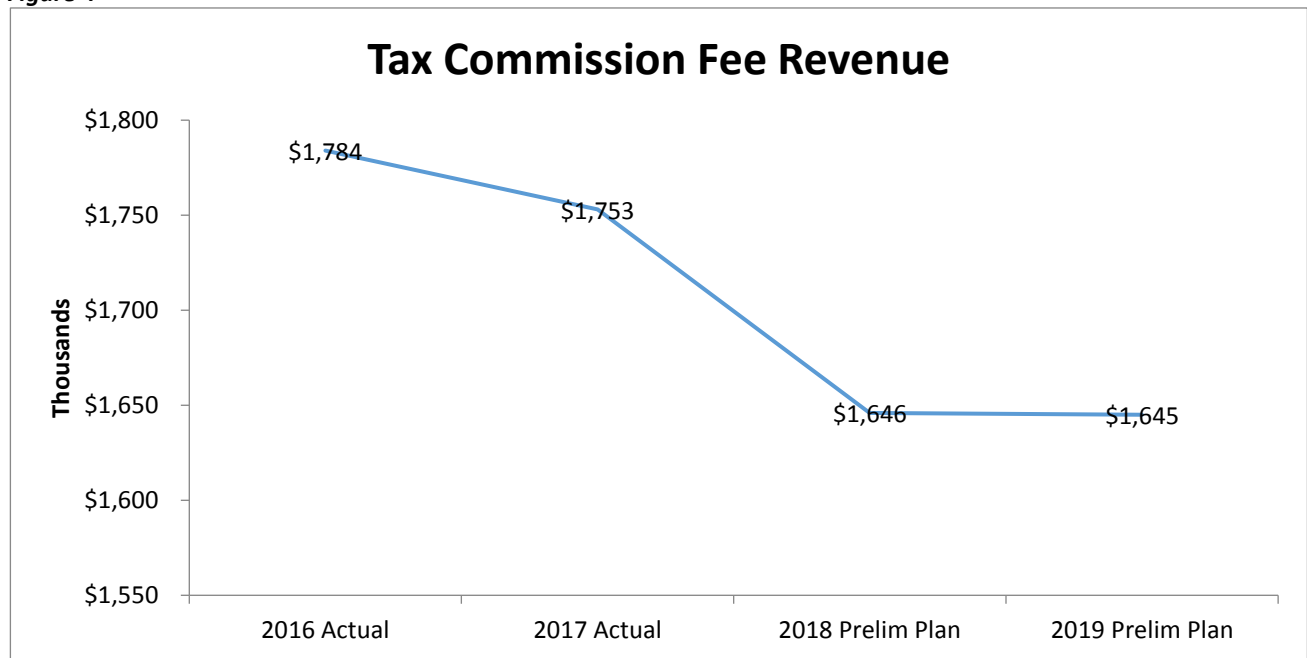
Figure 3



OATA’s Fiscal 2019 Contract Budget totals \$168,333 for four contracts, accounting for 53.5 percent of the agency’s OTPS Budget. Please see Appendix C for more detail regarding OPA’s Contract Budget.

Miscellaneous Revenue

Figure 4



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 2017, the Tax Commission generated \$1.8 million in revenue from application fees. For more details regarding OATA’s miscellaneous revenue, please see Appendix D.

Appendices

A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY18			FY19		
	City	Non-City	Total	City	Non-City	Total
OATA Budget as of the FY18 Adopted Budget	\$4,946	\$0	\$4,946	\$5,063	\$0	\$5,063
New Needs						
Personal Services Enhancement	\$160	\$0	\$160	\$0	\$0	\$0
Subtotal, New Needs	\$160	\$0	\$160	\$0	\$0	\$0
Other Adjustments						
Transfer to Tax Commission	\$38	\$0	\$38	\$150	\$0	\$150
Subtotal, Other Adjustments	\$38	\$0	\$38	\$150	\$0	\$150
Citywide Savings						
Reduction in Overtime	(\$20)	\$0	(\$20)	\$0	\$0	\$0
PS Savings	(32)	0	(32)	(43)	0	(43)
Subtotal, Citywide Savings	(\$52)	\$0	(\$52)	(\$43)	\$0	(\$43)
TOTAL, All Changes	\$146	\$0	\$146	\$107	\$0	\$107
OATA Budget as of the FY19 Preliminary Budget	\$5,091	\$0	\$5,091	\$5,170	\$0	\$5,170

B: OATA Headcount

	Actual - Year end					Budgeted - FY19 Prelim Plan			
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Full-Time	238	237	238	241	274	315	315	315	315
Full-Time Equivalent	130	121	124	119	106	187	186	186	185
TOTAL	368	358	362	360	380	502	501	501	500

C: OATA Contract Budget

OATA FY19 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	FY18 Adopted	Number of Contracts	FY19 Preliminary	Number of Contracts
Contractual Services General	\$157	1	\$157	1
Telecommunications Maintenance	0	1	0	1
Office Equipment Maintenance	2	1	2	1
Data Processing Equipment	9	1	9	1
TOTAL	\$168	4	\$168	4

D: OATA Miscellaneous Revenue

OATA Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	FY16	FY17	FY18	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY18	FY19	FY18-FY19
Tax Commission Fees	\$1,784	\$1,753	\$1,555	\$1,646	\$1,645	\$90
TOTAL	\$1,784	\$1,753	\$1,555	\$1,646	\$1,645	\$90

*The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Preliminary Budget.