

Department of Taxation and Finance
Transparency Plan
October 2021

Introduction

The Department of Taxation and Finance (DTF) is the state agency charged with administering the Tax Law and, in conjunction with local governments, with administering the Real Property Tax Law. DTF collects approximately \$120 billion annually from more than 40 state and local taxes and fees, including over \$34 billion in local sales and income taxes. DTF also works directly with nearly 1,000 local governments that administer more than \$50 billion in real property taxes annually.

The Tax Law has since 1917 protected the secrecy of tax records and now contains many nearly identical provisions setting out the State's long-standing policy to ensure that the tax information in DTF's possession is kept confidential (see, e.g., Tax Law §§ 211[8], 697[e], 1146). These tax secrecy statutes facilitate tax compliance by ensuring that the information taxpayers provide to DTF will not be used for other purposes: a violation of tax secrecy is a crime and a state employee found to have violated tax secrecy is subject to discharge and a prohibition on the holding of any public office for five years.

To a great extent, New York's tax secrecy laws limit the extent to which DTF can be transparent about its interactions with taxpayers. For example, DTF cannot release tax data unless that data has been aggregated to ensure that the identity of any specific taxpayer cannot be determined. Similarly, DTF can provide a taxpayer's records to that taxpayer pursuant to a Freedom of Information Law (FOIL) request, but cannot release such information to a different FOIL requestor. In contrast, tax warrants, which reflect taxpayers' fixed and final tax debts, are inherently public documents.

DTF strives to ensure that its administration of New York's tax laws is effective, efficient and fair. To these ends, DTF is committed to ensuring that it is engaging with taxpayers robustly in ways that are calculated to improve the taxpayer experience, including public access to tax guidance and other resources.

DTF's Current Public Engagement and Operational Transparency

Prior to developing a proposed plan to strengthen its transparency and public engagement, DTF undertook a review of the current status of its efforts to inform and engage with the public. This review included a review of DTF's web resources, its direct engagement with the public, and the nature of FOIL and media information requests.

DTF's Web Resources

- The DTF Website

DTF currently offers 5,436 web pages of content on the tax.ny.gov website, ranging from tax forms and instructions to taxpayer guidance documents and information about local property tax administration.

- In 2021 through October 5th, the DTF website has had 65,141,970 page views, ranging from a low of 45,961 views on July 4th to a high of 933,986 views on May 17th (the 2021 due date for income tax returns).
- DTF is working to ensure that its most popular web content is available in New York's top 10 languages. To date, DTF has translated 355 pages of content, including 249 pages in 2021.

- Open Data

DTF has published 69 "catalog items" to the State's Open Data portal, including 34 core tabular (or discrete) datasets that contain 1,756,412 rows of unique data. These datasets are updated routinely to reflect the most currently available data.

- As of October 14, 2021, DTF's catalog items have had 1,990,178 "hits" and 114,680 downloads.
- DTF routinely publishes to Open Data the statistical reports it is statutorily required to prepare.

DTF's Engagement with the Public

- Subscription Service

DTF offers an email subscription service to taxpayers and other stakeholders to keep them informed of the latest developments in particular tax subjects.

- DTF currently offers 60 different subscriptions, including 10 subscriptions regarding resources available in languages other than English.
- There are 1,631,207 subscribers across all subscription lists, representing 667,000 unique taxpayers (some of whom subscribe to multiple services).
- In 2021 to date, DTF has sent 420 different subscription bulletins delivering a total of 18,666,055 emails to taxpayers. In 2020, DTF sent 720 bulletins to subscribers, up from 438 bulletins in 2019.

- Language Access

DTF operates a consolidated call center that handles 2.5 million calls each year. Taxpayers contact the call center to obtain guidance about tax matters and to resolve tax compliance issues. DTF employs Spanish-speaking employees who handles 42,000 calls in 2020. DTF also uses translation services to ensure it is effectively communicating with taxpayers in their preferred language: in Fiscal Year 2020-21, DTF engaged translation services to assist taxpayers on nearly 116,000 calls.

- Social Media

DTF maintains a limited social media presence on Twitter and on Facebook. DTF uses these social media outlets to disseminate time-sensitive information to taxpayers, such as

information about web outages and call center delays. DTF also uses these outlets to post information about tax filing resources and employment opportunities.

- Public Meetings

DTF provides administrative support to the State Board of Real Property Services, which hears STAR eligibility appeals and sets state equalization rates, special franchise values and assessments, and railroad assessment ceilings. The Board generally plans to meet four times a year, but holds meetings as necessary to address matters that come before it. DTF publicizes each meeting, posts meeting agendas, and ensures that meetings are webcast.

- Rulemaking

DTF uses a subscription service to notify over 11,000 stakeholders of proposed and final rulemaking actions, which are also published in the State Register.

DTF is also engaging closely with stakeholders as it develops draft regulations to implement 2014 and 2015 legislation that fundamentally restructured New York's corporate franchise taxes. DTF posts to its website drafts of each section of the new corporate franchise tax regulations, solicits and receives comments on each draft, and then posts iterative drafts reflecting those comments. This approach to rule development has enabled close engagement with stakeholders on complex tax issues, but has also delayed the formal rulemaking promulgation under the State Administrative Procedures Act.

- Access to Agency Leadership

DTF leadership routinely participates in events sponsored by tax practitioner organizations, including tax "updates" in advance of the upcoming filing season, presentations on topics of interest to the audience, and roundtable discussions with practitioners. The nature of these events has changed in recent years from in person to virtual meetings. Event sponsors are now able to combine small events at multiple locations into one larger virtual event. DTF now also records a tax update presentation that it distributes to tax professional organizations for use at their local conferences.

DTF also sponsors and participates in events sponsored by community organizations representing various segments of the taxpayer community. These include informational sessions on tax compliance topics, as well as sessions promoting the Free File program for low-income taxpayers.

- In 2020, DTF was invited to participate in 81 events, participated in 61, declined 5, and 15 were cancelled or postponed indefinitely.
- In 2021 to date, DTF has been invited to participate in 49 events and plans to participate in 45; four events were declined.

- Project Sunlight

DTF provides guidance to its employees regarding Project Sunlight on DTF's intranet, including a list of covered employees and instructions for making entries in the Project Sunlight database. Tax secrecy constraints limit the types of meetings that can be reported:

DTF employees must report appearances related to procurements, rulemaking, and regulatory matters affecting a broad range of taxpayers, but cannot report appearances regarding specific tax matters.

FOIL and Media Inquiries

- FOIL

In 2020, DTF received 805 FOIL requests. In 2021 to date, DTF has received 605 FOIL requests.

- Approximately 50% of FOIL requests to DTF seek taxpayer-specific information that is subject to tax secrecy. Of these, approximately half are requests by taxpayers (or their representatives) for their own information; the other half are requests for other taxpayers' information that cannot be released due to tax secrecy.
- Approximately 20% of FOIL requests to DTF seek real property tax information; of these, local property tax assessment rolls are most requested.
- DTF's FOIL caseload is closely tracked with weekly internal status reports.

- Media Inquiries

- The information most commonly requested by the media is the current balance owed by taxpayers with active tax warrants. When DTF issues a tax warrant (essentially a tax judgment), the warrant that is filed with the Department of State and relevant county clerks reflects the tax debt on the date the warrant was issued. The actual tax debt changes over time as interest and penalties accrue and as payments are made. The press routinely requests the current balance on the tax debts owed by taxpayers of interest because such information is not available elsewhere.
- DTF also regularly gets media requests for statistical data and tax guidance that is already available on the DTF website.

DTF's Plan to Expand Transparency

DTF plans to increase the transparency of its operations by improving the visibility and accessibility of existing data resources, making additional information available on its website, expanding its social media presence and the marketing of its subscription services, and ensuring that public meeting materials are made available promptly. In addition, DTF will continue its efforts to engage closely with its community partners, to ensure the timeliness of FOIL responses and Project Sunlight reports and to communicate effectively with all of its constituencies.

Improving the Accessibility of DTF's Data Resources

Although DTF routinely posts data to Open Data and maintains large volumes of information on its website, this information is not readily accessible to the public. In order to facilitate dissemination of useful information, DTF will update, revise and rebrand the public information section of its website into a new Data Portal. The new landing page for this portal will feature short descriptions of the major categories of public information available from DTF. The data

sources will be organized in a way that is easy to understand. There will be one-click access to each data source.

The new Data Portal will provide easy access to existing data resources, including:

- Statistical reports for Personal Income Tax (PIT), Sales and Corporate Tax, as well as streamlined access to “Local Sales Tax Distributions” that are shared with local governments and upon request with members of the media.
- Historical tax collection information for all taxes administered by DTF.
- Reports on the utilization of individual tax credit programs, including the Earned Income Tax Credit and Child and Dependent Care Credit;
- Reports on the utilization of business incentives, including the Annual Report on Tax Expenditures, Brownfield Tax Credits and Excelsior Tax Credits; and
- Delinquent taxpayer information -- Top 250 lists of warrants against individual and corporate taxpayers

Once this page is created, DTF will issue periodic reminders of its availability on social media. Sample tweet: “See the latest Top 250 list of individual and corporate filers who owe back taxes in NY. <Link>”

Expanding DTF’s Web Resources

DTF plans to make additional information available and more readily accessible on its website, including tax warrant and assessment data frequently requested through FOIL and by the media. This will increase transparency and will improve the timeliness of FOIL responses by allowing FOIL resources to be devoted to other FOIL requests.

- Make Tax Warrant information easily accessible to the public

DTF routinely receives FOIL and media requests for information regarding active tax warrants, including the current balance owed and the type of tax owed. This is public information, but it is not available on current warrant search tools provided by the Department of State or the few county clerks’ offices with online search tools. DTF also receives FOIL requests for information regarding warrants.

DTF developed an internal warrants application that allows staff to retrieve detailed information regarding docketed tax warrants from the agency’s tax IT systems. This application offers an easy-to-use web interface that allows staff to search for and retrieve specific warrant information, including the current warranted balance and the tax type of the warrant.

DTF will convert its internal warrants application into a public Warrants on the Web application. Members of the public will then be able to search DTF’s warrant records by name, city, county, tax type, date range and warrant number. This will make tax warrant information readily available that presently is only available through a FOIL or media request.

- Post real property assessment rolls to Open Data

DTF receives nearly 1000 final assessment rolls from cities, towns, and villages representing approximately 5.85 million properties. Although these localities are required by law to post their assessment rolls online, they do so on their own websites, making statewide collection difficult; these rolls are also posted in a variety of formats, including some, like pdf, that can be difficult to analyze. Because local assessment rolls are not readily accessible, DTF routinely receives FOIL requests for assessment rolls. These FOIL requests are cumbersome and often require significant, and sometimes costly, data processing to make the rolls producible to the requestor.

Beginning in 2022, DTF will post all final assessment rolls in a common format to Open Data. At the end of each year, DTF will update this data set with new final assessment rolls for that year. This will make frequently sought information readily available to the public and will improve the transparency of New York's real property tax system

- Make additional datasets available to the public

DTF will post additional data sets to Open Data, including:

- NYS Licensed & Registered Cigarette Tax Agents, Wholesalers and Retailers
- Taxable Sales and Purchases, by City and by School District (SD)
- Empire State Child Credit
- Quarterly Local Sales Tax Distributions by County/City/SD's
- Monthly Sales Tax Distributions by County/City/SD's 1990-Present
- Sales Tax Collections on Motor Fuel by County
- Alcoholic Beverage Tax Collections, by Product Type (Historical)
- Cigarette Stamp Sales – Historical

DTF will explore the feasibility and appropriate scope of additional data sets, particularly real property tax data sets. DTF will also regularly evaluate the accessibility and usability of existing data resources. For example, DTF publishes an incomplete real property tax Municipal Profiles data set on Open Data. DTF also publishes Municipal Profiles on the Department website, but the data is not easily accessible and is not published in a downloadable format for use by researchers and other stakeholders. DTF will explore opportunities to post data in other formats that are more useful to the public.

Strengthening DTF's Engagement with the Public

- Engagement with Community Partners

DTF will continue to build and strengthen relationships with its community partners, including tax professionals, advocates for low-income taxpayers and organizations that serve diverse constituencies. These relationships help the agency to improve its understanding of taxpayers and their diverse needs. DTF plans to expand its outreach team to facilitate additional engagement with community partners and their constituents around areas of shared concerns, such as the claiming of tax credits that function as income supports for families.

- Language Access

DTF is in the process of translating key web content into New York's top 10 languages. Web pages are selected for translation based on analysis of taxpayer web behavior – how taxpayers move from one web page to another – and feedback from taxpayers with limited English proficiency (LEP). DTF plans to expand its marketing of content in diverse languages, including development of a social media calendar with translated content. DTF also plans to survey LEP individuals to identify other areas where translated content is most needed.

DTF also plans to strengthen its relationships with non-English media outlets to increase the likelihood that its informational press releases can be translated and disseminated through these channels.

- Social Media

DTF plans to expand its use of social media as channels for taxpayer engagement. DTF will develop a calendar for planned social media posts and will expand its use of social media to communicate routine operational messages, DTF will also expand its use of video content developed specifically for social media platforms. In addition, DTF will work to deliver social media content in multiple languages when feasible.

- Subscription Service

DTF's subscription service has proven to be an effective way to communicate with taxpayers on a timely basis about matters of interest to them. DTF will solicit feedback from its customers and other stakeholders about areas where additional subscription offerings are needed or wanted.

- Public Meetings

The State Board of Real Property Services meets regularly to consider complex issues related to the valuation of real property. DTF will strive to ensure that meeting materials are made available to the public at least 24 hours before each meeting to the greatest extent practicable.

- FOIL

DTF plans to make frequently requested tax warrant and assessment roll information available on its website, which should reduce the number of FOIL requests for this information and allow FOIL resources to be focused on other requests. However, the nature of DTF's FOIL caseload is inherently challenging: a large proportion of FOIL requests are for taxpayer audit files that require time-intensive review and redaction before production. DTF's FOIL team continues to work with its Audit Division to streamline the delivery of audit files electronically. DTF will continue to track its FOIL caseload weekly in order to identify and address response delays and to assess whether there are additional types of frequently requested material that could be posted proactively.

- Project Sunlight

DTF will improve its compliance with Project Sunlight appearance reporting requirements by updating its list of covered employees, by requiring those employees to undergo Project Sunlight refresher training, and by reviewing and revising its intranet guidance to ensure that Project Sunlight requirements are clear.

Transparency Plan Implementation Timeline and Long-Term Monitoring

DTF intends to move forward aggressively to implement this Transparency Plan using existing agency resources. Some elements of this plan, such as the deployment of Warrants on the Web, will require information technology resources that DTF does not directly control and for which there are competing demands. DTF expects to implement non-IT initiatives immediately and continuously. DTF also expects to advance most of the web-related initiatives by early 2022.

DTF closely monitors agency operations using a variety of metrics to detect areas of concern, including processing volumes, taxpayer errors, web traffic, email click rates, and call center volumes. DTF also solicits feedback from taxpayers and other stakeholders regarding the effectiveness of its operations and communications. DTF will deploy this operational monitoring to also measure the effectiveness of its transparency initiatives.