

For the second quarter of FY23, the Taxation and Revenue Department (TRD) fell short of its target for collectible audit assessments since the beginning of the fiscal year but is on track to meet its annual target for tax collections, with nearly all categories of collections being substantially higher than those submitted in the second quarter of FY22.

ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

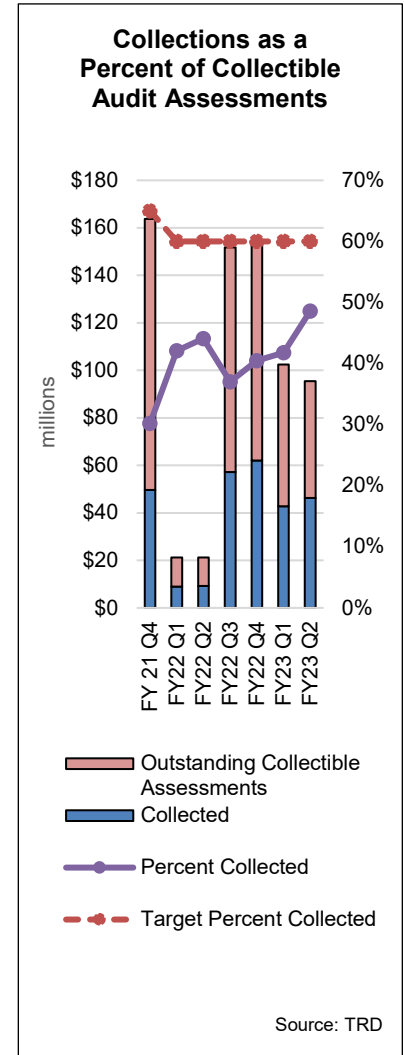
Tax Administration

Of the \$1 billion in outstanding tax collections for the state, the program collected \$107.7 million at the end of the second quarter, slightly under 10 percent of the outstanding balance. The audit and compliance data analytics software project is 50 percent complete and will include a categorization of outstanding collections in its final phase along with other collection processing enhancements. Outstanding audit assessments collected a total of \$46.3 million, of the \$95.5 million outstanding in audit assessments since the beginning of Q1, 51 percent.

Budget: \$23,383.8 **FTE:** 340.66

Measure	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year*	17.6%	15.5%	20%	6.3%	9.8%		R
Collections as a percent of collectible audit assessments generated in the current fiscal year	30.3%	40.5%	60%	41.8%	48.6%		G
Program Rating	R	R		Y	Y		

*Target is cumulative

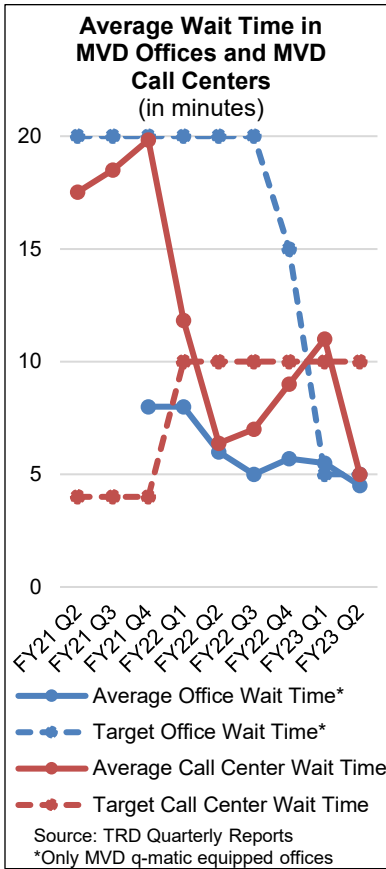


Compliance Enforcement

The Tax Fraud and Investigation Division (TFID) reported one case referred for prosecution and 33 open investigations. No tax fraud cases have been prosecuted during the second quarter due to delays in court scheduling and the 2nd Judicial Court's prioritization of violent crime cases. TFID is working with the District Attorney at the 1st Judicial Court to transfer cases for prosecution.

Budget: \$1,870.3 **FTE:** 21

Measure	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year	67%	50%	85%	0%	20%		R
Successful tax fraud prosecutions as a percent of total cases prosecuted*	N/A	100%	100%	0%	0%		R
Program Rating	R	G		R	R		



Motor Vehicle

During the second quarter of FY23, Motor Vehicle Division average wait times in both “q-matic” equipped offices and call centers decreased, and average call center wait times decreased by more than half the wait time, to a little over five minutes per call. A new agent training program was launched and the call center’s vacancy rate dropped from 36.4 percent to only 9 percent in the second quarter. The MVD served about 34 thousand fewer customers served in quarter two than in quarter one- a 20 percent decrease. There is one field office in Taos that cannot consistently provide a same-day or next-day appointment due to vacancies. MVD continues to be slightly below target on the number of registered vehicles with liability insurance.

Budget: \$47,865.2 FTE: 332

Measure	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Registered vehicles with liability insurance	91.0%	91.1%	92%	91%	90.5%		Y
Average wait time in “q-matic” equipped offices, in minutes	8:00	6.48	5:00	5:27	4:49		G
Average call center wait time to reach an agent, in minutes	15:11	8:38	10:00	10:58	5:05		
Program Rating	Y	Y		G	Y		

Program Support

The division reports 4 percent of tax protest cases were scheduled for hearing at the Administrative Hearings Office compared to 10 percent last quarter. The division is on track to meet its performance target for the number of tax protest cases resolved, resolving 387 protest cases in the second quarter of FY23, or about 53 percent of its total target number of cases for FY23. No new audits were implemented this quarter. A total of 30 internal audits were processed and resolved with five procedures transferred to another department and five canceled.

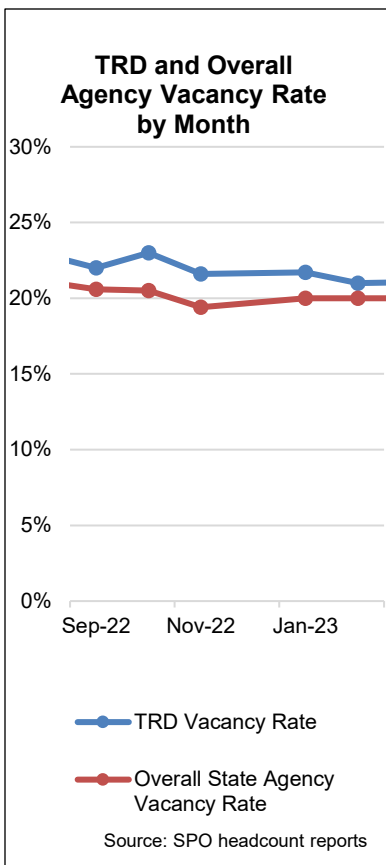
Budget: \$10,501.5 FTE: 102

Measure	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Tax protest cases resolved	1,590	1,690	1525	435	387		G
Internal audit recommendations implemented	100%	97%	90%	100%	0%		G
Program Rating	G	G		G	G		

*Measure is explanatory and does not have a target

Property Tax

The Property Tax Program (PTD) collected and distributed \$1.6 million to counties in delinquent property taxes in the second quarter of FY23, about 4 percent of the annual target, recovering 2.8 percent of total delinquent property taxes. A temporary restraining order has been in place that has restricted a large number of delinquent parcels and the agency continues to work on a legal strategy to resume collection activities in restricted areas. “Re-offer” sales have also been a strategy.



Budget: \$6,414.2 **FTE:** 40

Measure	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Delinquent property tax collected and distributed to counties, in millions	\$8.2	\$12.0	\$10.0	\$2.0	\$1.6		Y
Percent of total delinquent property taxes recovered	18.7%	23.0%	15%	3.8%	2.8%		Y
Program Rating	G	G		Y	Y		