



FY23 – Appropriation Request Highlights

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Mike Baca, Information Technology Director, CIO

November 16, 2021 LFC Hearing

Agency Overview

TRD Divisions

P572 - Administrative Services Division (ASD)

P572 - Information Technology Division (ITD)

Program Support

P573 - Revenue Processing Division (RPD)

P573 – Audit and Compliance Division (ACD)

Tax Administration

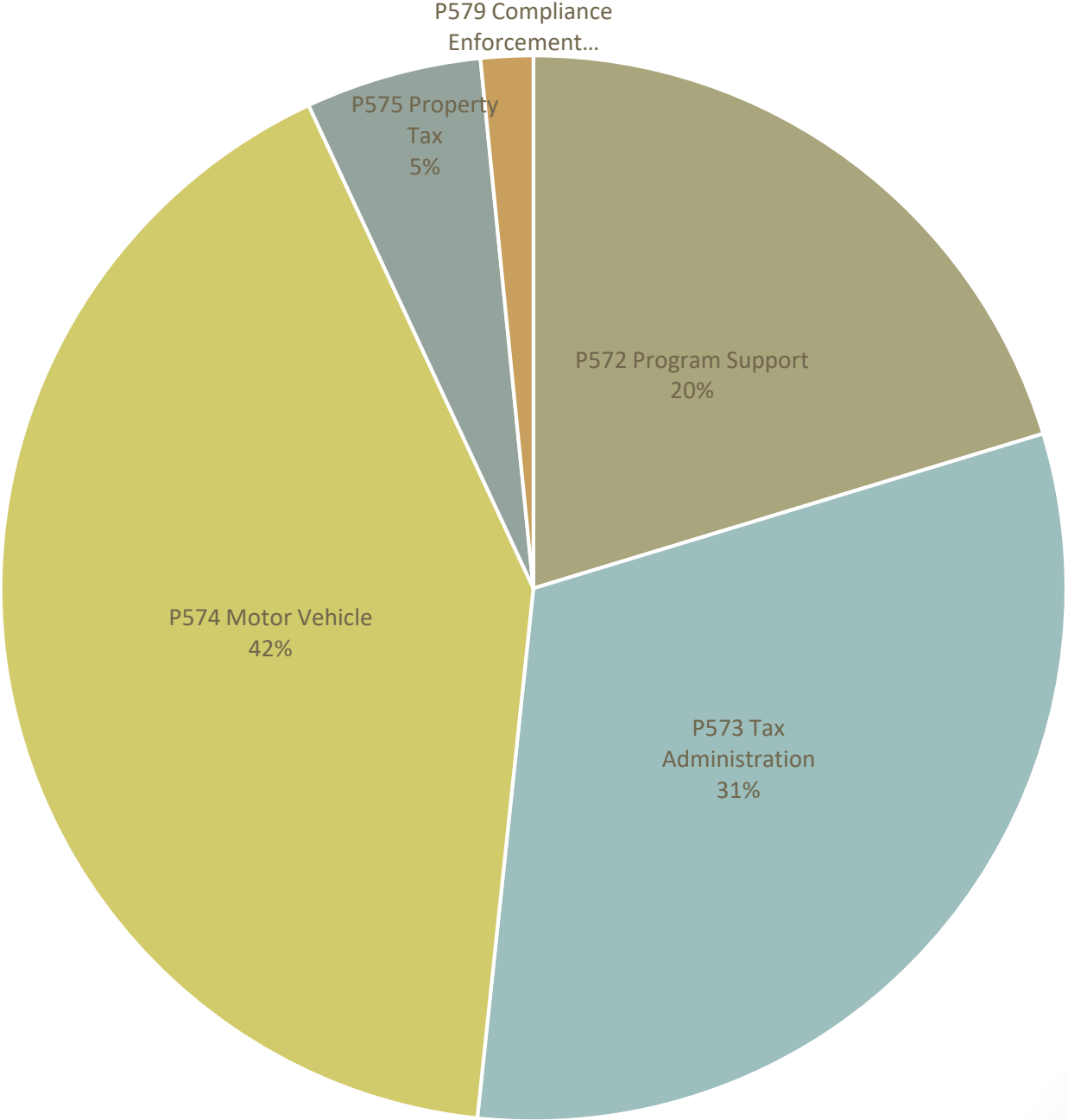
P574 – Motor Vehicle Division (MVD)

P575 – Property Tax Division (PTD)

P579 – Tax Fraud Investigations Division (TFID)



FY23 Budget Overview



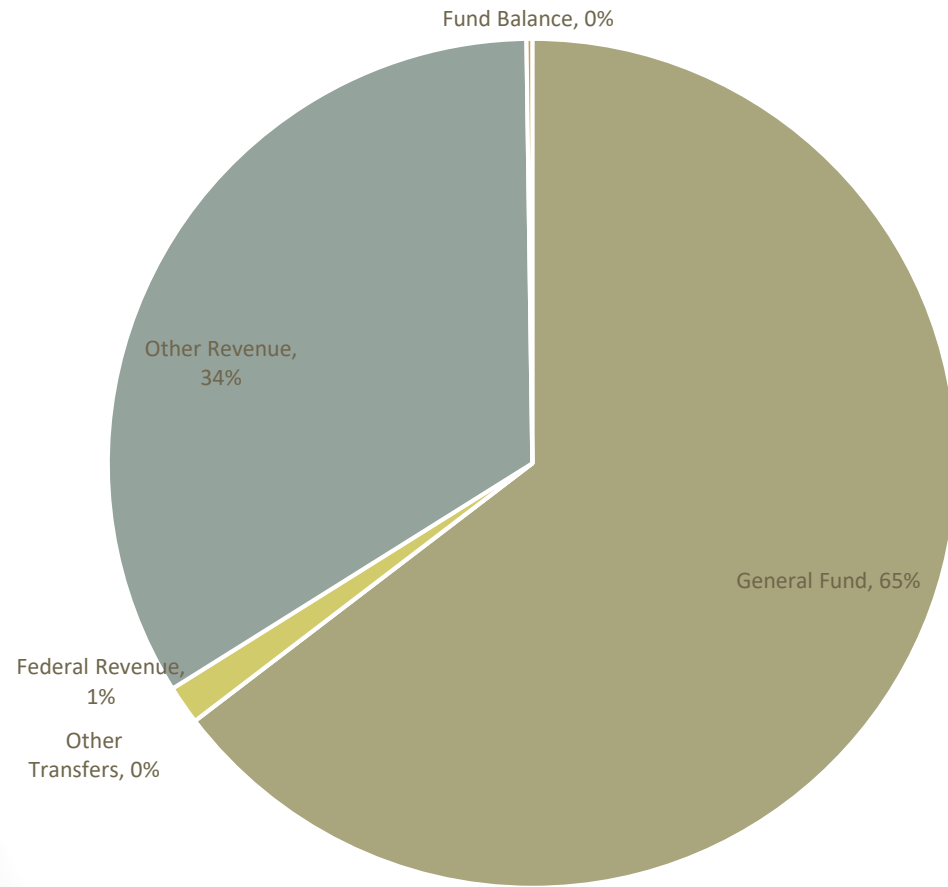
FY23 TRD Appropriation Request

(in 000's)

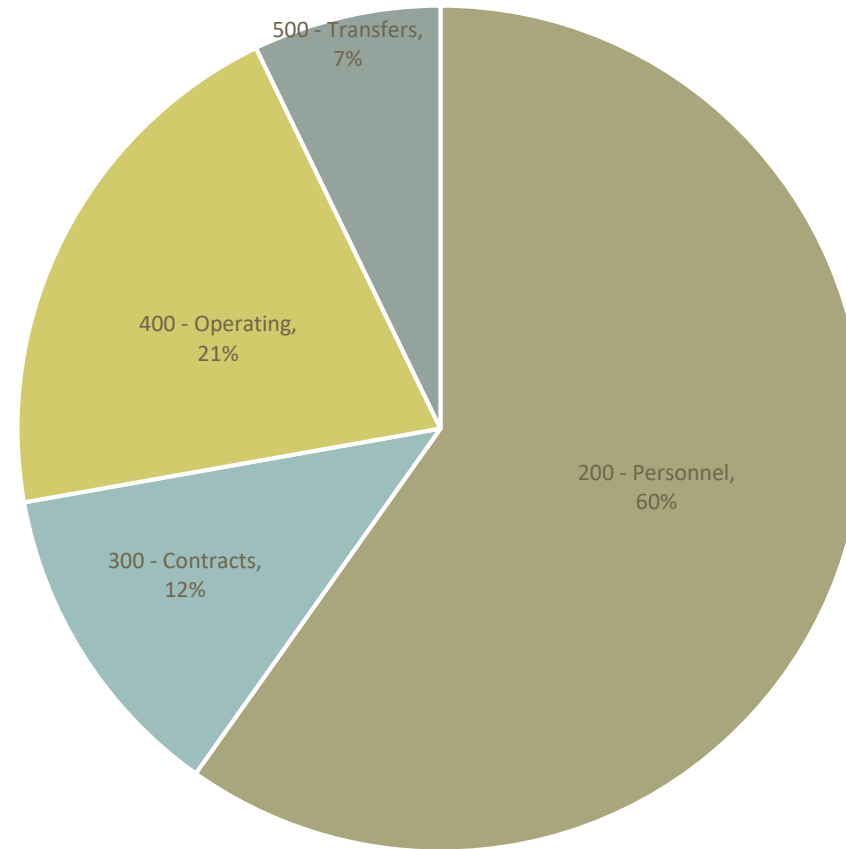
| SOURCES: | FY20 | FY2021 | FY22 | FY23 | Change: FY23 Over FY22 | |
|----------------------------|-----------------|------------------|------------------|------------------|------------------------|-------|
| | Actual | Actual | Operating | Request | \$ | % |
| General Fund | 63,835.9 | 67,912.0 | 65,220.8 | 71,970.1 | \$6,749.3 | 10.3% |
| Other Transfers | | | 204.6 | | | |
| Federal Revenue | 23,594.5 | 3,403.3 | 3,103.3 | 1,645.2 | | |
| Other Revenue | 4,285.6 | 38,128.0 | 40,473.1 | 37,513.0 | | |
| Fund Balance | | | | 246.7 | | |
| TOTAL | 91,716.0 | 109,443.3 | 109,001.8 | 111,375.0 | | |
| USES: | | | | | | |
| 200 - PSEB | 56,482.2 | 55,833.8 | 60,618.6 | 66,624.6 | | |
| 300 - Contracts | 13,727.1 | 9,779.7 | 14,083.1 | 13,796.1 | | |
| 400 - Other | 17,151.3 | 17,482.0 | 22,205.6 | 22,954.3 | | |
| 500 - Other Financing Uses | 3,313.9 | 6,166.4 | 12,094.5 | 8,000.0 | | |
| TOTAL | 90,674.5 | 89,261.9 | 109,001.8 | 111,375.0 | | |

FY23 Revenue and Expense Summary

Requested Revenue



Proposed Expenses



FY23 TRD Appropriation Request by P-Code

(in 000's)

| FY23 Request by Pcode | | | | | | | | | | | | | | | |
|----------------------------|----------------------|-----------------|------------|-------------------------|-----------------|-----------|--------------------|-----------------|------------|-------------------|----------------|------------|-----------------------------|----------------|-----------|
| | P572 Program Support | | | P573 Tax Administration | | | P574 Motor Vehicle | | | P575 Property Tax | | | P579 Compliance Enforcement | | |
| | FY22 | FY23 | % Change | FY22 | FY23 | % Change | FY22 | FY23 | % Change | FY22 | FY23 | % Change | FY22 | FY23 | % Change |
| SOURCES: | Operating | Request | Request | Operating | Request | Request | Operating | Request | Request | Operating | Request | Request | Operating | Request | Request |
| General Fund | 19,824.8 | 22,257.8 | 12% | 29,421.4 | 32,282.9 | 10% | 14,340.6 | 15,661.0 | 9% | | | | 1,634.0 | 1,768.4 | 8% |
| Other Transfers | 204.6 | - | -100% | | | | | | | | | | - | | |
| Federal Revenue | | | | 1,526.8 | 1,524.4 | 0% | 1,576.5 | 120.8 | -92% | | | | | | |
| Other Revenue | 353.3 | 364.5 | 3% | 1,037.7 | 1,127.6 | 9% | 33,784.4 | 30,315.8 | -10% | 5,297.7 | 5,705.1 | 8% | | | |
| Fund Balance | | | | | | | | | | | 246.7 | | | - | |
| TOTAL | 20,382.7 | 22,622.3 | 11% | 31,985.9 | 34,934.9 | 9% | 49,701.5 | 46,097.6 | -7% | 5,297.7 | 5,951.8 | 12% | 1,634.0 | 1,768.4 | 8% |
| USES: | | | | | | | | | | | | | | | |
| 200 - PSEB | 13,829.0 | 15,197.8 | 10% | 24,672.8 | 27,648.5 | 12% | 17,348.1 | 18,789.3 | 8% | 3,409.7 | 3,509.0 | 3% | 1,359.0 | 1,480.0 | 9% |
| 300 - Contracts | 4,007.0 | 4,443.1 | 11% | 346.9 | 606.4 | 75% | 8,859.7 | 7,533.1 | -15% | 863.1 | 1,204.1 | 40% | 6.4 | 9.4 | 47% |
| 400 - Other | 2,546.7 | 2,981.4 | 17% | 6,966.2 | 6,680.0 | -4% | 11,399.2 | 11,775.2 | 3% | 1,024.9 | 1,238.7 | 21% | 268.6 | 279.0 | 4% |
| 500 - Other Financing Uses | | - | | | - | | 12,094.5 | 8,000.0 | -34% | | | | | | |
| TOTAL | 20,382.7 | 22,622.3 | 11% | 31,985.9 | 34,934.9 | 9% | 49,701.5 | 46,097.6 | -7% | 5,297.7 | 5,951.8 | 12% | 1,634.0 | 1,768.4 | 8% |

FY 23 Priorities

Appropriate Staffing

- Program Support (ASD and IT)
- Tax Administration (ACD and RPD)
- Compliance Enforcement (TFID)

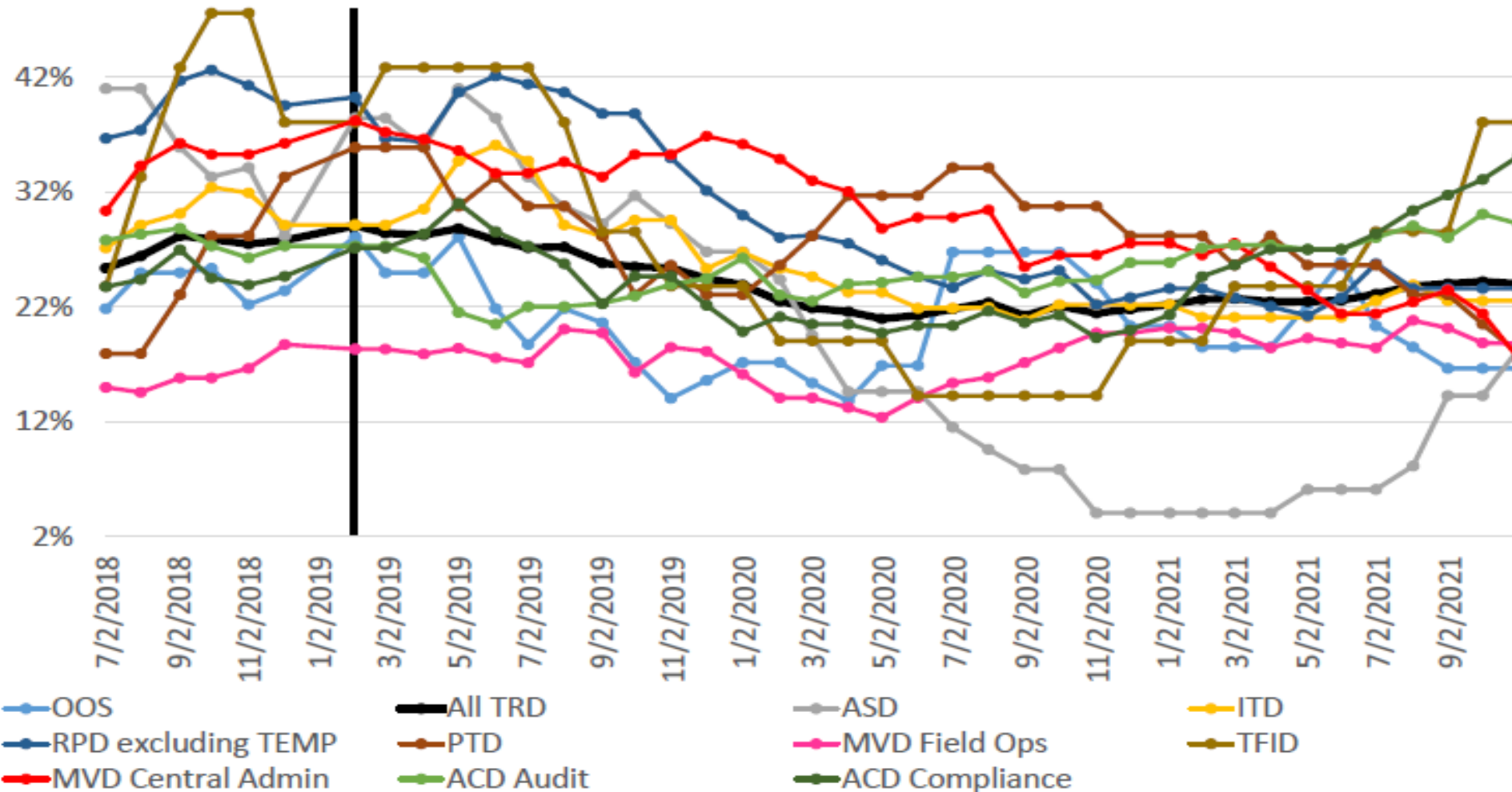
Appropriate staffing will benefit customers by reducing processing times and call center wait times and ensure adequate resources to safeguard data and systems

Vacancy Rates

| Divisions | FY 21 | | | FY 22 | | | FY 23 | | |
|-----------|---------------|-------------------------|---------------------|---------------|-------------------------|--------------|---------------|----------------------------------|------------------------------------|
| | TOTAL FTEs | No. of Vacant Positions | Actual Vacancy Rate | TOTAL FTEs | No. of Vacant Positions | Vacancy Rate | Total FTEs | Targeted No. of Vacant Positions | Appropriation Request Vacancy Rate |
| ASD | 103.0 | 17.0 | 16.5% | 101.0 | 14.0 | 13.9% | 102.0 | 6.0 | 5.9% |
| ITD | 72.0 | 15.0 | 20.8% | 73.0 | 17.0 | 23.3% | 73.0 | 13.0 | 17.8% |
| ACD | 344.0 | 93.0 | 27.0% | 340.7 | 102.0 | 29.9% | 340.7 | 68.0 | 20.0% |
| RPD | 127.0 | 29.0 | 22.8% | 133.3 | 30.0 | 22.5% | 132.7 | 21.0 | 15.8% |
| MVD | 331.0 | 65.0 | 19.6% | 331.0 | 69.0 | 20.8% | 332.0 | 50.0 | 15.1% |
| PTD | 39.0 | 10.0 | 25.6% | 39.0 | 9.0 | 23.1% | 41.0 | 6.0 | 14.6% |
| TFID | 21.0 | 5.0 | 23.8% | 21.0 | 6.0 | 28.6% | 21.0 | 3.0 | 14.3% |
| | 1037.0 | 234.0 | 22.6% | 1039.0 | 247.0 | 23.8% | 1042.4 | 167.0 | 16.0% |

Agency Staffing: 24.0% vacant, 792 employees

TRD Vacancy Rate by Division (Excluding TEMP)



Major Initiatives Underway

- Cannabis excise tax implementation
- LEDA implementation (SB 1 – 2021 First Special Session)
- Overhauling many outdated regulations for changes to law and to clarify
- E-file and E-pay mandates (HB98)
- Upgrading network bandwidth in tax and MVD field offices – 25 of 32 complete
- Preparing for 2022 legislative session
- Property Tax Division System Modernization: \$2 million project, completion expected in December 2021
- REAL ID – deadline is May 3, 2023; 73% of NM credentials currently compliant

Thank you!

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<http://www.tax.newmexico.gov/>
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