

New Mexico Taxation and Revenue Department (TRD)

Collections Overview



New Mexico Taxation & Revenue Department (TRD) (responsibilities & authority)

The Taxation and Revenue Department administers
40 tax programs, surcharges and fees under the
Tax Administration Act.

(Chapter 7, Article 1, Section 2, NMSA 1978)

New Mexico Taxation and Revenue Department

Audit & Compliance Division (ACD)

The *Audit & Compliance Division*, is responsible for:

- **Audit:** Performs Tax Audits (i.e. generates Assessment Revenues)
- **Compliance:** Collects Assessment Revenues

Audit and Compliance Division

Collections: Staffing

➤ **Compliance (Collections) has 159.5 Authorized Positions**

[Current Vacancies: 21.5 Positions = 13%]


1. QRU/Bankruptcy: 31 Positions **[1]**
2. Call Center: 37 Positions **[4]**
3. Revenue Agents/Collectors: 90.5 Positions **[16.5]**


14-Year Collections History

Fiscal Yr.	Total Collections (\$ Millions)	Fiscal Yr.	Total Collections (\$ Millions)
FY 04	\$137.2M	FY 11	\$200.2M
FY 05	\$143.3M	FY 12	\$253.9M
FY 06	\$148.2M	FY 13	\$197.4M
FY 07	\$176.5M	FY 14	\$214.1M
FY 08	\$177.3M	FY 15	\$234.0M
FY 09	\$197.3M	FY 16	\$238.5M
FY 10	\$191.9M	FY 17	\$219.9M
7 Year Average: \$167.4M (2004 through 2010)		7 Year Average: \$222.6M (2011 through 2017)	

Accounts Receivable

<u>Fiscal</u> <u>Yr.</u>	<u>Outstanding A/R</u> <u>(\$ Millions)</u>	<u>ACD</u> <u>Staff</u>
FY 12	\$537M	322
FY 13	\$667M	324
FY 14	\$687M	316
FY 15	\$733M	318
FY 16	\$761M	266
FY 17	\$789M	268


47% Increase


17% Decline

Outstanding A/R 10/27/2017

\$656M

Collection Comparison YTD vs. Prior Year

7/1/2017 through 10/25/2017

	FY18 Goal	YTD Results	% of Goal	Prior YTD Results	
Collection Totals	\$229,000,000	\$85,253,485	37%	\$59,864,526	

To date, Collections have Increased 42% Over the Prior Year

Collections from Levy Enforcement 7/1/2017 through 10/25/2017

What does “Levy Enforcement” mean?

- Seizure of Taxpayer’s Property to Collect outstanding Taxes (NMSA 1978, § 7-1-31)
- **Types of Levies:**
 1. **Bank Levy (Bank Accounts, CDs, Safety Deposit Boxes, Retirement funds (except: PERA and Social Security))**
 2. **Wage Levy**
 3. **Third Party Levy (any person or entity holding property owned by the delinquent Taxpayer)**

Collections from Levy Enforcement 7/1/2017 through 10/25/2017

Total Levy Recoveries YTD

FY18	FY17	% of Increase
\$ 4,328,262	\$ 4,121,449	5%

Current Collection Strategies

(New uses of Technology)

Lien Activities, new uses of Technology to:

- Identify delinquent Accounts eligible for lien action 90 days past assessment.
- Identify Periods not covered by a lien greater than \$200.00.
- Final Warning Notices sent out notifying *Delinquent* Taxpayer of Intent to Lien.

Levy Activities, new uses of Technology to:

- Identify Delinquent collection accounts greater than \$400.00 with no payment plan in place.
- Identify Payment plans that have defaulted, where a lien exists.
- Final Warning Notices sent out *before* Seizure of Property.

Current Collection Strategies (New Uses of Technology)

Non-Filer Discovery, new uses of Technology to:

- Identify 3 or more consecutive non-filed periods from 2010 thru 2017.
- 30 day Notices sent notifying *Delinquent* Taxpayer of intent to suspend their NM registration.

Current Collection Strategies

(Call Center Management & Modernization)

- **Highly Experienced Call Center Manager hired.**
- **Staff Vacancy rate reduced from 24% to 14% (additional staff now focusing on outgoing *collection calls*).**
- **Outbound Dialer now operating (increased staff now focusing on outgoing *collection calls*).**
- **Performance Matrix implemented related to Call Center efficiency (new Contact Management System implemented).**
- **Weekly Meetings and Training encompassing “best practices” is on-going.**
- **All Outlying District Office calls now routed through the Call Center (frees up District Office employees to focus on *collection related activities*).**

Current Collection Strategies

(New Uses of Technology and Information Sharing)

Out of State Collections:

- New Data Sources imported from DWS and IRS help to identify out-of-state *Delinquent* New Mexico Taxpayers.
- Will be Training Collections Employees in understanding the *Enforcement of Foreign Judgment Act*:
 1. How to Record New Mexico “Claim of Lien” in another state.
 2. Vendors who facilitate E-Recording Technology.
 3. Includes Electronic Signature Technology.

Current Collection Strategies

Outsourcing *some* Collection Activities to Private Collection Agencies:

- Five private collection agencies are being reviewed.
- Collection fees range from 8.4% to 15%.
- Some *Delinquent* CRS and PIT accounts will be outsourced.

On-going Technology Projects that will enhance Current and Future Collections

- Lien & Levy Project
- CIT Nexus Audit Selection Project
- PIT Tape Match Project
- PIT Revenue Agent Report Project
- Refund Case Project
- Combined Fuel Tax Project
- CP 2000 Project

New Mexico Taxation and Revenue Department



THANK YOU COMMITTEE MEMBERS