



FY24 – Appropriation Request Highlights

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December 15, 2022 LFC Hearing

Agency Overview

Tax & Rev 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)**

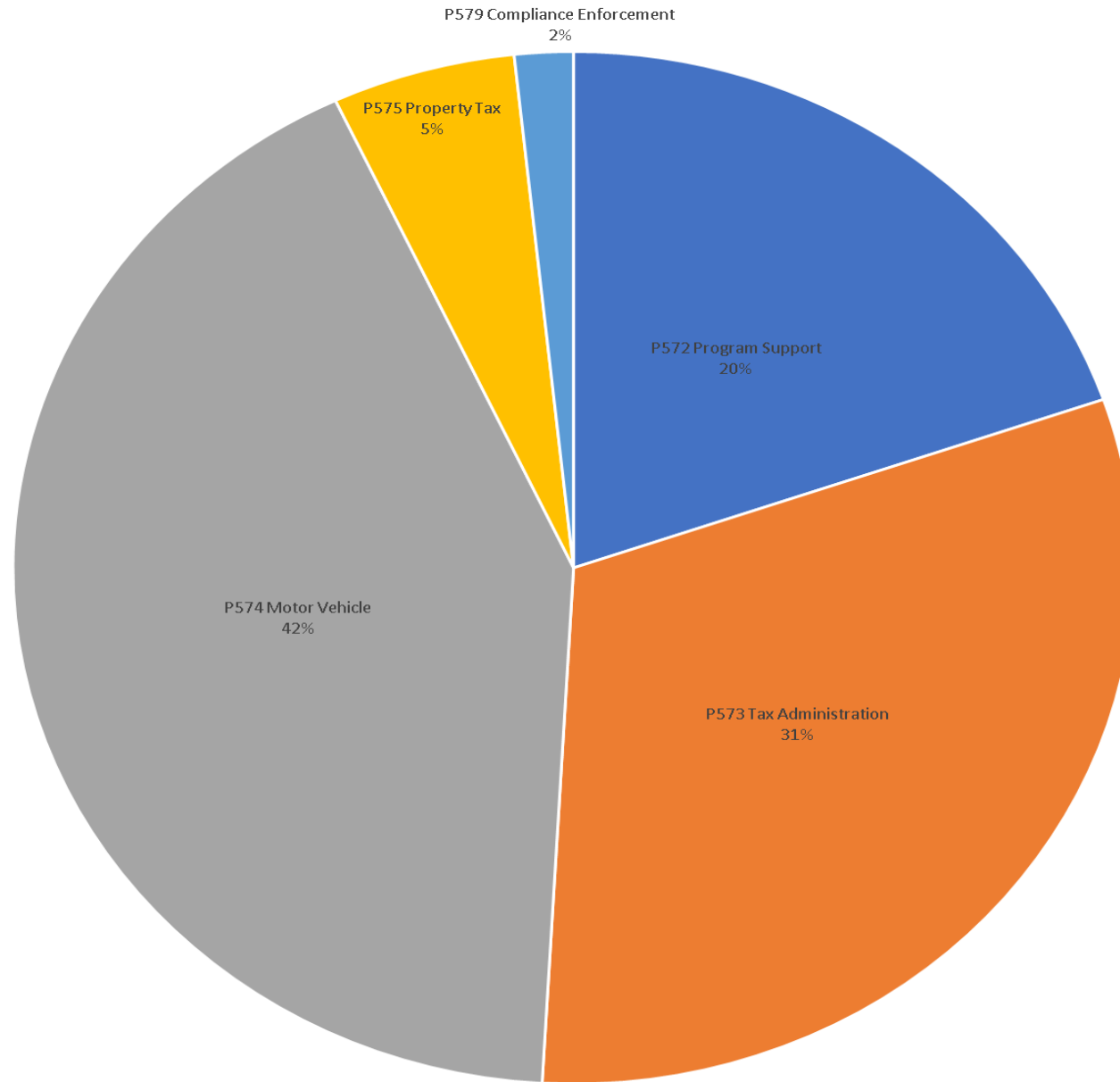
- P579 – Tax Fraud Investigations Division (TFID)**

Priorities for FY24:

- Reduce budgeted vacancy rates in positions that directly benefit customers – allow for reduced processing times, improved call center wait times and adequate resources to safeguard data and systems.
- Adequately fund software and maintenance costs for existing systems that process about 36 tax programs; \$150,000 for tax help to low income and elderly taxpayers.
- Request 4% increase in General Fund to achieve these priorities.



FY24 Appropriation Request Overview



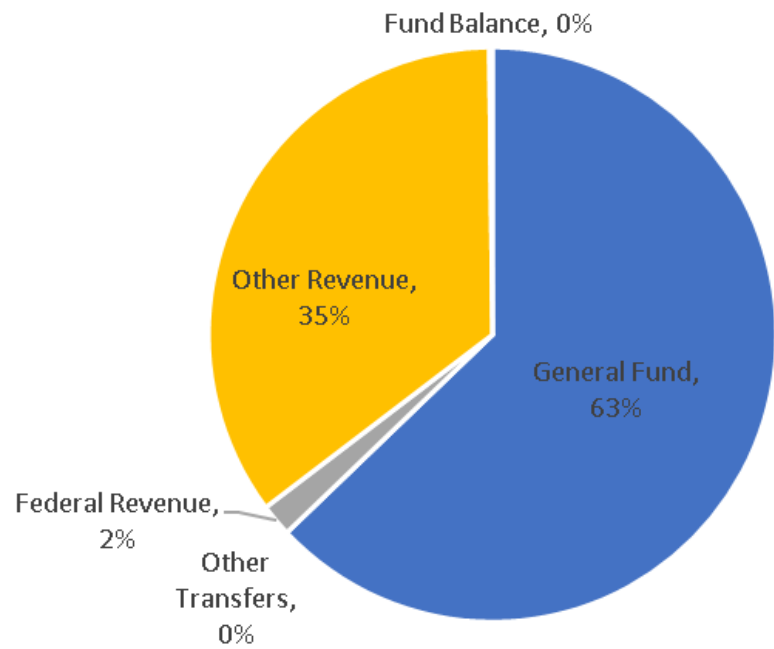
FY24 Tax & Rev Appropriation Request

(in 000's)

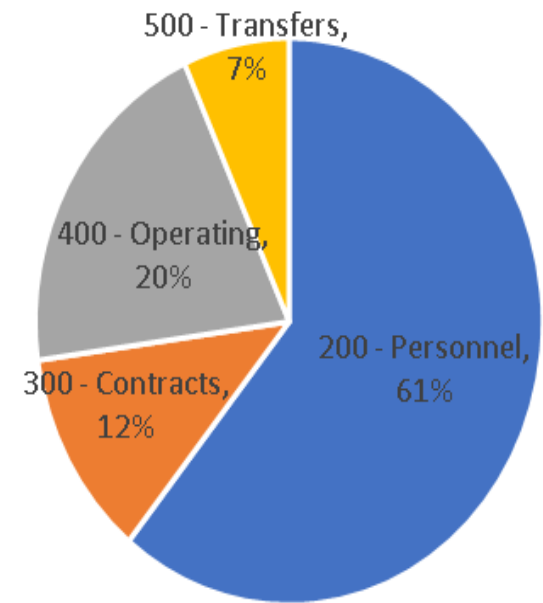
| | | FY21 | FY22 | FY23 | FY24 | % | Dollar |
|----------------------------|----------|------------------|------------------|------------------|------------------|----------------|-----------------|
| SOURCES: | | Actual | Actual | Operating | Request | Change | Change |
| | | | | | | Request | Request |
| General Fund | | 67,912.0 | 72,664.7 | 72,664.7 | 75,704.7 | 4% | 3,040.0 |
| Other Transfers | | | | | | | |
| Federal Revenue | | 3,403.3 | 2,334.4 | 2,334.4 | 2,199.9 | -6% | (134.5) |
| Other Revenue | | 38,128.0 | 38,859.3 | 38,859.3 | 41,923.1 | 8% | 3,063.8 |
| Fund Balance | | | | - | 225.0 | | 225.0 |
| TOTAL | | 109,443.3 | 113,858.4 | 113,858.4 | 120,052.7 | 5% | 6,194.30 |
| | | | | | | | |
| USES: | | | | | | | |
| 200 - PSEB | | 55,833.8 | 57,203.1 | 69,065.0 | 73,062.2 | 6% | 3,997.2 |
| 300 - Contracts | | 9,779.7 | 9,659.5 | 13,951.0 | 14,420.4 | 3% | 469.4 |
| 400 - Other | | 17,482.0 | 20,387.7 | 22,747.9 | 24,570.1 | 8% | 1,822.2 |
| 500 - Other Financing Uses | | 6,166.4 | 12,094.5 | 8,094.5 | 8,000.0 | -1% | (94.5) |
| TOTAL | | 89,261.9 | 99,344.8 | 113,858.4 | 120,052.7 | 5% | 6,194.3 |
| | | | | | | | |
| FTEs FY23 Budgeted | 1,041.44 | | | | | | |
| FTEs FY24 Requested | 1,041.44 | | | | | | |
| | - | | | | | | |

FY24 Revenue and Expense Summary

Requested Revenue



Proposed Expenses



FY24 Tax & Rev Appropriation Request – by P-Code

(in 000's)

| | P572 Program Support | | | P573 Tax Administration | | | P574 Motor Vehicle | | | P575 Property Tax | | | P579 Compliance Enforcement | | |
|----------------------------|----------------------|-----------------|-----------|-------------------------|-----------------|-----------|--------------------|-----------------|-----------|-------------------|----------------|-----------|-----------------------------|----------------|-----------|
| | FY23 | FY24 | % Change | FY23 | FY24 | % Change | FY23 | FY24 | % Change | FY23 | FY24 | % Change | FY23 | FY24 | % Change |
| SOURCES: | OpBud | Request | Request | OpBud | Request | Request | OpBud | Request | Request | OpBud | Request | Request | OpBud | Request | Request |
| General Fund | 22,349.9 | 23,050.4 | 3% | 32,563.9 | 34,731.6 | 7% | 15,880.6 | 15,880.6 | 0% | | | | 1,870.3 | 2,042.1 | 9% |
| Other Transfers | | | | | | | | | | | | | - | - | |
| Federal Revenue | | | | 1,524.4 | 1,606.2 | 5% | 810.0 | 593.7 | -27% | | | | | - | |
| Other Revenue | 361.5 | 673.5 | 86% | 1,182.0 | 1,207.0 | 2% | 31,174.6 | 33,957.8 | 9% | 6,141.2 | 6,084.8 | -1% | | - | |
| Fund Balance | | | | | | | | | | | 225.0 | | | - | |
| TOTAL | 22,711.4 | 23,723.9 | 4% | 35,270.3 | 37,544.8 | 6% | 47,865.2 | 50,432.1 | 5% | 6,141.2 | 6,309.8 | 3% | 1,870.3 | 2,042.1 | 9% |
| USES: | | | | | | | | | | | | | | | |
| 200 - PSEB | 15,602.1 | 16,175.9 | 4% | 27,983.9 | 29,298.0 | 5% | 20,198.7 | 22,152.8 | 10% | 3,698.4 | 3,698.4 | 0% | 1,581.9 | 1,737.1 | 10% |
| 300 - Contracts | 4,443.1 | 4,593.1 | 3% | 606.4 | 973.4 | 61% | 7,688.0 | 7,625.1 | -1% | 1,204.1 | 1,219.4 | 1% | 9.4 | 9.4 | 0% |
| 400 - Other | 2,666.2 | 2,954.9 | 11% | 6,680.0 | 7,273.4 | 9% | 11,884.0 | 12,654.2 | 6% | 1,238.7 | 1,392.0 | 12% | 279.0 | 295.6 | 6% |
| 500 - Other Financing Uses | | - | | | - | | 8,094.5 | 8,000.0 | -1% | | | | | | |
| TOTAL | 22,711.4 | 23,723.9 | 4% | 35,270.3 | 37,544.8 | 6% | 47,865.2 | 50,432.1 | 5% | 6,141.2 | 6,309.8 | 3% | 1,870.3 | 2,042.1 | 9% |

FY 24 Priorities

General Fund - Appropriate Staffing - Reduce Vacancy Rates from FY23 OpBud

- Program Support (ASD and IT)
 - ASD from 15.7% to 12.6%; 3.0 FTE
 - IT from 20.5% to 17.8%; 3.0 FTE
 - \$150,000 for tax help to low income and elderly taxpayers
- Tax Administration (ACD and RPD)
 - ACD from 21.6% to 20.0%; 26.0 FTE
 - RPD from 16.5% to 15.0%; 20.0 FTE
- Motor Vehicle Division from 12.0% to 9.6%; 9.0 FTE
- Compliance Enforcement Division (TFID) from 21.9% to 15.0%; 3.0 FTE; Implement Special Agent Salary Schedule from SPO impacts 4.0 FTE
- Software and Maintenance costs for existing systems that process about 36 tax programs average of 10% escalation cost factor estimated

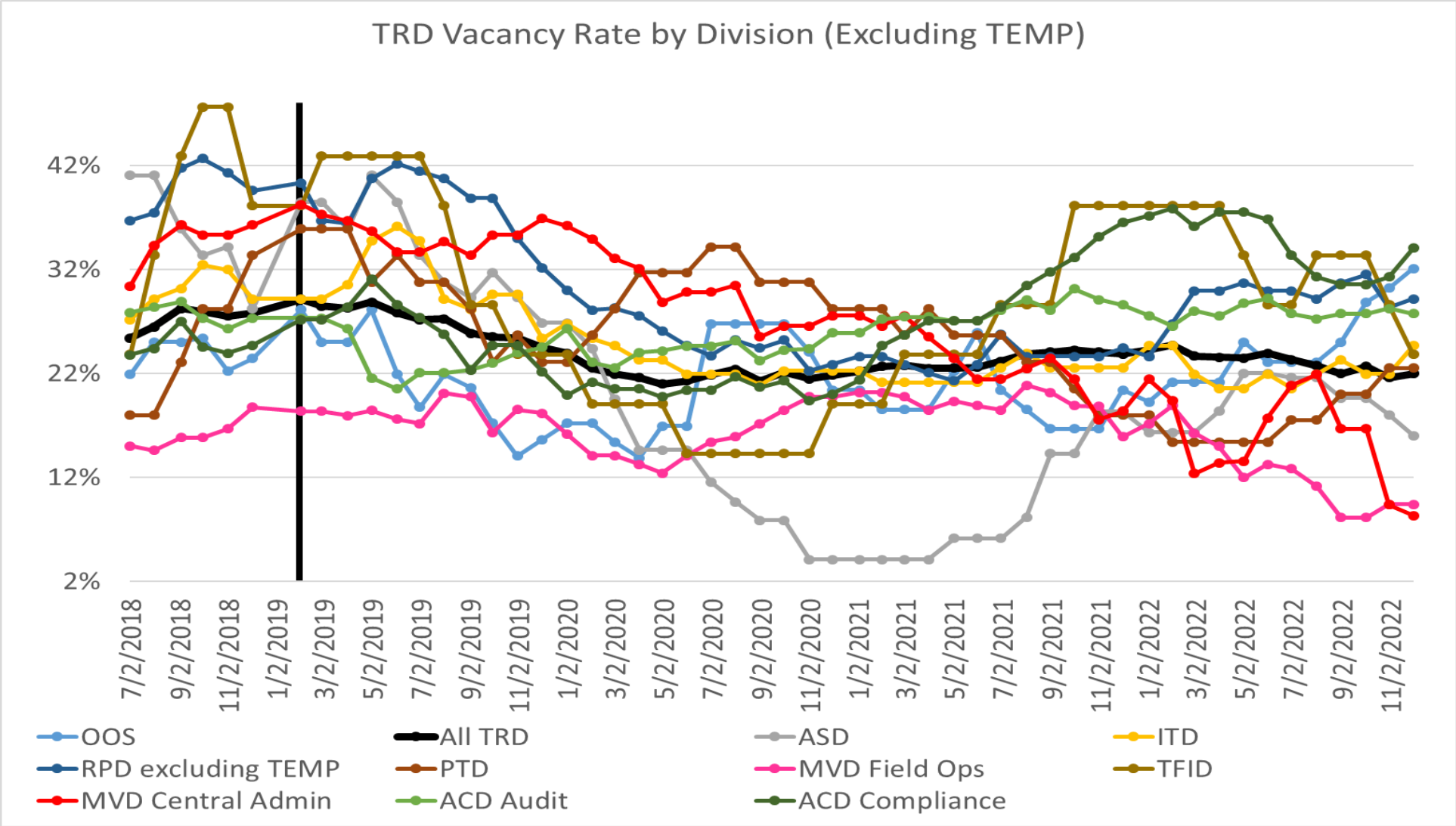
Special Appropriations

- \$2,843,203 FY23 & FY24 contractual support for systems of record GenTax and Tapestry
- \$100,000 FY24 professional contract services to recalibrate scanning machines in RPD
- \$471,350 FY24 replace fully depreciated scanning and mail extraction equipment in RPD
- \$207,100 FY23 Supplemental Program Support (ASD & ITD) reduce vacancy rate
- Language: \$5,000,000 implement tax and motor code changes enacted in 2023 session – contingent on SBOF approval
- \$1,449,221 ICIP 2024-2028 Request Information Technology Department Office Upgrade Montoya Building
- \$772,300 FY24 C2 Request Protest Case Management and Enhancement Project

Vacancy Rates – as of 12/1/22

| P-Code Divisions | FY 22 | | | FY 23 | | | | FY 24 | | |
|-------------------------|-----------------|--------------------------------|---------------------|-----------------|----------------------------------|------------------------------|------------------------------|-----------------|----------------------------------|------------------------------------|
| | TOTAL FTEs | No. of Vacant Positions 7/1/22 | Actual Vacancy Rate | Total FTEs | Current Vacant Positions 12/1/22 | Current Vacancy Rate 12/1/22 | Budgeted Vacancy Rate 7/1/22 | Total FTEs | Targeted No. of Vacant Positions | Appropriation Request Vacancy Rate |
| P572-ASD | 101.00 | 23.0 | 22.8% | 103.00 | 25.0 | 24.3% | 15.7% | 103.00 | 13.0 | 12.6% |
| P572-ITD | 73.00 | 15.0 | 20.5% | 73.00 | 18.0 | 24.7% | 21.9% | 74.00 | 13.2 | 17.8% |
| P573-ACD | 340.66 | 103.7 | 30.4% | 346.00 | 105.0 | 30.3% | 21.6% | 340.66 | 68.0 | 20.0% |
| P573-RPD | 132.78 | 38.0 | 28.6% | 127.00 | 37.0 | 29.1% | 16.5% | 132.78 | 19.9 | 15.0% |
| P574-MVD | 331.00 | 50.0 | 15.1% | 332.00 | 30.0 | 9.0% | 12.0% | 334.00 | 32.0 | 9.6% |
| P575-PTD | 39.00 | 7.0 | 17.9% | 40.00 | 9.0 | 22.5% | 0.0% | 40.00 | 0.0 | 0.0% |
| P579-TFID | 21.00 | 6.0 | 28.6% | 21.00 | 5.0 | 23.8% | 19.1% | 21.00 | 3.2 | 15.0% |
| | 1,038.44 | 242.7 | 23.4% | 1,042.00 | 229.0 | 22.0% | 22.0% | 1,045.44 | 149.3 | 14.3% |
| Not funded by GF | | | | | | | | | | |

Agency Staffing: 22.0% Vacant; 813 Employees



Major Initiatives Underway

- Completing issuance of 2022 rebates and assistance payments with HSD
- Implementing Commercial Driver's License Legislation
- Overhauling many outdated regulations for changes to law and to clarify
- Drafting legislative package for 2023 regular session
- Three 2022 C2 Projects being initiated: incoming correspondence automation, collections analytics, and governance, risk and control system
- REAL ID – deadline is May 7, 2025; 77% of NM credentials currently compliant
- Expanding MVD Private Partner transaction offerings, providing necessary training

Thank you!

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