



**Department of  
Taxation and Finance**

**ANDREW D. MORRIS**

Executive Deputy Commissioner

April 4, 2019

The Honorable Andrew M. Cuomo  
Governor of New York State  
NYS Capitol Building  
Albany, NY 12224

Dear Governor Cuomo:

Enclosed is the Department's status report on the implementation of recommendations contained in the Office of the State Comptroller's audit report entitled: "Administration and Collection of Real Estate Transfer Taxes, Report 2017-S-88 dated January 2019."

Sincerely,

A handwritten signature in black ink, appearing to read "A. D. Morris".

Andrew D. Morris

Enclosure

cc: Senator Stewart-Cousins  
Assembly Member Heastie  
Comptroller DiNapoli

Department of Taxation and Finance  
Status of the Office of the State Comptroller's  
Recommendations Contained in the Final Audit Report on  
Administration and Collection of Real Estate Transfer Taxes

April 4, 2019

**Recommendation 1:**

Pursue options for collaborating with county recording officers to develop solutions for collecting RETT electronically.

**Department Response:**

The Department does not have the authority to require counties to transmit RETT returns electronically. We continue, however, to explore options to streamline collection of this data.

**Recommendation 2:**

Ensure that planned improvements to existing systems address the issues identified in this report.

**Department Response:**

The Department undertook development of a new processing system for RETT paper returns prior to the period of this audit. That system was fully implemented in early January 2019. The new system includes field validation rules to minimize data entry errors like those identified in the audit. The new system will also include reconciliation of reported payments with actual payments; any errors will be flagged for further review. A review of a random sample of returns, similar to that conducted as part of the audit, which were processed since the implementation of the new system, disclosed that there has been a considerable reduction in data entry errors.