



Supplemental Summary of 2011 Legislation Affecting Sales and Use Tax

This memorandum contains a summary of recently enacted legislation applicable to sales and use taxes that is in addition to the sales tax budget legislation described in [TSB-M-11\(9\)S](#), *Summary of Budget Bill Sales and Use Tax Changes Enacted in 2011*. Amendments covered are:

- Exemption for electronic news services and electronic periodicals
- The Marriage Equality Act
- Changes to the Offer in Compromise Program
- 20-year statute of limitations to collect tax liabilities

Exemption for electronic news services and electronic periodicals

Chapter 583 of the Laws of 2011 amended the Tax Law to provide exemptions from sales and use taxes for electronic news services and electronic periodicals that are not, in whole or substantial part, a listing, catalog, database, or compilation and that meet certain other requirements.

This new law will take effect on March 1, 2012. The Tax Department will be issuing a guidance document that will give a detailed explanation of this amendment, including the requirements that must be met in order to qualify for these exemptions.

(Tax Law section 1101(b)(37), (38), 1105(c)(1), 1115(b)(i) and 1115(gg))

The Marriage Equality Act

The Marriage Equality Act (Act) was signed into law as Chapters 95 and 96 of the Laws of 2011, on June 24, 2011. One purpose of the Act is to provide that all marriages, whether of same-sex couples or different-sex couples, will be treated equally under all laws of the state. Accordingly, the Act applies to all taxes administered by the Tax Department as of the effective date. For more information, see the department Web site (www.tax.ny.gov).

Changes to the Offer in Compromise Program

Chapter 469 of the Laws of 2011 amended subdivisions Fifteenth and Eighteenth-a of section 171 of the Tax Law relating to the Tax Department's Offer in Compromise Program. The amended sections expand the eligibility of taxpayers to participate in the Tax Department's Offer in Compromise Program. For more information, see [TSB-M-11\(14\)S](#), *Changes to the Offer In Compromise Program*.

This provision took effect on August 17, 2011.

(Tax Law section 171, subdivisions Fifteenth and Eighteenth-a)

20-year statute of limitations to collect tax liabilities

Chapter 432 of the Laws of 2011 added new section 174-b to the Tax Law. The new section was added to revise the 20-year statute of limitations on the Tax Department's time to collect tax liabilities that have been assessed and for which a notice and demand has been issued. Section 174-b provides that a tax liability will not be enforceable and will be extinguished after 20 years from the first date a warrant could be filed by the department. This statute of limitations is applicable to all taxes, and any special assessments, fees, interest, additions to tax, penalties, or other impositions administered by the department. For more information, see [TSB-M-11\(15\)S](#), *20-Year Statute of Limitations to Collect Tax Liabilities*.

This new law became effective August 17, 2011, and applies to tax liabilities that could have been warranted before August 17, 2011, as well as to tax liabilities that can first be warranted on or after that date. Therefore, the 20-year time limit starts from the first date a warrant could be filed for a tax liability, regardless of when the tax liability was assessed (i.e., before or after the effective date).

(Tax Law section 174-b)

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.