

STATEMENT OF REASONED JUSTIFICATION FOR MODIFICATION OF THE RULE

DEPARTMENT OF TAXATION AND FINANCE

The Department of Taxation and Finance submitted for publication in the Rule Review section of the January 4, 2006, State Register a list of rules that were adopted by the Commissioner of Taxation and Finance in 2001 and a notice of the Department's intent to review such rules pursuant to section 207 of the State Administrative Procedure Act. This information was also posted to the Department's Web site (http://www.tax.state.ny.us/rulemaker/regulations/regulatory_agenda.htm) on December 29, 2005. Comments from the public concerning the continuation or modification of these rules were invited until February 21, 2006. No public comments were received by the Department concerning the amendments made in 2001 that added Part 2402, "Taxpayer Record Retention Formats," to the Procedural Regulations, as published in Chapter IX of Title 20 NYCRR. Such amendments were adopted by the Commissioner on an emergency basis on May 22, 2001, and published in the State Register on June 6, 2001, (I.D. # TAF-23-01-00043-EP). The permanent adoption was later published in the Register on August 8, 2001, (I.D. # TAF-23-01-00043-A).

This notwithstanding, the Department has determined as a result of its 2006 review that because of recent statutory changes enacted by Chapter 437 of the Laws of 2004, the 2001 amendments are now dated and should be modified. Chapter 437 renumbered the Electronic Signatures and Records Act from Article I of the State Technology Law to Article III of such Law. Because section 2402.1(a) of the subject regulations cites a section within former Article I, this section of the regulations should be amended to reflect the current statute as renumbered.