

## RURAL AREA FLEXIBILITY ANALYSIS

### DEPARTMENT OF TAXATION AND FINANCE

1. Types and estimated numbers of rural areas: The purpose of these amendments is to provide guidance with respect to legislative amendments that changed the circumstances under which a taxpayer corporation will be required or permitted to file a combined report with other related corporations. Some taxpayers affected by these rules may be located in rural areas throughout the State. There are 43 counties throughout this State that are rural areas (having a population of less than 200,000) and 9 more counties having towns that are rural areas (with population densities of 150 or fewer people per square mile).

2. Reporting, recordkeeping and other compliance requirements; and professional services: No new reporting, recordkeeping or other compliance requirements are being imposed as a result of this proposal. The Department issued a technical memorandum (TSB-M-08(2)C) that outlined and interpreted legislative amendments and provided guidance regarding the determination of what corporations are required to be included in a combined report. This rule largely codifies the information in that TSB-M. The Department believes that this rule will not impose any additional compliance requirements on taxpayers in rural areas. Taxpayers in rural areas also will not require additional professional services to comply with this rule.

3. Costs: The rule does not impose any new reporting, recordkeeping or other compliance costs on regulated parties. The rule may have an impact on the tax liability of particular taxpayers. See Part 4 of the “Regulatory Impact Statement” for this rule. There are no variations in costs for public or private concerns in rural areas.

4. Minimizing adverse impact: The rule does not distinguish between rural areas and non-rural areas as there is no distinction in the statute being interpreted. There is no adverse impact on public and private entities in rural areas.

5. Rural area participation: The following organizations are being given an opportunity to participate in the rule's development: the Association of Towns of New York State; the Division of Local Government Services of New York State Department of State; the Division of Small Business of Empire State Development; the National Federation of Independent Businesses; the New York State Association of Counties; the New York Conference of Mayors and Municipal Officials; the Small Business Council of the New York State Business Council; the Retail Council of New York State; and the New York Association of Convenience Stores. In addition, drafts of the rule were sent to the following: the Business Council of New York State, the New York State Bar Association, the Association of the Bar of the City of New York, and the New York State Society of CPAs.