

REGULATORY FLEXIBILITY ANALYSIS
FOR SMALL BUSINESSES AND LOCAL GOVERNMENTS
DEPARTMENT OF TAXATION AND FINANCE

1. Effect of rule: The adoption of rules that 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, is applicable to all businesses, large and small. We do not have the information to estimate the number of small businesses that may be affected with any degree of certainty. Local governments are not affected. The rule does not affect the New York City General Corporation Tax.

2. Compliance requirements: 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 small businesses. There are no requirements for local governments.

3. Professional services: No additional professional services beyond those already employed by a small business in preparing its taxes will be required in order to comply with this rule.

4. Compliance 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 would be no variation in costs for small businesses. There are no costs for local governments.

5. Economic and Technological Feasibility: The rule does not impose any adverse economic and technological requirements on small businesses or local governments.

6. Minimizing adverse impact: The rule does not distinguish between affected small businesses and other types of businesses as there is no distinction in the statute being interpreted. The rule places no burdens on small businesses or local governments.

7. Small business and local government 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 the 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.