

STATEMENT IN LIEU OF A
RURAL AREA FLEXIBILITY ANALYSIS

A Rural Area Flexibility Analysis is not being submitted with this rule because it will not impose any adverse impact on rural areas or any reporting, recordkeeping, or other compliance requirements on public or private entities in rural areas. The rule does not distinguish between regulated parties located in different geographical areas.

The purpose of these amendments is to update the Personal Income Tax regulations concerning the New York deduction used in computing the New York taxable income of a resident individual. As part of the update, these amendments provide for a reflection in the regulations of the Tax Appeals Tribunal decision in the Matter of James R. Shorter, Jr. The Shorter decision held that regulation section 115.2(g) is invalid for purposes of determining the amount of the Tax Law section 615(c) subtraction modification for State and local income taxes, and that the Internal Revenue Code section 68 reduction should be allocated on a pro rata basis.