

REGULATORY IMPACT STATEMENT

DEPARTMENT OF TAXATION AND FINANCE

1. Statutory authority: Tax Law section 171, subdivisions First, Fifteenth, and Eighteenth-A.

Subdivision First of section 171 authorizes the Commissioner to make reasonable rules and regulations, which are consistent with law, that may be necessary for the exercise of the Commissioner's powers and the performance of the Commissioner's duties under the Tax Law. This authority also provides for the adoption of rules and regulations that are appropriate to carry out and administer the provisions of Chapter 60 of the Tax Law. Chapter 577 of the Laws of 1997 and Chapter 513 of the Laws of 2002 amended sections 171, subdivision Eighteenth-A and 171, subdivision Fifteenth of the Tax Law, respectively, with regard to offers in compromise as explained below.

2. Legislative objectives: The rule is being proposed pursuant to such authority and in accordance with the legislative objectives that the Commissioner equitably administer the provisions of the Tax Law and take judicious regulatory action when warranted. Regulatory action is necessary to provide taxpayers with the most up-to-date tax policies and procedures with regard to offers in compromise.

3. Needs and benefits: The primary purpose of the rule is to reflect existing Department policy concerning offers in compromise. It codifies the Commissioner's existing authority to designate an alternate to act on his or her behalf in the compromise approval process.

Updates to the regulations were made to reflect the following statutory amendments:

Chapter 577 of the Laws of 1997 which increased the dollar threshold of when the Department must issue an Opinion of Counsel with regard to an offer in compromise and Chapter 513 of the Laws of 2002 which expanded the Commissioner's offers in compromise authority and increased the dollar threshold of which offers

in compromise require prior approval by a Supreme Court Justice. Lastly, technical and editorial corrections of some provisions are included in the amendments.

4. Costs:

(i) Costs to regulated parties: There are no costs imposed on regulated parties associated with the implementation and continued compliance with this rule.

(ii) Costs to the State and its local governments including this agency: It is estimated that the implementation and continued administration of these amendments will have no fiscal impact on the Department of Taxation and Finance. Additionally, there are no costs to NYS and its local governments for the implementation and continued administration of this rule.

(iii) Information and methodology: These conclusions are based on discussions and information received from Office of Tax Policy Analysis, Planning and Management Bureau, and Budget and Accounting Services Bureau.

5. Local government mandates: The rule imposes no mandates upon any county, city, town, village, school district, fire district or other special district.

6. Paperwork: These amendments do not impose any new paperwork or reporting requirements. The amendments do, however, update the regulations to reflect the Department's current practice of making the offer forms directly available to taxpayers.

7. Duplication: There are no relevant rules or other legal requirements of the Federal or State governments that duplicate, overlap, or conflict with this rule.

8. Alternatives: There were no significant alternatives to the rule considered by the Department. There are no viable alternatives because the rule merely codifies existing Department policy, makes legislative amendments and technical corrections. See Section 3, Needs and benefits.

9. Federal standards: This rule does not exceed any minimum standards of the Federal government for the same or similar subject area.

10. Compliance schedule: No measurable time is needed in order for regulated parties to comply with this rule. The amendments will take effect on the date the Notice of Adoption is published in the State Register.