

## REGULATORY IMPACT STATEMENT

### DEPARTMENT OF TAXATION AND FINANCE

1. Statutory authority: Tax Law, section 171, subdivision First, generally authorizes the Commissioner of Taxation and Finance to promulgate regulations, such as may be necessary for the exercise of the Department's powers and performance of its duties.

2. Legislative objectives: In keeping with the Department's duties under section 171 First of the Tax Law, the proposed rule makes certain amendments streamlining and simplifying the process for filing the Powers of Attorney required to be filed in order for the Department to disclose documents or communicate with taxpayers or their representatives. These amendments balance the need to provide access to information with the secrecy requirements of Tax Law section 697(e) and related provisions. The rule amends the Public Access to Records regulations to eliminate the requirement that certain record requests be accompanied by a notarized power of attorney, which will simplify and expedite the process for obtaining such records. The rule also amends the Procedural regulations to eliminate the requirement that Division of Taxation and Finance Power of Attorney forms be notarized or witnessed in certain circumstances, while retaining the Division's authority to verify identity and authority to execute a power of attorney. The changes will allow the Division to simplify the Power of Attorney process and add some Power of Attorney functionality to its Online Services Accounts. Further, the rule would eliminate the automatic revocation of previously filed powers of attorney, which will enable taxpayers to retain multiple powers of attorney simultaneously, unless they affirmatively revoke previously filed powers of attorney.

The rule also provides that powers of attorney must be filed and received in the Division of Taxation in the manner prescribed by the Commissioner, rather than in the office in which a matter is pending. This will allow for expeditious centralized processing of powers of attorney by the Division.

3. Needs and benefits: The rule expedites the process for making certain record requests by amending the regulations governing public access to Division records to eliminate the requirement that these requests be accompanied by a notarized power of attorney. The rule also amends the Procedural regulations to eliminate the requirement that Division of Taxation and Finance Power of Attorney forms be notarized or witnessed in certain circumstances, while retaining the Division's authority to verify identity and authority to execute a power of attorney, which will allow the Division to simplify the Power of Attorney process and add some Power of Attorney functionality to its Online Services Accounts. Further, the rule would eliminate the automatic revocation of previously filed powers of attorney, which will enable taxpayers to retain multiple powers of attorney simultaneously, unless they affirmatively revoke previously filed powers of attorney. The rule generally furthers the administration of the tax law by enabling the Department to provide taxpayers with simplified forms and process such forms expeditiously. The rule imposes no additional burdens on regulated parties.

4. Costs: (a) Costs to regulated parties for the implementation and continuing compliance with this rule: The rule imposes no additional costs on regulated parties.

(b) Costs to this agency, the State and local governments for the implementation and continuation of this rule: No additional costs are imposed on the agency for the implementation and continuation of the rule.

(c) Information and methodology: This analysis is based on a review of the statutory requirements and on discussions among personnel from the Department's Taxpayer Guidance Division, Office of Tax Policy Analysis, Office of Budget and Management Analysis, and Management Analysis and Project Services Bureau.

5. Local government mandates: The rule imposes no local government mandates.

6. Paperwork: This rule will not require any new forms or information, although the Department is in the process of developing a new form for future use.

7. Duplication: This rule does not duplicate any other requirements.

8. Alternatives: The Department considered various alternatives, including broadening the elimination of the notary requirement for Powers of Attorney and making no changes to the regulations, and found no viable alternatives preferable to those implemented in the rule that satisfied the Department's legal and systems requirements.

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: Because the information in question is already required to be submitted prior to representation by a power of attorney, taxpayers will continue to be required to submit powers of attorney when the rule becomes effective, upon publication of the Notice of Adoption in the State Register.