

STATEMENT OF REASONED JUSTIFICATION FOR MODIFICATION OF THE RULE
DEPARTMENT OF TAXATION AND FINANCE

The Department of Taxation and Finance submitted for publication in the Rule Review section of the January 8, 2014, issue of the *State Register* summaries of rules that were adopted by the Commissioner of Taxation and Finance in 2009, as notice of the department's intent to review such rules pursuant to section 207 of the State Administrative Procedure Act. This information was also posted on the department's web site (<http://www.tax.ny.gov/rulemaker/fiveyearrev.htm>). The public was invited to submit comments concerning the continuation or modification of these rules by February 24, 2014. No public comments were received by the department concerning the 2009 amendments to 20 NYCRR Section 60.1 (Filing Requirements for Certain Wine Distributors Registered under Article 18 of the Tax Law). The 2009 rule allowed certain New York State farm wineries, micro-wineries, and out-of-state direct wine shippers to file annual alcoholic beverage tax returns rather than monthly returns as previously required. In addition, the 2009 rule amended section 60.1 to reflect that out-of-state direct wine shippers are not required to report certain inventory information on their alcoholic beverage tax returns. The amendments were adopted by the commissioner on April 21, 2009 and published in the *State Register* on May 6, 2009 (TAF-07-09-00012-A).

The current rule expands the ability to file annual alcoholic beverage tax returns rather than monthly returns to entities licensed by the State Liquor Authority of New York State as a farm distillery, pursuant to section 61 of the Alcoholic Beverage Control Law. The rule would also eliminate unnecessarily specific references to annual production by farm breweries and an obsolete citation to the Alcoholic Beverage Control Law.

The expansion of the annual filing option to include farm distilleries will reduce the administrative cost and burden of tax return filing on such entities, with little or no resultant cost to state and local governments. The elimination of specific production references will make it unnecessary to amend the regulations merely because of changes in the production thresholds set forth in the Alcoholic Beverage Control Law.

For the most part, the amendments that were made in 2009 are not being amended by this rule; therefore, these 2009 amendments remain valid and are continued without modification, unless explicitly amended. Because the Department reviewed the entire 2009 rule in developing this rule, the 2009 rule and this rule will be reviewed in one combined rule review in the future, beginning in 2019.