

REGULATORY IMPACT STATEMENT

DEPARTMENT OF TAXATION AND FINANCE

1. Statutory authority: Tax Law, sections 171, Subdivision First; 697(a); and 1096(a). Section 171, Subdivision First authorizes the Commissioner to make reasonable rules and regulations that may be necessary for the exercise of the Commissioner's powers and performance of the Commissioner's duties. Sections 697(a) and 1096(a) authorize the Commissioner to adopt regulations relating specifically to the personal income tax and the business corporation franchise tax, respectively.

2. Legislative objectives: This rule is being proposed pursuant to this authority to eliminate unnecessary provisions of the Personal Income Tax and Business Corporation Franchise Tax Regulations.

3. Needs and benefits: The purpose of these amendments is to remove unnecessary provisions of the regulations regarding the setting of fees for corporation franchise tax searches, bulk orders of forms, and a publication containing certain forms and instructions. Under section 102.2(b)(xi)(2) of the State Administrative Procedure Act, fees of less than \$100 are excluded from the definition of "rule". The subject fees are nominal and well beneath this threshold. For instance, the bulk order fees are \$10 plus \$1 for each 100 forms after the first 200. These fees have not changed in many years. The Department expects modest increases in these fees. However, in accordance with State Administrative Procedure Act section 102.2, the fees will not be set by rule. In addition, it is noted that, with the advent of technology which enables taxpayers and preparers to obtain forms from the Department's website and to file returns electronically, the need for tax preparers to order forms in bulk has declined. Tax preparers preparing more than one hundred returns a year and using tax software are required by law to file returns electronically. (see, Tax Law sections 29, 658[g]) The amendments would allow the Department flexibility in responding to fluctuations in cost and demand.

4. Costs:

(a) Costs to regulated persons: It is estimated that there would be no costs to regulated parties associated with implementation of this rule.

(b) Costs to the agency and to the State and local governments including this agency: It is estimated that the implementation and continued administration of this rule will not impose any costs upon this agency, New York State, or its local governments.

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

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

6. Paperwork: The rule imposes no new reporting requirements, forms, or other paperwork upon regulated parties.

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 this proposal considered by this agency.

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

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