

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 Regulatory Agenda section of the January 7, 2004, State Register a list of rules that were adopted by the Commissioner of Taxation and Finance in 1999 and a notice of the Department's intent to review such rules pursuant to section 207 of the State Administrative Procedure Act. Comments from the public concerning the continuation or modification of these rules were invited until February 23, 2004.

No public comments were received by the Department in response to the listing, in January 2004, of the amendments made to Part 2392 of Title 20 NYCRR. The amendments to Part 2392 were adopted by the Commissioner on July 26, 1999, and published in the State Register on August 11, 1999 (I.D. # TAF-22-99-00002-A). The amendments concerned the various penalties imposed by the Tax Law which allow for abatement upon a showing of reasonable cause and an absence of willful neglect. Although no comments were received, the Department has determined as a result of its 2004 review that the 1999 amendments should be updated to reflect a recent amendment to the Tax Law and should not be continued without modification; thus, requiring this rule. See the Consensus Rule Making Determination for further explanation.