

STATEMENT IN LIEU OF A REGULATORY FLEXIBILITY ANALYSIS FOR
SMALL BUSINESSES AND LOCAL GOVERNMENTS
DEPARTMENT OF TAXATION AND FINANCE

A Regulatory Flexibility Analysis for Small Businesses and Local Governments is not being submitted with this rule because it will not impose any adverse economic impact or any additional reporting, recordkeeping, or other compliance requirement on small businesses or local governments. Chapter 469 of the Laws of 2011 amended the Tax Law to expand the commissioner's authority to compromise liability to cover situations where collection in full would cause the taxpayer undue economic hardship. The legislation eliminated the requirement that the amount payable through an offer in compromise must be at least the amount recoverable through legal proceedings and provided instead that the amount payable through an offer in compromise is an amount that reasonably reflects collection potential or is otherwise justified by proofs offered by the taxpayer. The legislation also provided that no offer in compromise will be acceptable if it would undermine tax compliance by other taxpayers or be adverse to the interests of the State.

The purpose of this rule is to update the regulations to reflect these legislative changes and to define what constitutes undue economic hardship, as required by Chapter 469.