

## 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 4, 2012, issue of the *State Register* summaries of rules that were adopted by the Commissioner of Taxation and Finance in 1997, 2002 and 2007, as notice of the department's intent to review such rules pursuant to section 207 of the State Administrative Procedure Act. On December 29, 2011, this information was also posted on the department's web site. The public was invited to submit comments concerning the continuation or modification of these rules by February 21, 2012. The Rule Review included a 1997 rule adding Part 2391.

Part 2391, relating to service of process on the department, was added to the Procedural Regulations, as published in Chapter IX of 20 NYCRR, on November 5, 1997. No public comments were received by the department with respect to its 2002, 2007, or 2012 5-year reviews of this rule. As a result the 2002 review of the rule, a Rule Review notice indicating that it would be continued without modification was published in the *State Register* on June 19, 2002. Following the department's 2007 review of the rule, a Rule Review notice indicating that it would again be continued without modification was published in the *State Register* on April 18, 2007.

The current rule amends section 2391.3(a) of 20 NYCRR to eliminate the option of serving the department with process at district offices. The purpose of the proposed amendments is to make it possible for the department to streamline departmental operations by discontinuing all walk-in services currently available at district offices, including receipt of process.

Currently, district office staff must divert their attention from their ongoing job responsibilities to receive the service, sign all the documents, and then ship the documents to Albany. This process is time-consuming and inefficient for the department. The department has eliminated many services available at its

district offices, in favor of providing the services online and by telephone and mail. This amendment advances this process. These amendments continue to provide for personal service on the department at its principal office, or by first class or certified mail, pursuant to sections 307 and 312-a of the Civil Practice Law and Rules. Parties will thus continue to have an option of serving the department without having to travel to its principal office in Albany.