



Community Outreach Tax Summit

New York State Department of Taxation and Finance

www.tax.ny.gov

October 15, 2014

Watertown, NY

Speaker Agenda

- Thomas Mattox, Commissioner
- Richard Ernst, Deputy Commissioner, Office of Professional Responsibility
- Margaret Neri, Deputy Commissioner, Taxpayer Rights Advocate and Ethics Officer
- Mwisa Chisunka, Business Ombudswoman and Director of Business Education

Overview of Department

■ **Voluntary Compliance:**

- Balance of efforts to promote voluntary compliance - the cornerstone of the State's system of taxation - with the duty to enforce New York's tax laws.

■ **Tax Administrations:**

- The department administers more than 40 state and local taxes and fees;
- Oversees the administration of Real Property Taxes.

Outreach Resources for Voluntary Compliance

- Educating more New Yorkers to be aware of filing responsibilities and credits:
 - Leveraging government and not for profit agencies
 - Participations at more fairs/booths
 - SUNY and Libraries
 - Consumer alerts through OTRA
- More outreach to persons with limited English proficiency
- Voluntary Disclosure and Compliance Program
- More Outreach to Veterans and Military

Identity Theft – Form DTF-275

- **Fox Business Report on February 5, 2014**
 - A new identity fraud victim was hit every two seconds in America in 2013, with the number of victims climbing to 13.1 million over the year, according to Javelin Strategy & Research’s 2014 Identity Fraud Study.
- **IRS Releases the “Dirty Dozen” Tax Scams for 2014; Identity Theft, Phone Scams Lead List**
 - Tax fraud through the use of identity theft tops this year’s Dirty Dozen list of scams, followed by phone scams and phishing.
- **NYS launched website:**
- www.tax.ny.gov/help/contact/identity-theft.htm

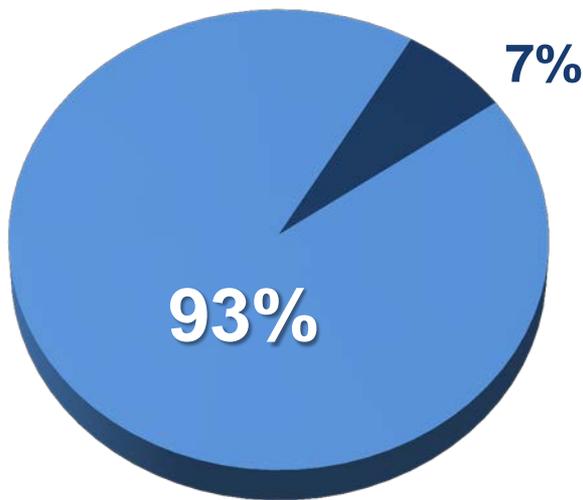
Case Identification Selection System (CISS)

- NYS Tax Department's Fraud Prevention Program Wins National Recognition
 - Screens and scores every New York tax return
 - Selection criteria continuously reviewed and rules refined
 - Scientifically predicts good audit candidates
 - Identify and review questionable returns before issuing refund

EITC Benefits Among the Most Generous

EIC - 2012 Processing Year

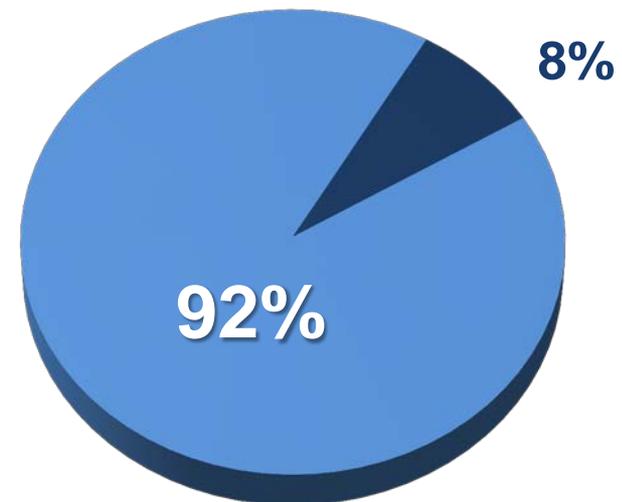
111,621 of 1,649,815



claims accepted claims audited

EIC - 2013 Processing Year

132,387 of 1,649,240



claims accepted claims audited

To date, NYS has paid \$945 million in EITC benefits for tax year 2013

Free Tax Prep Sites Contribute to E-file Growth

- Nearly 90% of New York's 10 million taxpayers e-filed last year
- New York State trained volunteers prepared 237,139 tax returns for tax year 2013 (FSA sites 7999 prepared)
- 85% of New Yorkers qualify to e-file their state return at no cost:
 - free tax prep sites
 - free e-file (\$58,000 or less)
 - new options for NYS e-filing
 - IT-201 (no income limit)
 - Stand alone forms IT-214 and NYC-210

Tax Administration

Recent Legislative Initiatives

- Accepting Late Registration for STAR
- Property Tax Freeze Credit
- Family Tax Relief Credit
- Noncustodial EITC extended
- Minimum Wage Reimbursement Credit
- Credit for Worker's with Disability
- Hire a Vet Credit
- Sales Tax Exemption for Military



Office of Professional Responsibility

Richard S. Ernst

518-530-4130

Deputy Commissioner

New York State Department of Taxation and Finance

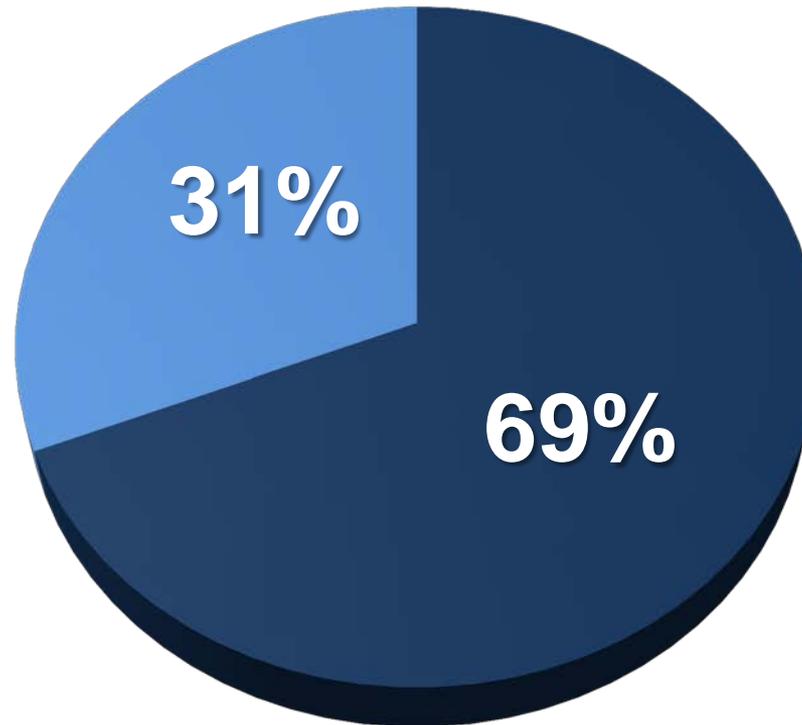
Office of Professional Responsibility

- **Regulation Adopted - November 25, 2013** - Adoption of amendments to the Procedural Regulations and Personal Income Tax Regulations to implement certain of the recommendations of the Task Force on Regulation of Tax Return Preparers. 20 *NYCRR* section 158.12 and Part 2600

- **Launched website** - <http://www.tax.ny.gov/tp/reg/opr.htm>
 - *History of the Office of Professional Responsibility*
 - *Makes available the list of registered preparers*
 - *Who Must Register and How to Register*
 - *Consumer Bill of Rights regarding Tax return Preparers*
 - *Regulations*
 - *File a complaint*

Preparers Influence Taxpayer Behavior

Personal Income Tax Returns



■ paid preparers - 6.7 million

■ self prepared - 3 million

Statutory Changes for Paid Tax Preparers

- Registration
- Electronic filing requirements
- Tax preparer regulations
 - Minimum age and education
 - Competency and continuing education

Tax Preparer Regulations

- The Competent Tax Preparer
 - Acts with the highest level of ethics
 - Treats their clients professionally
 - Conducts proper interaction with the Department
 - Publication 135 – Consumer Bill of Rights Regarding Tax Preparers
 - Makes sure that filed documents are accurate



Office of the NYS Taxpayer Rights Advocate

Margaret Neri

518-530-5333

*Deputy Commissioner , Taxpayer Rights Advocate and Ethics Officer
New York State Department of Taxation and Finance*

The Advocate's Role: Ombudsman

- Inform taxpayers of rights and responsibilities
- Mediate disputes between DTF and taxpayer (or practitioner)
- Recommend changes that better serve taxpayers: changes in procedures or new legislation



Outreach and Education

- Serving taxpayers in their communities
- Taxpayer rights: tax laws are reasonably and fairly applied
- E-filing: encourage voluntary compliance

Direct Contact with Taxpayers

Case Advocacy:

- Tax debt is causing undue hardship or unnecessary compliance burdens
- Issues can't be resolved through normal department channels
- Department procedures are not working as they should

Systemic Advocacy

- Identify problems in Department processes or policies, or with tax laws or regulations.
- Propose changes to improve tax administration

Systemic Advocacy brings results

- Six year time limit to docket sales tax warrants
- New 20 year statute of limitation for collections (August 2011)
- Revised parameters for vacating tax warrants
- New “responsible person” policy for passive investors in LLCs and limited partnerships. See TSB-M-11(6)S (April 14, 2011)
- Offer in Compromise reform (August 17, 2011)
- New legislation: suspending statute of limitations for credit or refund in cases of financial disability (August 2014)



NYS Department of Taxation and Finance and Empire State Development

Mwisa Chisunka

518-320-6323

Business Ombudswoman and Director of Business Tax Services
and Education.

Business Ombudswoman

- Works closely with the business community to provide education about tax law developments, answer questions, and help businesses navigate the issue resolution process.

Business Ombudswoman builds on our success of creating a business friendly NY state

- Education to businesses about filing responsibilities, tax credits and incentives
- Education on Department resources -(Website, bulletins, publications, web-filings and YouTube videos)
- Tax Seminars/Workshops - Partner with not for profit and government agencies:
 - Chamber of Commerce,
 - Regional Economic Development Councils,
 - Small Business Administration,
 - Small Business Development Center,
 - Economic Development Agencies,
 - Educational Institutions,
 - Trade associations

Business Incentives and Credits

- Start-up New York
- Innovative Hot Spots
- Investment Tax Credits
- Historic Properties Credit
- Small Business Modification
- Real Property Tax Credit for Manufacturers
- Film and live production Credits
- For a complete list of Business Incentives and Credits visit our website at www.tax.ny.gov/bus

DTF Regional Outreach Territory



Western NY Region

Alison Gangloff (716) 225-2763

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Central NY Region

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Capital Region

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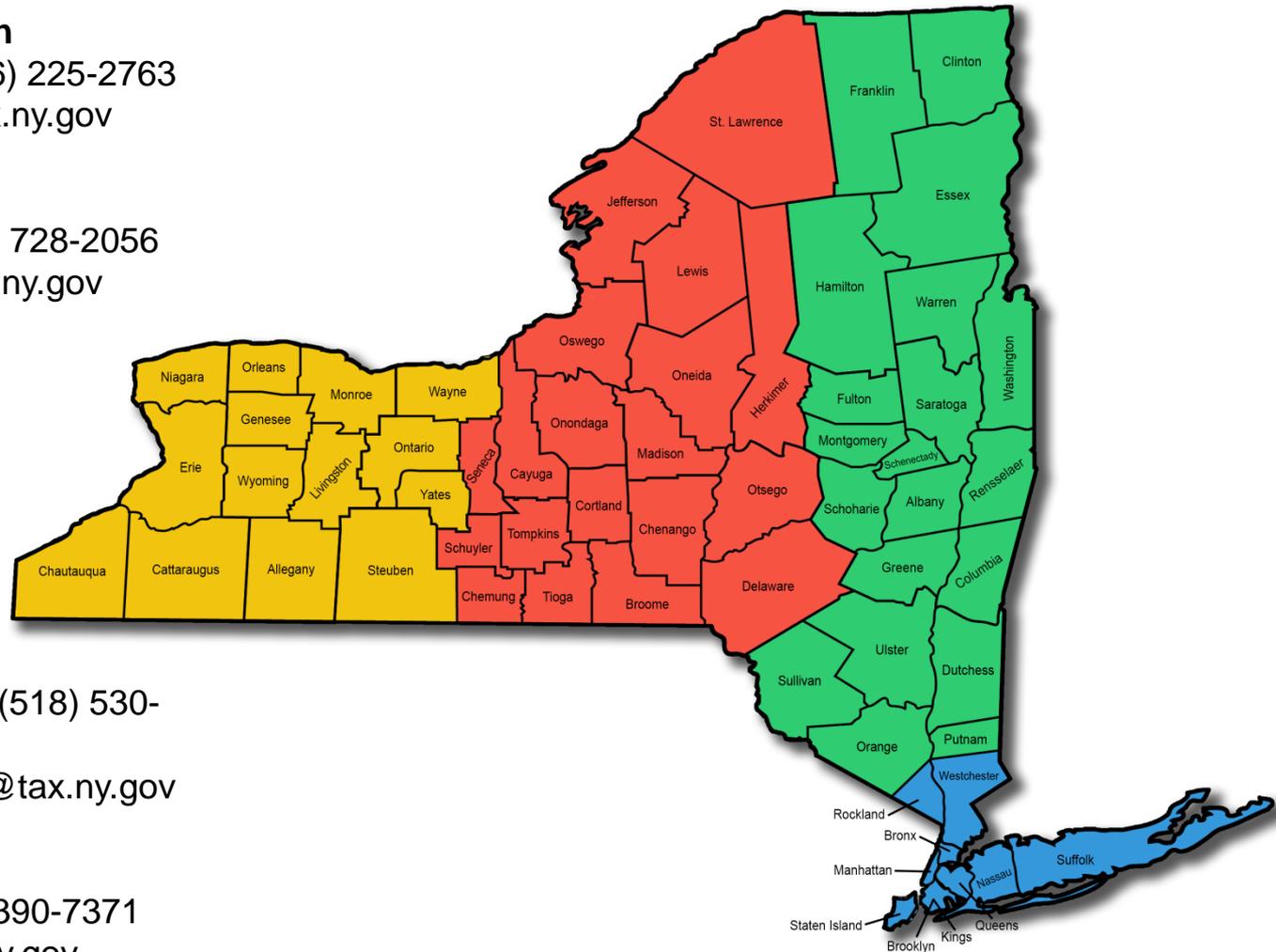
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Metro Region

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