



## Extension of Tax Modernization Provisions Facilitating Tax Compliance

This memorandum explains that certain tax modernization requirements facilitating tax compliance have been extended until December 31, 2019.

### Extension of electronic filing and electronic payment mandate provisions

Part G of Chapter 60 of the Laws of 2016 extended the revised electronic filing and electronic payment mandate provisions established under Part U of Chapter 61 of the Laws of 2011. These provisions have been extended through December 31, 2019. The provisions were set to expire on December 31, 2016.

The provisions apply to tax preparers and individual taxpayers using tax software to prepare any authorized tax documents, as defined in Tax Law section 29(a)(1).

**Individual taxpayer e-file mandate.** The e-file mandate for individuals applies to any authorized tax document prepared by individuals using tax software and required to be filed after January 1, 2012, and before January 1, 2020. Individuals are required to e-file their personal income tax returns if:

- they use tax software to prepare their returns,
- the tax software supports e-filing, and
- they have broadband Internet access.

**Tax preparer e-file mandate.** A tax preparer who prepares authorized tax documents for more than ten different taxpayers during any calendar year, and prepares one or more authorized tax documents using tax software in a succeeding year, must electronically file all authorized tax documents in that succeeding tax year as well as each year thereafter. These provisions apply to tax preparers who first become subject to the mandate for calendar years beginning on or after January 1, 2012, but before January 1, 2020.

For the most up-to-date information on the e-file mandate for tax preparers, visit our [website](#).

### **Extension of the requirement to deposit sales tax into a separate bank account**

Part G of Chapter 60 of the Laws of 2016 also extended until December 31, 2019, the provisions in the Tax Law that allow the Tax Department to require certain persons responsible for collecting sales tax to deposit the sales tax they collect into a separate bank account. If a person fails to establish a separate account when notified by the Tax Department to do so, the Tax Department is authorized to require the person to file a bond. In addition, the Tax Department may revoke or suspend the person's *Certificate of Authority* to operate a business for failure to comply with these requirements. This provision was set to expire on December 31, 2016.

**Note:** A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.