

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 2, 2002, State Register a list of rules that were adopted by the Commissioner of Taxation and Finance in 1997 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 19, 2002. No public comments were received by the Department in response to the listing in January 2002, of the amendments made to section 528.7 of Title 20 NYCRR that were adopted by the Commissioner on May 14, 1997, and published in the State Register on June 4, 1997 (I.D. # TAF-12-97-00014-A) concerning the exemptions from New York State and local sales and compensating use taxes applicable to farming. This notwithstanding, the Department has determined as a result of its 2002 review that because of recent substantive amendments to the underlying provisions of the Tax Law, the 1997 amendments are now dated and cannot be continued without modification; thus, requiring this rule. See section 3, Needs and benefits, of the Regulatory Impact Statement that is being filed with this rule.