

## RURAL AREA FLEXIBILITY ANALYSIS

### DEPARTMENT OF TAXATION AND FINANCE

1. Types and estimated number of rural areas: Section 663 of the Tax Law provides that all recording officers in New York State, including those in rural areas, shall act as agents of the Commissioner of Taxation and Finance for purposes of collecting the estimated personal income tax. According to information supplied by the former New York State Office of Rural Affairs, there are 44 counties throughout New York State that are rural areas (having a population of less than 200,000) and 71 towns in the remaining 18 counties of New York State that are rural areas (with population densities of 150 people or less per square mile).

2. Reporting, recordkeeping and other compliance requirements; and professional services: The requirement imposed on local recording officers to collect the estimated tax forms and payments are imposed by section 663 of the Tax Law rather than by this regulation. This regulation, as required by section 663, requires that the recording officer collect a payment which is separate from any other payments made at the time the deed is recorded or accepted for recording, and that the recording officer must remit any funds and returns within three business days after receipt of the funds and returns.

The reporting, recordkeeping and other compliance requirements imposed on taxpayers and recording officers are attributable to the statute and not the regulation. This regulation will not encourage or discourage the use of any professional services regardless of the taxpayer's geographical location.

3. Costs: There are no fiscal or nonfiscal costs related to the promulgation of the regulation to local governments or to regulated parties located in rural areas beyond those imposed by the statute. This analysis is based on a review of the statutory provisions and on discussions among personnel from the Department's Technical Services Bureau, Office of Counsel, Division of Tax Policy Analysis, Bureau of Fiscal Management, and Planning and Management Analysis Bureau.

4. Minimizing adverse impact: In order to minimize any adverse impact on the local recording officers, the Department met with the County Clerks' Association to discuss the new procedures and to receive their input regarding the proposed requirements. The separate payment method and the due date of three business days were discussed with the County Clerks' Association, and were determined to be the best policies to satisfy the needs of the recording officers, taxpayers, and the Department in response to section 663 of the Tax Law. Advance copies of estimated tax forms and instructions were provided to the recording officers so they could prepare for the change in procedure. A technical memorandum has been issued to explain the new requirements to taxpayers and tax professionals.

5. Rural area participation: The following organizations were notified that the Department was in the process of developing this rule and were given an opportunity to participate in its development: the New York Conference of Mayors, the Association of Towns of New York State, the New York State Association of Counties, the Deputy Secretary of State for Local Government and Community Services, the Small Business Council of the New York State Business Council, the National Federation of Independent Businesses, the Division of Small Business of the New York State Department of Economic Development and the Retail Council of New York State.