

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 7, 2004, State Register a list of rules that were adopted by the Commissioner of Taxation and Finance in 1999, 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 23, 2004. No public comments were received by the Department in response to the listing in January 2004, of the addition of Part 5005 of Title 20 NYCRR that was adopted by the Commissioner on June 15, 1999, and published in the State Register on June 30, 1999 (I.D.# TAF-17-99-00005-A) concerning offers in compromise of fixed and finally determined tax liabilities. This notwithstanding, the Department has determined as a result of its 2004 review that because of a recent substantive amendment to the underlying provisions of the Tax Law, the 1999 regulations are now dated and cannot be continued without modification; thus requiring this rule. The underlying statutory change was enacted by Chapter 513 of the Laws of 2002. The chapter law expanded the Commissioner's offers in compromise authority and increased the dollar threshold of which offers in compromise require prior approval by a Supreme Court Justice.