

STATEMENT IN LIEU OF A REGULATORY FLEXIBILITY ANALYSIS
FOR SMALL BUSINESSES AND LOCAL GOVERNMENTS
DEPARTMENT OF TAXATION AND FINANCE

A Regulatory Flexibility Analysis for Small Businesses and Local Governments is not being submitted with this rule because this rule will not impose any adverse economic impact or reporting, recordkeeping, or other compliance requirements on small businesses or local governments. The rule does not distinguish between different types and sizes of regulated parties other than to reflect the statutory thresholds for required participation in the Department's electronic funds transfer program. The rule does not distinguish between regulated parties located in different geographical areas.

This rule making updates Parts 2396 and 2397 of the Department's regulations to reflect the Department's enhanced electronic funds transfer system under a new banking services contract which is planned for implementation sometime in 2005. The electronic funds transfer system is used by taxpayers to remit payments of taxes due and is the required mode of payment for large payors. Some small businesses and local governments are already participants in the program. The rule continues to reflect the compliance requirements imposed by the statute.

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 Small Business Council of the New York State Business Council, the Division of Small Business of Empire State Development, the National Federation of Independent Businesses, the Retail Council of New York State, the New York State Association of Counties, the Association of Towns of New York State, the New York Conference of Mayors, and the Office of Local Government and Community Services of the New York State Department of State. Also, industry comment as

requested from the National Payroll Reporting Consortium and various corporations that participate in the electronic funds transfer program.