

REGULATORY IMPACT STATEMENT

DEPARTMENT OF TAXATION AND FINANCE

1. Statutory authority: Tax Law, section 171, subdivision First, generally authorizes the Commissioner of Taxation and Finance to promulgate regulations; section 1135(d) requires persons selling or holding large volumes of petroleum to keep records for such periods and in the manner prescribed by the commissioner pursuant to rules and regulations. Section 1135(d) delineates certain information such records shall contain, including the number of gallons of petroleum products purchased and sold, together with such additional information as the commissioner shall require.

2. Legislative objectives: The rule amends section 533.2(e) of the regulations to require that every person subject to the inventory monitoring for underground storage facilities requirements in New York State Department of Environmental Conservation Regulation 6 NYCRR 613 that must already maintain daily inventory records for each tank (or battery of tanks if they are interconnected) must also provide or make available those records upon request by the New York State Department of Taxation and Finance. These inventory records are already required to be kept, and provide detailed information to the department regarding the volume of petroleum being stored on a daily basis. This information is relevant in examining taxpayers' books and records in the administration of the Tax Law.

3. Needs and benefits: The rule requires that every person subject to the inventory monitoring for underground storage facilities requirements in New York State Department of Environmental Conservation Regulation 6 NYCRR 613 that must already maintain daily inventory records for each tank (or battery of tanks if they are interconnected) must also provide or make available those records upon request by the New York State Department of Taxation and Finance. This rule furthers the administration of the tax law by providing the department with accurate, detailed information, to ensure that the appropriate amount of tax is remitted in connection with the purchase and sale of petroleum products. The rule imposes no additional burdens on

regulated parties in that it merely requires them to produce records they are already required to maintain under Department of Environmental Conservation regulations.

4. Costs: (a) Costs to regulated parties for the implementation and continuing compliance with this rule: Since section 1135(d) of the Tax Law already requires persons selling or holding large volumes of petroleum to keep records for such periods and in the manner prescribed by the commissioner pursuant to rules and regulations, and this rule requires only those persons already required to maintain daily inventory records under Department of Environmental Conservation regulations to provide or make available these records upon request by the department, the rule imposes no additional costs on regulated parties.

(b) Costs to this agency, the State and local governments for the implementation and continuation of this rule: the rule provides for the production of daily inventory records in the discretion of the department. No additional costs are imposed on the agency for the implementation and continuation of the rule.

(c) Information and methodology: This analysis is based on a review of the statutory requirements and on discussions among personnel from the Department's Taxpayer Guidance Division, Office of Tax Policy Analysis, Office of Budget and Management Analysis, and Management Analysis and Project Services Bureau.

5. Local government mandates: The rule imposes no local government mandates.

6. Paperwork: This rule will not require any new forms or information.

7. Duplication: This rule does not duplicate any other requirements.

8. Alternatives: Since the daily inventory records subject to production are already required to be compiled and maintained under Department of Environmental Conservation regulations, there are no preferable viable alternatives.

9. Federal standards: This rule does not exceed any minimum standards of the federal government for the same or similar subject area.

10. Compliance schedule: Because the information in question is already required to be compiled and maintained, production upon request will be required when the rule becomes effective, upon publication of the Notice of Adoption in the State Register.