

## RURAL AREA FLEXIBILITY ANALYSIS

### DEPARTMENT OF TAXATION AND FINANCE

1. Types and estimated numbers of rural areas: The purpose of this rule is to provide a definition of a New York reportable transaction and the disclosure requirements for participants in New York reportable transactions. Some taxpayers affected by these rules may be located in rural areas throughout the State. There are 44 counties throughout this State that are rural areas (having a population of less than 200,000) and 9 more counties having towns that are rural areas (with population densities of 150 fewer people per square mile).

2. Reporting, recordkeeping and other compliance requirements; and professional services: The estimates for any additional time needed in order to comply with this rule as well as the additional professional service that may be required to comply with this rule have been factored in the estimate of the compliance costs provided in Part 4 of the “Regulatory Impact Statement” for this rule.

3. Costs: There are no variations in costs for public or private concerns in rural areas. See Part 4 of the “Regulatory Impact Statement” for this rule.

4. Minimizing adverse impact: The rule does not distinguish between rural areas and non-rural areas, nor is the rule explicitly designed to affect rural areas. The New York reportable transactions amendments largely conform to similar Federal provisions on reportable transactions. The parallel design will help to minimize the adverse impact on taxpayers since they are already familiar with the requirements of the Federal provisions.

5. Rural area participation: The following organizations have been given an opportunity to participate in the rule's development: the Association of Towns of New York State; the Deputy Secretary of State for Local Government and Community Services; the Division of Small Business of Empire State Development; the National Federation of Independent Businesses; the New York State Association of Counties; the New York

Conference of Mayors; the Small Business Council of the New York State Business Council; and the Retail Council of New York State. In addition, drafts of this rule were sent to the following: the Business Council of New York State, the New York State Bar Association, the Association of Bar of the City of New York, the New York Society of CPAs, the National Conference of CPA Practitioners, and the New York City Department of Finance. No substantive comments were received from any of these parties.