

## REGULATORY IMPACT STATEMENT

### DEPARTMENT OF TAXATION AND FINANCE

1. Statutory authority: Tax Law, sections 171, subdivision First; 436 (not subdivided); and 475 (not subdivided). Section 171, subdivision First, provides the Commissioner of Taxation and Finance with the authority to make reasonable rules and regulations that may be necessary for the exercise of his or her powers and performance of his or her duties under the Tax Law. Section 436 (not subdivided) of the Tax Law provides for the authority provided by section 171 to be exercisable specifically with respect to the alcoholic beverage tax imposed by Article 18 of the Tax Law. Section 475 (not subdivided) provides the same authority as it relates specifically to the administration of the cigarette excise tax imposed under Article 20 of the Tax Law.

2. Legislative objectives: The rule is being proposed pursuant to this authority to more efficiently provide taxpayers necessary information to comply with the Tax Law.

3. Needs and benefits: This rule eliminates references to the mailing by the Department of certain publications and documents found in the alcoholic beverage, cigarette and motor fuel tax regulations. This will allow the department to disseminate these documents by more efficient methods, such as the Internet and electronic mail, thereby reducing its printing and mailing costs. This rule is the result of recommendations of a Department working group looking to reduce the Department's printing and mailing costs. The group recommended the elimination of regulatory references to the Department mailing out listings of liquor and fuel distributors. In accordance with this recommendation, sections 68.4 and 417.2 of the regulations are amended to delete the reference to these mailings. In addition, references to mailing a special permit for liquors and a replacement cigarette or tobacco product retail dealer or vending machine registration are also eliminated to allow flexibility in the future.

4. Costs:

(a) Costs to regulated parties: There is no cost to regulated parties for the implementation of and continuing compliance with the rule.

(b) Costs to the State and its local governments including this agency: This rule will not impose any costs on New York State or its local governments. The implementation and continued administration of this rule will not impose costs on the Department of Taxation and Finance. It is estimated that there will be \$8,600 savings for printing costs and \$54,000 savings for mailing costs on an annual basis attributable to not being required to print and mail these distributor lists.

(c) Information and methodology. This analysis is based on discussions among personnel from the Department's Office of Tax Policy Analysis, the Office of Counsel and the Office of Budget and Management Analysis, which examined the printing and mailing costs associated with mailing the distributor lists and updates.

5. Local government mandates: The rule imposes no mandates upon any county, city, town, village, school district, fire district, or other special district.

6. Paperwork: This rule does not impose any reporting requirements, including forms or other paperwork.

7. Duplication: There are no relevant rules or other legal requirements of the Federal or State governments that duplicate, overlap, or conflict with this rule.

8. Alternatives: The alternative of not changing the rule with respect to printing and mailing the excise tax publications and documents to taxpayers would limit the Department's ability to take advantage of more efficient means of communication.

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: This rule would become effective on the date that the Notice of Adoption regarding these amendments is published in the *State Register*.