

S5072 HOYLMAN No Same as

NOT ON FILE Tax Law

TITLE....Requires the commissioner of taxation and finance to cooperate with investigations by certain committees of the United States Congress under certain circumstances

04/08/19 REFERRED TO BUDGET AND REVENUE

HOYLMAN

Amd Tax L, generally; amd §11-1797, NYC Ad Cd

Requires the commissioner of taxation and finance to cooperate with investigations by certain committees of the United States Congress under certain circumstances.

STATE OF NEW YORK

5072

2019-2020 Regular Sessions

IN SENATE

April 8, 2019

Introduced by Sen. HOYLMAN -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law and the administrative code of the city of New York, in relation to requiring the commissioner of taxation and finance to cooperate with investigations by certain committees of the United States Congress under certain circumstances

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 697 of the tax law is amended by adding a new
2 subsection (f-1) to read as follows:

3 (f-1) Cooperation with investigations by certain committees of the
4 United States Congress.--(1) Notwithstanding the provisions of
5 subsection (e) of this section, upon written request from the chair-
6 person of the committee on ways and means of the United States House of
7 Representatives, the chairperson of the committee on finance of the
8 United States Senate, or the chairperson of the joint committee on taxa-
9 tion of the United States Congress, the commissioner may furnish such
10 committee with any returns or return information filed under this arti-
11 cle specified in such request.

12 (2) Such permission shall be granted only if the chairperson of the
13 requesting committee certifies in writing that such returns or return
14 information have been requested for a specified and legitimate legisla-
15 tive purpose, the requesting committee has made a written request to the
16 United States secretary of the treasury for related federal returns or
17 return information, pursuant to 26 U.S.C. Section 6103(f), and such
18 returns or return information will be inspected and/or submitted to
19 another committee, to the United States House of Representatives, or to
20 the United States Senate in a manner consistent with the requirements
21 and procedures established in 26 U.S.C. Section 6103(f).

22 § 2. Section 202 of the tax law is amended by adding a new subdivision
23 6 to read as follows:

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 6. (a) Notwithstanding the provisions of subdivision one of this
2 section, upon written request from the chairperson of the committee on
3 ways and means of the United States House of Representatives, the chair-
4 person of the committee on finance of the United States Senate, or the
5 chairperson of the joint committee on taxation of the United States
6 Congress, the commissioner may furnish such committee with any reports
7 or report information filed under this article specified in such
8 request.

9 (b) Such permission shall be granted only if the chairperson of the
10 requesting committee certifies in writing that such reports or report
11 information have been requested for a specified and legitimate legisla-
12 tive purpose, the requesting committee has made a written request to the
13 United States secretary of the treasury for related federal reports or
14 report information, pursuant to 26 U.S.C. Section 6103(f), and such
15 reports or report information will be inspected and/or submitted to
16 another committee, to the United States House of Representatives, or to
17 the United States Senate in a manner consistent with the requirements
18 and procedures established in 26 U.S.C. Section 6103(f).

19 § 3. Section 211 of the tax law is amended by adding a new subdivision
20 16 to read as follows:

21 16. (a) Notwithstanding the provisions of subdivision eight of this
22 section, upon written request from the chairperson of the committee on
23 ways and means of the United States House of Representatives, the chair-
24 person of the committee on finance of the United States Senate, or the
25 chairperson of the joint committee on taxation of the United States
26 Congress, the commissioner may furnish such committee with any reports
27 or report information filed under this article specified in such
28 request.

29 (b) Such permission shall be granted only if the chairperson of the
30 requesting committee certifies in writing that such reports or report
31 information have been requested for a specified and legitimate legisla-
32 tive purpose, the requesting committee has made a written request to the
33 United States secretary of the treasury for related federal reports or
34 report information, pursuant to 26 U.S.C. Section 6103(f), and such
35 reports or report information will be inspected and/or submitted to
36 another committee, to the United States House of Representatives, or to
37 the United States Senate in a manner consistent with the requirements
38 and procedures established in 26 U.S.C. Section 6103(f).

39 § 4. Section 314 of the tax law is amended by adding a new subdivision
40 (g) to read as follows:

41 (g) Cooperation with investigations by certain committees of the
42 United States Congress.--(1) Notwithstanding the provisions of subdivi-
43 sion (a) of this section, upon written request from the chairperson of
44 the committee on ways and means of the United States House of Represen-
45 tatives, the chairperson of the committee on finance of the United
46 States Senate, or the chairperson of the joint committee on taxation of
47 the United States Congress, the commissioner may furnish such committee
48 with any returns or return information filed under this article speci-
49 fied in such request.

50 (2) Such permission shall be granted only if the chairperson of the
51 requesting committee certifies in writing that such returns or return
52 information have been requested for a specified and legitimate legisla-
53 tive purpose, the requesting committee has made a written request to the
54 United States secretary of the treasury for related federal returns or
55 return information, pursuant to 26 U.S.C. Section 6103(f), and such
56 returns or return information will be inspected and/or submitted to

1 another committee, to the United States House of Representatives, or to
2 the United States Senate in a manner consistent with the requirements
3 and procedures established in 26 U.S.C. Section 6103(f).

4 § 5. Section 437 of the tax law is amended by adding a new subdivision
5 5 to read as follows:

6 5. (a) Notwithstanding the provisions of subdivision one of this
7 section, upon written request from the chairperson of the committee on
8 ways and means of the United States House of Representatives, the chair-
9 person of the committee on finance of the United States Senate, or the
10 chairperson of the joint committee on taxation of the United States
11 Congress, the commissioner may furnish such committee with any returns
12 or reports or return or report information filed under this article
13 specified in such request.

14 (b) Such permission shall be granted only if the chairperson of the
15 requesting committee certifies in writing that such returns or reports
16 or return or report information have been requested for a specified and
17 legitimate legislative purpose, the requesting committee has made a
18 written request to the United States secretary of the treasury for
19 related federal returns or reports or return or report information,
20 pursuant to 26 U.S.C. Section 6103(f), and such returns or reports or
21 return or report information will be inspected and/or submitted to
22 another committee, to the United States House of Representatives, or to
23 the United States Senate in a manner consistent with the requirements
24 and procedures established in 26 U.S.C. Section 6103(f).

25 § 6. Section 514 of the tax law is amended by adding a new subdivision
26 6 to read as follows:

27 6. (a) Notwithstanding the provisions of subdivision one of this
28 section, upon written request from the chairperson of the committee on
29 ways and means of the United States House of Representatives, the chair-
30 person of the committee on finance of the United States Senate, or the
31 chairperson of the joint committee on taxation of the United States
32 Congress, the commissioner may furnish such committee with any returns
33 or reports or return or report information filed under this article
34 specified in such request.

35 (b) Such permission shall be granted only if the chairperson of the
36 requesting committee certifies in writing that such returns or reports
37 or return or report information have been requested for a specified and
38 legitimate legislative purpose, the requesting committee has made a
39 written request to the United States secretary of the treasury for
40 related federal returns or reports or return or report information,
41 pursuant to 26 U.S.C. Section 6103(f), and such returns or reports or
42 return or report information will be inspected and/or submitted to
43 another committee, to the United States House of Representatives, or to
44 the United States Senate in a manner consistent with the requirements
45 and procedures established in 26 U.S.C. Section 6103(f).

46 § 7. Section 994 of the tax law is amended by adding a new subsection
47 (b-1) to read as follows:

48 (b-1) Cooperation with investigations by certain committees of the
49 United States Congress. (1) Notwithstanding the provisions of subsection
50 (a) of this section, upon written request from the chairperson of the
51 committee on ways and means of the United States House of Represen-
52 tatives, the chairperson of the committee on finance of the United
53 States Senate, or the chairperson of the joint committee on taxation of
54 the United States Congress, the commissioner may furnish such committee
55 with any reports or returns or report or return information filed under
56 this article specified in such request.

1 (2) Such permission shall be granted only if the chairperson of the
2 requesting committee certifies in writing that such reports or returns
3 or report or return information have been requested for a specified and
4 legitimate legislative purpose, the requesting committee has made a
5 written request to the United States secretary of the treasury for
6 related federal reports or returns or report or return information,
7 pursuant to 26 U.S.C. Section 6103(f), and such reports or returns or
8 report or return information will be inspected and/or submitted to
9 another committee, to the United States House of Representatives, or to
10 the United States Senate in a manner consistent with the requirements
11 and procedures established in 26 U.S.C. Section 6103(f).

12 § 8. Section 1146 of the tax law is amended by adding a new subdivi-
13 sion (h) to read as follows:

14 (h) (1) Notwithstanding the provisions of subdivision (a) of this
15 section, upon written request from the chairperson of the committee on
16 ways and means of the United States House of Representatives, the chair-
17 person of the committee on finance of the United States Senate, or the
18 chairperson of the joint committee on taxation of the United States
19 Congress, the commissioner may furnish such committee with any returns
20 or reports or return or report information filed under this article
21 specified in such request.

22 (2) Such permission shall be granted only if the chairperson of the
23 requesting committee certifies in writing that such returns or reports
24 or return or report information have been requested for a specified and
25 legitimate legislative purpose, the requesting committee has made a
26 written request to the United States secretary of the treasury for
27 related federal returns or reports or return or report information,
28 pursuant to 26 U.S.C. Section 6103(f), and such returns or reports or
29 return or report information will be inspected and/or submitted to
30 another committee, to the United States House of Representatives, or to
31 the United States Senate in a manner consistent with the requirements
32 and procedures established in 26 U.S.C. Section 6103(f).

33 § 9. Section 1287 of the tax law is amended by adding a new subdivi-
34 sion (g) to read as follows:

35 (g) (1) Notwithstanding the provisions of subdivision (a) of this
36 section, upon written request from the chairperson of the committee on
37 ways and means of the United States House of Representatives, the chair-
38 person of the committee on finance of the United States Senate, or the
39 chairperson of the joint committee on taxation of the United States
40 Congress, the commissioner may furnish such committee with any returns
41 or reports or return or report information filed under this article
42 specified in such request.

43 (2) Such permission shall be granted only if the chairperson of the
44 requesting committee certifies in writing that such returns or reports
45 or return or report information have been requested for a specified and
46 legitimate legislative purpose, the requesting committee has made a
47 written request to the United States secretary of the treasury for
48 related federal returns or reports or return or report information,
49 pursuant to 26 U.S.C. Section 6103(f), and such returns or reports or
50 return or report information will be inspected and/or submitted to
51 another committee, to the United States House of Representatives, or to
52 the United States Senate in a manner consistent with the requirements
53 and procedures established in 26 U.S.C. Section 6103(f).

54 § 10. Section 1296 of the tax law is amended by adding a new subdivi-
55 sion (f) to read as follows:

1 (f)(1) Notwithstanding the provisions of subdivision (a) of this
2 section, upon written request from the chairperson of the committee on
3 ways and means of the United States House of Representatives, the chair-
4 person of the committee on finance of the United States Senate, or the
5 chairperson of the joint committee on taxation of the United States
6 Congress, the commissioner may furnish such committee with any returns
7 or reports or return or report information filed under this article
8 specified in such request.

9 (2) Such permission shall be granted only if the chairperson of the
10 requesting committee certifies in writing that such returns or reports
11 or return or report information have been requested for a specified and
12 legitimate legislative purpose, the requesting committee has made a
13 written request to the United States secretary of the treasury for
14 related federal returns or reports or return or report information,
15 pursuant to 26 U.S.C. Section 6103(f), and such returns or reports or
16 return or report information will be inspected and/or submitted to
17 another committee, to the United States House of Representatives, or to
18 the United States Senate in a manner consistent with the requirements
19 and procedures established in 26 U.S.C. Section 6103(f).

20 § 11. Section 1299-f of the tax law is amended by adding a new subdivi-
21 sion (d) to read as follows:

22 (d)(1) Notwithstanding the provisions of subdivision (a) of this
23 section, upon written request from the chairperson of the committee on
24 ways and means of the United States House of Representatives, the chair-
25 person of the committee on finance of the United States Senate, or the
26 chairperson of the joint committee on taxation of the United States
27 Congress, the commissioner may furnish such committee with any returns
28 or reports or return or report information filed under this article
29 specified in such request.

30 (2) Such permission shall be granted only if the chairperson of the
31 requesting committee certifies in writing that such returns or reports
32 or return or report information have been requested for a specified and
33 legitimate legislative purpose, the requesting committee has made a
34 written request to the United States secretary of the treasury for
35 related federal returns or reports or return or report information,
36 pursuant to 26 U.S.C. Section 6103(f), and such returns or reports or
37 return or report information will be inspected and/or submitted to
38 another committee, to the United States House of Representatives, or to
39 the United States Senate in a manner consistent with the requirements
40 and procedures established in 26 U.S.C. Section 6103(f).

41 § 12. Section 1418 of the tax law is amended by adding a new subdivi-
42 sion (i) to read as follows:

43 (i)(1) Notwithstanding the provisions of subdivision (a) of this
44 section, upon written request from the chairperson of the committee on
45 ways and means of the United States House of Representatives, the chair-
46 person of the committee on finance of the United States Senate, or the
47 chairperson of the joint committee on taxation of the United States
48 Congress, the commissioner may furnish such committee with any returns
49 or return information filed under this article specified in such
50 request.

51 (2) Such permission shall be granted only if the chairperson of the
52 requesting committee certifies in writing that such returns or return
53 information have been requested for a specified and legitimate legisla-
54 tive purpose, the requesting committee has made a written request to the
55 United States secretary of the treasury for related federal returns or
56 return information, pursuant to 26 U.S.C. Section 6103(f), and such

1 returns or return information will be inspected and/or submitted to
2 another committee, to the United States House of Representatives, or to
3 the United States Senate in a manner consistent with the requirements
4 and procedures established in 26 U.S.C. Section 6103(f).

5 § 13. Section 1518 of the tax law is amended by adding a new subdivi-
6 sion (h) to read as follows:

7 (h) (1) Notwithstanding the provisions of subdivision (a) of this
8 section, upon written request from the chairperson of the committee on
9 ways and means of the United States House of Representatives, the chair-
10 person of the committee on finance of the United States Senate, or the
11 chairperson of the joint committee on taxation of the United States
12 Congress, the commissioner may furnish such committee with any returns
13 or return information filed under this article specified in such
14 request.

15 (2) Such permission shall be granted only if the chairperson of the
16 requesting committee certifies in writing that such returns or return
17 information have been requested for a specified and legitimate legisla-
18 tive purpose, the requesting committee has made a written request to the
19 United States secretary of the treasury for related federal returns or
20 return information, pursuant to 26 U.S.C. Section 6103(f), and such
21 returns or return information will be inspected and/or submitted to
22 another committee, to the United States House of Representatives, or to
23 the United States Senate in a manner consistent with the requirements
24 and procedures established in 26 U.S.C. Section 6103(f).

25 § 14. Section 1555 of the tax law is amended by adding a new subdivi-
26 sion (f) to read as follows:

27 (f) (1) Notwithstanding the provisions of subdivision (a) of this
28 section, upon written request from the chairperson of the committee on
29 ways and means of the United States House of Representatives, the chair-
30 person of the committee on finance of the United States Senate, or the
31 chairperson of the joint committee on taxation of the United States
32 Congress, the commissioner may furnish such committee with any returns
33 or return information filed under this article specified in such
34 request.

35 (2) Such permission shall be granted only if the chairperson of the
36 requesting committee certifies in writing that such returns or return
37 information have been requested for a specified and legitimate legisla-
38 tive purpose, the requesting committee has made a written request to the
39 United States secretary of the treasury for related federal returns or
40 return information, pursuant to 26 U.S.C. Section 6103(f), and such
41 returns or return information will be inspected and/or submitted to
42 another committee, to the United States House of Representatives, or to
43 the United States Senate in a manner consistent with the requirements
44 and procedures established in 26 U.S.C. Section 6103(f).

45 § 15. Section 11-1797 of the administrative code of the city of New
46 York is amended by adding a new subdivision (m) to read as follows:

47 (m) (1) Notwithstanding the provisions of subdivision (e) of this
48 section, upon written request from the chairperson of the committee on
49 ways and means of the United States House of Representatives, the chair-
50 person of the committee on finance of the United States Senate, or the
51 chairperson of the joint committee on taxation of the United States
52 Congress, the commissioner of taxation and finance may furnish such
53 committee with any reports or returns or report or return information
54 filed under this article specified in such request.

55 (2) Such permission shall be granted only if the chairperson of the
56 requesting committee certifies in writing that such reports or returns

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1 or report or return information have been requested for a specified and
2 legitimate legislative purpose, the requesting committee has made a
3 written request to the United States secretary of the treasury for
4 related federal reports or returns or report or return information,
5 pursuant to 26 U.S.C. Section 6103(f), and such reports or returns or
6 report or return information will be inspected and/or submitted to
7 another committee, to the United States House of Representatives, or to
8 the United States Senate in a manner consistent with the requirements
9 and procedures established in 26 U.S.C. Section 6103(f).

10 § 16. This act shall take effect immediately.

**NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI. Sec 1**

BILL NUMBER: S5072

SPONSOR: HOYLMAN

TITLE OF BILL: An act to amend the tax law and the administrative code of the city of New York, in relation to requiring the commissioner of taxation and finance to cooperate with investigations by certain committees of the United States Congress under certain circumstances

SUMMARY OF SPECIFIC PROVISIONS:

Section 1 of the bill amends section 697 of the Tax Law (Personal Income Tax) to add a new subsection authorizing the Commissioner of the Department of Taxation and Finance to share state income tax return and return information upon the written request of the Chairperson of the U.S. House Ways & Means Committee, the U.S. Senate Finance Committee, and the Joint Committee on Taxation.

The new subsection provides that such request must be accompanied by certification that the tax returns have been requested for a specified and legitimate legislative purpose, the requesting committee has made a written request to the U.S. Secretary of the Treasury for related federal returns or return information and that the returns will be treated by the requesting committee in a manner consistent with federal law authorizing the same committees to request and receive federal income tax returns from the U.S. Treasury.

Section 2 of the bill adds similar language to section 202 of the Tax Law (Corporation Tax).

Section 3 of the bill adds similar language to section 211 of the Tax Law (Franchise Tax on Business Corporations).

Section 4 of the bill adds similar language to section 314 of the Tax Law (Tax on Petroleum Businesses).

Section 5 of the bill adds similar language to section 437 of the Tax Law (Taxes on Alcoholic Beverages).

Section 6 of the bill adds similar language to section 514 of the Tax Law (Highway Use Tax).

Section 7 of the bill adds similar language to section 994 of the Tax Law (Estate Tax).

Section 8 of the bill adds similar language to section 1146 of the Tax Law (Sales and Compensating Use Taxes).

Section 9 of the bill adds similar language to section 1287 of the Tax Law (Tax on Medallion Taxicab Trips in the Metropolitan Commuter Transportation District).

Section 10 of the bill adds similar language to section 1296 of the Tax Law (State Assessment Fee on Transportation Network Prearranged Trips).

Section 11 of the bill adds similar language to section 1299-F of the Tax Law (Congestion Surcharge).

Section 12 of the bill adds similar language to section 1418 of the Tax Law (Real Estate Transfer Tax).

Section 13 of the bill adds similar language to section 1518 of the Tax Law (Franchise Taxes on Insurance Corporations).

Section 14 of the bill adds similar language to section 1555 of the Tax Law (Tax on Independently Procured Insurance).

Section 15 of the bill adds similar language to section 11-1797 of the New York City Administrative Code (City Personal Income Tax on Residents).

Section 16 of the bill is the effective date.

JUSTIFICATION:

Since 1924, federal law has allowed the U.S. House Ways & Means Committee, the U.S. Senate Finance Committee, and the Joint Committee on Taxation to obtain and inspect the confidential federal income tax information of any taxpayer via a written request to the U.S. Secretary of the Treasury or his or her designee. (See 26 U.S.C. 6103(f)). While the federal law provides a clear, unqualified right for the Congressional committees to request and receive such returns, it's possible to contemplate a scenario in which a Congressional inquiry could be aided or supplemented by New York state tax return information.

Currently, New York law provides no legal mechanism for the state to cooperate with a Congressional committee exercising its tax oversight function pursuant to 26 U.S.C. 6103(f). New York's various tax privacy laws (e.g., Section 697(e) of the Tax Law) generally prohibit the New York State Department of Taxation & Finance from sharing tax returns or tax return information, unless there is an exception written into statute. Existing New York law authorizes the Department to share state tax return information with the U.S. Treasury Department and other states' tax departments for the purposes of tax-related investigations (see, e.g. Section 697(f) of the Tax Law). This legislation would extend similar authorization to the Department for sharing state tax return information with the specified Congressional committees.

This proposal authorizes the Commissioner of the Department of Taxation and Finance to furnish state tax return or return information upon written request of the chairperson of the U.S. House Ways & Means Committee, the U.S. Senate Finance Committee, or the Joint Committee on Taxation. The Commissioner may only share such information if the written request certifies that (1) the returns or return information are being requested for a specified and legitimate legislative purpose, (2) the requesting committee has made a related request to the U.S. Treasury Department pursuant to 26 U.S.C. 6103(f), and (3) the returns and/or return information will be treated consistent with federal law for the purposes of inspection and/or disclosure by the committee. As with the existing exceptions to the general tax privacy law, the discretion to share the information ultimately rests with the Commissioner.

The Congressional tax-related committees play an important role in oversight of tax administration, tax policy, and the federal agencies responsible for implementing laws within the committees' jurisdiction. If those committees determine that New York State could provide information helpful to the execution of those oversight duties, it makes sense to establish a legal mechanism for the State to do so.

PRIOR LEGISLATIVE HISTORY:

None, new bill.

FISCAL IMPLICATIONS:

To be determined.

EFFECTIVE DATE:

This act shall take effect immediately.