S T A T E O F N E W Y O R K

5140--B

2011-2012 Regular Sessions

I N S E N A T E

May 3, 2011

Introduced by Sens. FARLEY, DeFRANCISCO, GRIFFO, GRISANTI -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to establishing the taxpayer refund choice act and affirming the right of state residents to receive personal income tax refunds by paper check and requiring the department of taxation and finance to fully describe any debit card or direct deposit program; and providing for the repeal of such provisions upon expiration thereof

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. This act shall be known and may be cited as the "taxpayer refund choice act".

S 2. The tax law is amended by adding a new section 3013 to read as follows:

S 3013. METHOD OF PAYMENT OF PERSONAL INCOME TAX REFUNDS; NOTICE. (A) NOTWITHSTANDING THE ADOPTION BY THE COMMISSIONER OF ANY PREPAID DEBIT CARD OR DIRECT DEPOSIT PROGRAM FOR PAYMENT OF PERSONAL INCOME TAX REFUNDS, ALL TAXPAYERS ARE ENTITLED:

(1) TO RECEIVE PERSONAL INCOME TAX REFUNDS BY PAPER CHECK; AND

(2) TO OPT OUT OF ANY PREPAID DEBIT CARD OR DIRECT DEPOSIT PROGRAM FOR PAYMENT OF TAX REFUNDS.

(B) THE DEPARTMENT SHALL PROVIDE TAXPAYERS WITH A CLEAR WRITTEN STATEMENT SETTING FORTH THE TAXPAYER'S RIGHT:

(1) TO RECEIVE TAX REFUND PAYMENTS BY PAPER CHECK; AND

(2) TO OPT OUT OF ANY PREPAID DEBIT CARD OR DIRECT DEPOSIT PROGRAM.

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

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(C) IN THE EVENT THAT THE COMMISSIONER ELECTS TO IMPLEMENT A PROGRAM PROVIDING FOR PAYMENT OF PERSONAL INCOME TAX REFUNDS BY PREPAID DEBIT CARD OR DIRECT DEPOSIT TO A DESIGNATED ACCOUNT OF THE TAXPAYER, THE DEPARTMENT SHALL AMEND THE FORMS USED TO FILE PERSONAL INCOME TAX RETURNS TO REFLECT, IN THE AREA DESIGNATED FOR SELECTION OF OPTIONS FOR PROCESSING OF REFUNDS, THAT THE TAXPAYER HAS THE OPTION OF RECEIVING HIS OR HER TAX REFUND BY PERSONAL CHECK AND SHALL PROVIDE A BOX WHICH THE TAXPAYER MAY CHECK TO SELECT THAT OPTION.

(D) IN ANY WRITTEN NOTICE REGARDING A PREPAID DEBIT CARD PROGRAM FOR THE PAYMENT OF TAX REFUNDS, THE DEPARTMENT SHALL DESCRIBE TO TAXPAYERS ALL OF THE FEATURES OF THE DEBIT CARD PROGRAM (E.G., WITHDRAWAL AT ANY ATM OR POINT-OF-SALE USE), INCLUDING ANY FEE OR FEES WHICH MAY BE CHARGED TO THE TAXPAYER IN ACCESSING HIS OR HER TAX REFUND.

S 3. This act shall take effect on the ninetieth day after it shall have become a law and shall expire and be deemed repealed five years after such effective date.