

STATE OF NEW YORK

4166

2025-2026 Regular Sessions

IN SENATE

February 3, 2025

Introduced by Sen. BAILEY -- 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, in relation to taxpayers affected by a federal government shutdown

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

1 Section 1. Section 657 of the tax law is amended by adding a new
2 subsection (d) to read as follows:

3 (d) Automatic extension for employees affected by a federal government
4 shutdown. An automatic extension shall be granted to any taxpayer who is
5 employed by the federal government and is furloughed as a result of a
6 federal government shutdown. Such extension shall be granted for filing
7 a tax return or paying a tax otherwise required on April fifteenth. The
8 length of such extension shall be sixty days from the date the federal
9 government reopens. Subsection (b) of this section shall not apply to
10 persons granted an extension by this subsection. No penalties or inter-
11 est shall be assessed or imposed upon a taxpayer during such extension
12 as granted herein.

13 § 2. Section 171 of the tax law is amended by adding a new subdivision
14 twenty-ninth to read as follows:

15 Twenty-ninth. (a) Provide for the payment by the department of every
16 refund due to a taxpayer pursuant to subsection (d) of section six
17 hundred fifty-seven of this chapter within thirty days of the receipt by
18 the department of the tax return claiming such refund; provided that, if
19 the department is unable to pay a tax refund because of a discrepancy in
20 the taxpayer's tax return, the department shall, within such thirty day
21 period, provide for written notice to the taxpayer of the specific
22 discrepancy and a date when such discrepancy can be expected to be
23 resolved.

24 (b) Upon the failure to provide a refund or written notice to a
25 taxpayer pursuant to paragraph (a) of this subdivision, the department
26 shall pay the taxpayer interest on the refund owed at a rate of six
27 percent per annum.

28 § 3. This act shall take effect immediately.

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

LBD08453-01-5