

STATE OF NEW YORK

701--A

2017-2018 Regular Sessions

IN ASSEMBLY

January 9, 2017

Introduced by M. of A. DINOWITZ, GALEF -- Multi-Sponsored by -- M. of A. McDONOUGH, McKEVITT -- read once and referred to the Committee on Cities -- reported and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the administrative code of the city of New York and the tax law, in relation to authorizing the payment of rewards in connection with the enforcement of the cigarette tax

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

Section 1. Section 11-1308 of the administrative code of the city of New York is amended by adding a new subdivision 12 to read as follows:

12. In his or her sole discretion, to approve a reward, in a suitable amount, for information that leads to (i) the detection of underpayments of tax or fees required to be paid under this chapter, (ii) the detection of and assessment of penalties on persons violating or conspiring to violate any provision of this chapter, (iii) the detection and conviction under chapter forty of this title of persons guilty of violating or conspiring to violate any provisions of this chapter, (iv) a seizure and forfeiture of cigarettes under section 11-4021 of this title, or (v) a suspension or revocation of a license issued under this chapter. The rewards provided for by this subdivision will be paid from the proceeds of amounts (other than interest) collected in connection with the administration of this chapter and sections 11-4007, 11-4008, 11-4009, 11-4012 and 11-4021 of this title by reason of the information provided. For purposes of this subdivision, proceeds of amounts (other than interest) collected in connection with the administration of this chapter and sections 11-4007, 11-4008, 11-4009, 11-4012 and 11-4021 of this title because of the information provided include both additional amounts collected and amounts collected prior to receipt of the information if the information leads to the denial of a claim for refund that

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

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1 otherwise would have been paid. A "suitable amount" for purposes of this
2 subdivision will depend on the facts and circumstances, but generally
3 will not exceed fifteen percent of the amount (other than interest)
4 collected by reason of the information provided.

5 § 2. The tax law is amended by adding a new section 479-a to read as
6 follows:

7 § 479-a. Reward for detection of cigarette tax fraud. The commissioner
8 may, in his or her sole discretion, approve a reward, in a suitable
9 amount, for information that leads to (1) the detection of underpayments
10 of tax or fees required to be paid on cigarettes under this article, (2)
11 the detection of and assessment of penalties on persons violating or
12 conspiring to violate any provision of this article pertaining to the
13 cigarette tax, (3) the detection and conviction of persons guilty of
14 violating or conspiring to violate any provisions of this article
15 pertaining to the cigarette tax, (4) a seizure and forfeiture of ciga-
16 rettes under this article, or (5) a suspension or revocation of a
17 license issued under this article. The rewards provided for by this
18 section will be paid from the proceeds of amounts (other than interest)
19 collected in connection with the administration of this article and
20 forfeitures by reason of the information provided. For purposes of this
21 section, proceeds of amounts (other than interest) collected in
22 connection with the administration of this article and forfeitures
23 because of the information provided include both additional amounts
24 collected and amounts collected prior to receipt of the information if
25 the information leads to the denial of a claim for refund that otherwise
26 would have been paid. A "suitable amount" for purposes of this section
27 will depend on the facts and circumstances, but generally will not
28 exceed fifteen percent of the amount (other than interest) collected by
29 reason of the information provided.

30 § 3. This act shall take effect immediately.