

STATE OF NEW YORK

5886

2017-2018 Regular Sessions

IN SENATE

May 4, 2017

Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Cities

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:

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

3 12. In his or her sole discretion, to approve a reward, in a suitable
4 amount, for information that leads to (i) the detection of underpayments
5 of tax or fees required to be paid under this chapter, (ii) the
6 detection of and assessment of penalties on persons violating or
7 conspiring to violate any provision of this chapter, (iii) the detection
8 and conviction under chapter forty of this title of persons guilty of
9 violating or conspiring to violate any provisions of this chapter, (iv)
10 a seizure and forfeiture of cigarettes under section 11-4021 of this
11 title, or (v) a suspension or revocation of a license issued under this
12 chapter. The rewards provided for by this subdivision will be paid from
13 the proceeds of amounts (other than interest) collected in connection
14 with the administration of this chapter and sections 11-4007, 11-4008,
15 11-4009, 11-4012 and 11-4021 of this title by reason of the information
16 provided. For purposes of this subdivision, proceeds of amounts (other
17 than interest) collected in connection with the administration of this
18 chapter and sections 11-4007, 11-4008, 11-4009, 11-4012 and 11-4021 of
19 this title because of the information provided include both additional
20 amounts collected and amounts collected prior to receipt of the informa-
21 tion if the information leads to the denial of a claim for refund that
22 otherwise would have been paid. A "suitable amount" for purposes of this
23 subdivision will depend on the facts and circumstances, but generally

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

LBD11393-01-7

1 will not exceed fifteen percent of the amount (other than interest)
2 collected by reason of the information provided.

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

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

28 § 3. This act shall take effect immediately.