

# STATE OF NEW YORK

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5886

2017-2018 Regular Sessions

## IN SENATE

May 4, 2017

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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.