

STATE OF NEW YORK

9768

IN ASSEMBLY

February 11, 2020

Introduced by M. of A. CYMBROWITZ -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to reporting requirements for payment settlement entities, third party settlement organizations and electronic payment facilitators

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

1 Section 1. Subdivision 1 of section 1703 of the tax law, as added by
2 section 1 of part E of chapter 57 of the laws of 2010, paragraph (c) as
3 amended by chapter 235 of the laws of 2013, is amended to read as
4 follows:

5 1. (a) Every payment settlement entity, third party settlement organ-
6 ization, electronic payment facilitator or other third party acting on
7 behalf of a payment settlement entity, all as defined in section 6050W
8 of the internal revenue code and referred to herein as "a reporting
9 entity," required to file information returns pursuant to [~~that section~~]
10 paragraph (b) of this subdivision shall, within thirty days of the
11 filing thereof, file with the department in such form and manner as
12 prescribed by the commissioner either (i) a duplicate of all such infor-
13 mation returns [~~or~~]; (ii) a duplicate of such information returns
14 related to participating payees, as defined in section 6050W of the
15 internal revenue code, with a New York state address or New York state
16 taxpayers; or (iii) in an alternate form as prescribed by the commis-
17 sioner. The commissioner may require that such returns be filed elec-
18 tronically.

19 (b) A reporting entity shall report the gross amount paid in settle-
20 ment to a payee that is equal to six hundred dollars or greater irre-
21 spective of the number of transactions between such reporting entity and
22 such payee, and notwithstanding such reporting entity's obligation under
23 section 6050W of the internal revenue code.

24 (c) To facilitate accurate reporting by the entities required to file
25 information returns pursuant to this section, the department shall
26 provide a list or database of New York state taxpayers no later than
27 forty-five days prior to the information reporting deadline, in such

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

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1 form and manner as prescribed by the commissioner. The information
2 included in such list or database shall not be used by a reporting enti-
3 ty for any purpose other than producing and filing information returns
4 pursuant to this section.

5 [~~(e)~~] (d) Any information received by the department on an information
6 return filed pursuant to this section, concerning a person who is not
7 subject to tax in New York, or is not subject to any requirement imposed
8 by or pursuant to the authority of this chapter, may not be used by the
9 department. The department shall not redisclose any information received
10 on an information return filed pursuant to this section, except that it
11 may disclose to the commissioner of finance of the city of New York, for
12 the purpose of the administration of laws relating to taxes or charges
13 collected by the commissioner of finance of the city of New York, infor-
14 mation received on such returns concerning any person or entity with a
15 New York city address or that is a New York city taxpayer or that is
16 required to pay New York city taxes and/or charges or that is subject to
17 any reporting requirement pursuant to New York city tax laws.

18 § 2. This act shall take effect on the first of January next succeed-
19 ing the date on which it shall have become a law and shall apply to
20 taxable years beginning on and after such date.