

STATE OF NEW YORK

11282

IN ASSEMBLY

May 6, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Rozic) --
read once and referred to the Committee on Consumer Affairs and
Protection

AN ACT to amend the general business law, in relation to requiring a
payroll services business to compile and provide annual wage and tax
statements and/or year-end forms to clients

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

1 Section 1. The general business law is amended by adding a new section
2 394-j to read as follows:

3 § 394-j. Requirements for certain contracts involving payroll services
4 businesses. 1. Any payroll services business entering into a payroll
5 service contract or other agreement with a client shall, as a condition
6 of such contract or other agreement, compile and provide such client's
7 and such client's employees' annual wage and tax statements, including
8 but not limited to W-2 forms, and/or any year-end forms without addi-
9 tional cost or delay. No financial or other dispute between the payroll
10 services business and its client shall allow such payroll services busi-
11 ness to withhold, delay, or fail to deliver its client's and client's
12 employees' annual wage and tax statements and/or any year-end forms.

13 2. Any payroll services business that violates this section is liable
14 for a civil penalty of not more than one thousand dollars for a first
15 violation and a civil penalty of not more than one thousand five hundred
16 dollars for each succeeding violation.

17 3. (a) For purposes of this section, the term "payroll services busi-
18 ness" shall mean a business, with the exception of an office of a certi-
19 fied public accountant, engaged in the following without also providing
20 accounting, bookkeeping, or billing services:

21 (1) collecting information on hours worked, pay rates, deductions, and
22 other payroll-related data from their clients; and

23 (2) using such information to generate paychecks, payroll reports, and
24 tax filings.

25 (b) A payroll services business may use data processing and tabulating
26 techniques as part of providing their services.

27 § 2. This act shall take effect on the ninetieth day after it shall
28 have become a law.

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

LBD15148-05-6