

STATE OF NEW YORK

4664

2025-2026 Regular Sessions

IN ASSEMBLY

February 4, 2025

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

AN ACT to amend the tax law, in relation to the enforcement of delinquent tax liabilities by means of the suspension of licenses to operate a motor vehicle

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

1 Section 1. Subdivisions 1, 3 and 5 of section 171-v of the tax law,
2 subdivision 1 as added by section 1 of part P of chapter 59 of the laws
3 of 2013, and subdivisions 3 and 5 as amended by section 1 of part EEE of
4 chapter 59 of the laws of 2019, are amended to read as follows:

5 (1) The commissioner shall enter into a written agreement with the
6 commissioner of motor vehicles, which shall set forth the procedures for
7 the two departments to cooperate in a program to improve tax collection
8 through the suspension of drivers' licenses of taxpayers with past-due
9 tax liabilities equal to or in excess of ten thousand dollars multiplied
10 by the applicable inflation adjustment. For the purposes of this
11 section, the term "tax liabilities" shall mean any tax, surcharge, or
12 fee administered by the commissioner, or any penalty or interest due on
13 these amounts owed by an individual with a New York driver's license,
14 the term "driver's license" means any license issued by the department
15 of motor vehicles, except for a commercial driver's license as defined
16 in section five hundred one-a of the vehicle and traffic law, and the
17 term "past-due tax liabilities" means any tax liability or liabilities
18 which have become fixed and final such that the taxpayer no longer has
19 any right to administrative or judicial review, and the "applicable
20 inflation adjustment" for a calendar year shall be determined under the
21 principles of section 7345(f) of the Internal Revenue Code of 1986,
22 using the calendar year of the effective date of the chapter of the laws
23 of two thousand twenty-five which amended this subdivision as the base
24 period. The ten thousand dollar limitation in this subdivision shall not

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

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1 apply to a taxpayer that the commissioner determines has taken affirma-
2 tive steps to evade or avoid the collection of tax, such as by hiding
3 assets.

4 (3) The department shall provide notice to the taxpayer of [~~his or~~
5 ~~her~~] the taxpayer's inclusion in the license suspension program no later
6 than sixty days prior to the date the department intends to inform the
7 commissioner of motor vehicles of the taxpayer's inclusion. However, no
8 such notice shall be issued to a taxpayer: (i) whose wages are being
9 garnished by the department for the payment of past-due tax liabilities
10 or past-due child support or combined child and spousal support arrears;
11 (ii) who receives public assistance or supplemental security income; or
12 (iii) whose income does not exceed two hundred fifty percent of the
13 poverty level as reported by the federal Department of Health and Human
14 Services or any successor agency. Notice shall be provided by first
15 class mail to the taxpayer's last known address as such address appears
16 in the electronic systems or records of the department. Such notice
17 shall include:

18 (a) a clear statement of the past-due tax liabilities along with a
19 statement that the department shall provide to the department of motor
20 vehicles the taxpayer's name, social security number and any other iden-
21 tifying information necessary for the purpose of suspending [~~his or her~~
22 the taxpayer's driver's license pursuant to this section and subdivision
23 four-f of section five hundred ten of the vehicle and traffic law sixty
24 days after the mailing or sending of such notice to the taxpayer;

25 (b) a statement that the taxpayer may avoid suspension of [~~his or her~~
26 the taxpayer's license by fully satisfying the past-due tax liabilities,
27 by making payment arrangements satisfactory to the commissioner, or by
28 demonstrating any of the grounds for challenge set forth in subdivision
29 five of this section, or by presenting facts to the commissioner result-
30 ing in the commissioner waiving suspension of the taxpayer's license
31 based on the equities of the case. Such statement shall include informa-
32 tion regarding programs through which the taxpayer can pay the past-due
33 tax liabilities to the department, enter into a payment arrangement or
34 request additional information needed to challenge the suspension under
35 subdivision five of this section or demonstrate the equities of the
36 case;

37 (c) a statement that the taxpayer's right to protest the notice is
38 limited to raising issues set forth in subdivision five of this section;

39 (d) a statement that the suspension of the taxpayer's driver's license
40 shall continue until the past-due tax liabilities are fully paid or the
41 taxpayer makes payment arrangements satisfactory to the commissioner;
42 and

43 (e) any other information that the commissioner deems necessary.

44 (5) Notwithstanding any other provision of law, and except as specif-
45 ically provided herein, the taxpayer shall have no right to commence a
46 court action or proceeding or to any other legal recourse against the
47 department or the department of motor vehicles regarding a notice issued
48 by the department pursuant to this section and the referral by the
49 department of any taxpayer with past-due tax liabilities to the depart-
50 ment of motor vehicles pursuant to this section for the purpose of
51 suspending the taxpayer's driver's license. A taxpayer may only chal-
52 lenge such suspension or referral on the grounds that (i) the individual
53 to whom the notice was provided is not the taxpayer at issue; (ii) the
54 past-due tax liabilities were satisfied; (iii) the taxpayer's wages are
55 being garnished by the department for the payment of the past-due tax
56 liabilities at issue or for past-due child support or combined child and

1 spousal support arrears; (iv) the taxpayer's wages are being garnished
2 for the payment of past-due child support or combined child and spousal
3 support arrears pursuant to an income execution issued pursuant to
4 section five thousand two hundred forty-one of the civil practice law
5 and rules; (v) the taxpayer's driver's license is a commercial driver's
6 license as defined in section five hundred one-a of the vehicle and
7 traffic law; (vi) the department incorrectly found that the taxpayer has
8 failed to comply with the terms of a payment arrangement made with the
9 commissioner more than once within a twelve month period for the
10 purposes of subdivision three of this section; (vii) the taxpayer
11 receives public assistance or supplemental security income; [~~or~~] (viii)
12 [~~the taxpayer demonstrates that suspension of the taxpayer's driver's~~
13 ~~license will cause the taxpayer undue economic hardship]~~ the taxpayer's
14 income does not exceed two hundred fifty percent of the poverty level as
15 reported by the federal Department of Health and Human Services or any
16 successor agency; or (ix) payment of the past-due tax liabilities will
17 create a hardship for the taxpayer in meeting necessary living expenses.

18 However, nothing in this subdivision is intended to limit a taxpayer
19 from seeking relief pursuant to an offer in compromise pursuant to
20 subdivision fifteenth of section one hundred seventy-one of this article
21 or from joint and several liability pursuant to section six hundred
22 fifty-four of this chapter, to the extent that [~~he or she~~] the taxpayer
23 is eligible pursuant to such section, or establishing to the department
24 that the enforcement of the underlying tax liabilities has been stayed
25 by the filing of a petition pursuant to the Bankruptcy Code of 1978
26 (Title Eleven of the United States Code).

27 § 2. The commissioner of taxation and finance is authorized and
28 directed to promulgate any rules and regulations necessary to implement
29 the provisions of this act in accordance with the provisions of the
30 state administrative procedure act.

31 § 3. This act shall take effect on the first of April next succeeding
32 the date on which it shall have become a law.