STATE OF NEW YORK

9721

IN SENATE

April 2, 2026

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

AN ACT to amend the state finance law, in relation to the liability of a person who makes or uses a false record or statement material to an obligation to pay money to the state or a local government under the tax law, or who conceals or improperly avoids or decreases an obligation to pay money to the state or a local government under the tax law

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

Section 1. Section 189 of the state finance law is amended by adding a new subdivision 1-a to read as follows:

1-a. Any person who, in accordance with the criteria set forth in subdivision four of this section:

(a) makes, uses, or causes to be made or used, a false record or statement material to their own obligation to pay money to the state or a local government under the tax law, or an obligation of a subsidiary, partnership, corporation or entity that they control; or

(b) conceals or improperly avoids or decreases their own obligation to pay money to the state or a local government under the tax law, or an obligation of a subsidiary, partnership, corporation or entity that they control; shall be liable for damages, including consequential damages, which the state or local government sustains because of the act of that person. For purposes of this section, consequential damages includes interest owed pursuant to the tax law.

§ 2. Paragraph (b) of subdivision 3 of section 188 of the state finance law, as amended by chapter 379 of the laws of 2010, is amended to read as follows:

(b) require no proof of specific intent to defraud, provided, however that acts occurring by mistake or as a result of mere negligence are not covered by this [~~article~~] **definition**.

§ 3. This act shall take effect immediately and shall apply to all false claims, records, statements and obligations concealed, avoided or decreased on, prior to, or after such effective date.

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

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