

# STATE OF NEW YORK

9755

## IN SENATE

April 2, 2026

Introduced by Sen. SUTTON -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer 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 Assembly, 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. A client of a payroll services business and such client's employees  
14 damaged by a violation of this section may bring an action for recovery  
15 of damages; provided, however, nothing in this section shall be  
16 construed to authorize a client's employees to bring an action against  
17 such client for any damages caused by a violation of this section by a  
18 payroll services business.

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

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

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

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

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

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