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 Assembly, do enact as follows:

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

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

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

3. (a) For purposes of this section, the term "payroll services business" shall mean a business, with the exception of an office of a certified public accountant, engaged in the following without also providing accounting, bookkeeping, or billing services:

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

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

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

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

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

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