

STATE OF NEW YORK

1561

2025-2026 Regular Sessions

IN SENATE

January 10, 2025

Introduced by Sen. TEDISCO -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the legislative law, the public officers law and the tax law, in relation to eligibility to assume office for persons owing past-due tax liabilities

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

1 Section 1. The legislative law is amended by adding a new section 3-a
2 to read as follows:

3 § 3-a. Past-due tax liabilities of members-elect. 1. The legislature
4 shall require a tax clearance from the department of taxation and
5 finance, as provided for in section one hundred seventy-one-x of the tax
6 law, for each member-elect of the legislature. No person elected to the
7 legislature having past-due tax liabilities, as defined in subdivision
8 one of section one hundred seventy-one-x of the tax law, or otherwise
9 denied a tax clearance by the department of taxation and finance pursu-
10 ant to such section, shall be sworn into or assume office unless and
11 until such past-due tax liabilities are satisfied, settled, or made
12 subject to a payment plan established by the department of taxation and
13 finance and in which such person is in good standing.

14 2. If, after six months subsequent to the date on which such member-e-
15 lect would have been sworn into office but for their owing past-due tax
16 liabilities, such past-due tax liabilities have not been satisfied,
17 settled, or made subject to a payment plan established by the department
18 of taxation and finance and in which such person is in good standing,
19 then a special election shall be held to fill such office.

20 § 2. Section 3 of the public officers law is amended by adding a new
21 subdivision 1-b to read as follows:

22 1-b. (i) Any person elected to the office of a statewide elected offi-
23 cial, which for the purposes of this section shall mean the governor,

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

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1 lieutenant governor, comptroller or attorney general, shall, upon
2 certification of such person's election, request a tax clearance from
3 the department of taxation and finance, as provided for in section one
4 hundred seventy-one-x of the tax law. No such person having past-due tax
5 liabilities, as defined in subdivision one of section one hundred seven-
6 ty-one-x of the tax law, or otherwise denied a tax clearance by the
7 department of taxation and finance pursuant to such section, shall be
8 sworn into or assume office unless and until such past-due tax liabil-
9 ities are satisfied, settled, or made subject to a payment plan estab-
10 lished by the department of taxation and finance and in which such
11 person is in good standing.

12 (ii) If, after six months subsequent to the date on which a person
13 elected to statewide office would have been sworn into office but for
14 their owing past-due tax liabilities, such past-due tax liabilities have
15 not been satisfied, settled, or made subject to a payment plan estab-
16 lished by the department of taxation and finance and in which such
17 person is in good standing, then a special election shall be held to
18 fill such office.

19 § 3. The tax law is amended by adding a new section 171-x to read as
20 follows:

21 § 171-x. Enforcement of delinquent tax liabilities through tax clear-
22 ances. (1) For the purposes of this section, the term "tax liabilities"
23 shall mean any tax, surcharge, or fee administered by the commissioner,
24 or any penalty or interest owed by an individual or entity. The term
25 "past-due tax liabilities" means any unpaid tax liabilities that have
26 become fixed and final such that the taxpayer no longer has any right to
27 administrative or judicial review. The term "government entity" means
28 the state of New York, or any of its agencies, political subdivisions,
29 instrumentalities, public corporations (including a public corporation
30 created pursuant to agreement or compact with another state or Canada),
31 or combination thereof.

32 (2) The commissioner, or the commissioner's designee, shall cooperate
33 with any government entity that is required by law or has elected to
34 require tax clearances to establish procedures by which the department
35 shall receive a tax clearance request and transmit such tax clearance to
36 the government entity, and any other procedures deemed necessary to
37 carry out the provisions of this section. These procedures shall, to the
38 extent practicable, require secure electronic communication between the
39 department and the requesting government entity for the transmission of
40 tax clearance requests to the department and transmission of tax clear-
41 ances to the requesting entity. Notwithstanding any other law to the
42 contrary, a government entity shall be authorized to share any data or
43 information with the department that is necessary to ensure the proper
44 matching of a person who is the subject of a tax clearance request to
45 the tax records maintained by the department.

46 (3) Upon receipt of a tax clearance request, the department shall
47 examine its records to determine whether the subject of the tax clear-
48 ance request has past-due tax liabilities equal to or in excess of the
49 dollar threshold applicable for such tax clearance request. When a tax
50 clearance request so requires, the department shall also determine
51 whether (i) the subject of such request has complied with applicable tax
52 return filing requirements for each of the past three years; and/or (ii)
53 whether a subject of such request that is an individual or entity that
54 is a person required to register pursuant to section one thousand one
55 hundred thirty-four of this chapter is registered pursuant to such
56 section. The department shall deny a tax clearance if it determines that

1 the subject of a tax clearance request has past-due tax liabilities
2 equal to or in excess of the applicable threshold or, when the tax
3 clearance request so requires, has not complied with applicable return
4 filing and/or registration requirements.

5 (4) If a tax clearance is denied, the government entity that requested
6 the clearance shall provide notice to the subject of the request to
7 contact the department. Such notice shall be made by first class mail
8 with a certificate of mailing and a copy of such notice also shall be
9 provided to the department. When the subject of the request contacts the
10 department, the department shall inform the subject of the basis for the
11 denial of the tax clearance and shall also inform such person (i) that a
12 tax clearance denied due to past-due tax liabilities may be issued once
13 the taxpayer fully satisfies past-due tax liabilities or makes payment
14 arrangements satisfactory to the commissioner; (ii) that a tax clearance
15 denied due to failure to file tax returns may be issued once the indi-
16 vidual has satisfied the applicable return filing requirements; (iii)
17 that a tax clearance denied for failure to register pursuant to section
18 one thousand one hundred thirty-four of this chapter may be issued once
19 the individual has registered pursuant to such section; and (iv) the
20 grounds for challenging the denial of a tax clearance listed in subdivi-
21 sion five of this section.

22 (5) (a) Notwithstanding any other provision of law, and except as
23 specifically provided herein, an individual denied a tax clearance shall
24 have no right to commence a court action or proceeding or seek any other
25 legal recourse against the department or the government entity related
26 to the denial of a tax clearance by the department.

27 (b) An individual seeking to challenge the denial of a tax clearance
28 must protest to the department or the division of tax appeals no later
29 than sixty days from the date of the notification to the individual that
30 the tax clearance was denied. An individual may challenge a department
31 finding of past-due tax liabilities only on the grounds that (i) the
32 individual or entity denied the tax clearance is not the individual or
33 entity with the past-due tax liabilities at issue or (ii) the past-due
34 tax liabilities were satisfied. An individual may challenge a depart-
35 ment finding of failure to comply with tax return filing requirements
36 only on the grounds that all required tax returns have been filed for
37 each of the past three years.

38 (c) Nothing in this subdivision is intended to limit any individual
39 from seeking relief from joint and several liability pursuant to section
40 six hundred fifty-four of this chapter, to the extent that the individ-
41 ual is eligible pursuant to that section, or establishing to the depart-
42 ment that the enforcement of the underlying tax liabilities has been
43 stayed by the filing of a petition pursuant to the Bankruptcy Code of
44 1978 (Title Eleven of the United States Code).

45 (6) Notwithstanding any other provision of law, the department may
46 exchange with a government entity any data or information that, in the
47 discretion of the commissioner, is necessary for the implementation of a
48 tax clearance requirement. However, no government entity may re-disclose
49 this information to any other entity or person, other than for the
50 purpose of informing the individual that a required tax clearance has
51 been denied, unless otherwise permitted by law.

52 (7) Except as otherwise provided in this section, the activities to
53 collect past-due tax liabilities undertaken by the department pursuant
54 to this section shall not in any way limit, restrict or impair the
55 department from exercising any other authority to collect or enforce tax
56 liabilities under any other applicable provision of law.

1 (8) Except as otherwise provided in this section, the provisions of
2 this section are not applicable to the tax clearance required by section
3 one hundred seventy-one-v of this article.

4 § 4. This act shall take effect June 1, 2027; provided, however, that
5 the department of taxation and finance, and any other government entity
6 electing to receive a tax clearance from the department of taxation and
7 finance may work to execute the necessary procedures and technical
8 changes to support the tax clearance process as described in this act
9 before that date; provided, further, that this effective date will not
10 impact the administration of any tax clearance program authorized by
11 another provision of law.