§ 575-a. Penalties relating to wage information. In the case of a failure by an employer to provide complete and correct wage reporting information on a quarterly combined withholding, wage reporting and unemployment insurance return required by paragraph four of subsection (a) of section six hundred seventy-four of the tax law, such employer shall, unless it is shown to the commissioner's satisfaction that there was good cause for such failure to comply, be liable as provided for in subdivisions one and two of this section.

1. When the non-compliance is discovered through an examination of an employer's records, the employer shall be liable for a penalty in the following amount for each employee who is not included in the return or for whom the required information is not reported accurately:

(a) for the first failure for any calendar quarter in any eight consecutive calendar quarters, one dollar for each employee, not to exceed one thousand dollars;

(b) for the second failure for any calendar quarter in any eight consecutive calendar quarters, five dollars for each employee, not to exceed two thousand dollars;

(c) for any subsequent failure in any calendar quarter in any eight consecutive calendar quarters, twenty-five dollars for each employee, not to exceed five thousand dollars.

2. In those instances where a failure to comply is discovered in relation to a specific claimant's claim for benefits, the penalty shall be twenty-five dollars for each such occurrence.

3. If such employer provides complete and correct wage reporting information within thirty days after the department sends notice of such failure to the employer, then the penalty provided for by subdivision one of this section shall be abated.

4. The penalties imposed and collected pursuant to this section shall be credited to the special fund established pursuant to section five hundred fifty-two of this article.