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4/7/08

STATEMENT OF AUDIT PROCEDURE

SHORT TERM INSTALLMENT AGREEMENTS

This Statement of Audit Procedure (SAP) establishes a procedure for implementing Short Term Installment Agreements within the Audit Division.

A taxpayer requesting an Installment Agreement for a case that is pending in the Audit Division must agree with the audit findings and sign a Consent and Waiver. The taxpayer should then send a written request explaining why an Installment Agreement is necessary to the Assistant Commissioner for Audit, at 345 Adams Street, 10th Floor, Brooklyn, New York 11201.

After the request is reviewed, a letter will be sent to the taxpayer stating whether the Installment Agreement will be granted, and, if so, for what length of time. Installment Agreements will not be granted for periods greater than 24 months. Interest at the statutory rate for assessments will be due on all unpaid amounts until the balance due is paid in full.

Failure to make any payment according to the terms of the Agreement will be considered a default that will allow the Department to terminate the Agreement and collect payment in full upon notice to the taxpayer. In the event of a default, the Department will inform the taxpayer in writing of the date on which full payment of the total outstanding balance must be made. If full payment is not received, the case will be transferred to the Collection Division.