

## NOTICE OF RULE MAKING

Pursuant to the power vested in me as Commissioner of Finance by sections 1043 and 1054 of the New York City Charter, I hereby promulgate the amendment to rules concerning the monetary penalties for failing to file the income and expense statement by owners of income-producing property. The rule was published in the proposed form on April 10, 2019. The hearing for public comment was held on May 10, 2019.

**Jacques Jiha Commissioner of Finance**

**S/S**

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### STATEMENT OF BASIS AND PURPOSE

Section 11-208.1 of the Administrative Code of the City of New York requires that owners of income-producing real property in New York City file income and expense statements each year for the property. The Department of Finance uses the information in the statements to assess the value of real property in the City.

This rule amendment increases the monetary penalties for failure to file income and expense statements set forth in Chapter 33 of Title 19 of the Rules of the City of New York by:

Establishing a higher penalty amount for owners of income-producing property who fail to file a required income and expense statement for three consecutive years .

The rule is intended to discourage property owners who repeatedly fail to file income and expense statements for their properties.

Pursuant to section 1043(d)(4)(ii) of the New York City Charter, this proposed rule is not subject to review under Charter section 1043(d).

Matter underlined is new. Matter in brackets [ ] is to be deleted.

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this department unless otherwise specified or unless the context clearly indicates otherwise.

### **AMENDMENT TO RULES RELATING TO REPRESENTATION OF TAXPAYERS BEFORE THE COMMISSIONER OF FINANCE**

Section 1. Paragraph (1) of subdivision (a) of section 33-03 of Chapter 33 of Title 19 of the Rules of the City of New York is amended to read as follows:

- (a) *Monetary penalties.* (1) Owners of income-producing property who fail to file an income and expense statement by the first day of June, or in the event of an extension, by the extended due date, shall be subject to a penalty in accordance with the monetary penalty schedule set forth below, except as set forth in paragraph (2) of this subdivision. The final

actual assessed valuation for the property promulgated in the calendar year in which the income and expense statement is required to be filed will be utilized for the determination of monetary penalties.

Final Actual Assessed Valuation	Penalty Amount
\$40,001 to \$99,999	\$300
\$100,000 to \$249,999	\$750
\$250,000 to \$499,999	\$1,500
\$500,000 to \$999,999	\$3,000
\$1,000,000 to \$4,999,999	\$5,000
\$5,000,000 to \$9,999,999	\$20,000
\$10,000,000 to \$14,999,999	\$40,000
\$15,000,000 to \$24,999,999	\$60,000
\$25,000,000 and above	\$100,000

Section 2. Subdivision (a) of section 33-03 of Chapter 33 of Title 19 of the Rules of the City of New York is amended by adding a new paragraph (2), to read as follows:

(2) Owners of income-producing property who fail to file an income and expense statement for three consecutive years shall be subject to a penalty of five percent of the final actual assessed value for the property promulgated in the calendar year in which such a statement was to be filed.