



**THE CITY OF NEW YORK
DEPARTMENT OF FINANCE**

NOTICE OF RULEMAKING

Pursuant to the power vested in me as Commissioner of Finance by sections 11-518(a) and 11-537(a) of the New York City Administrative Code, and sections 389(b) and 1043 of the New York City Charter, I hereby promulgate the within Amendment to Rules Relating to the Unincorporated Business Tax. This amendment was published in proposed form on January 26, 2010. A hearing for public comment was held on February 26, 2010.

____S/S_____
David M. Frankel
Commissioner of Finance

Amendment to Rules Relating to the Unincorporated Business Tax

Section 1. A new subdivision a-1 is added to section 28-18 of the Rules Relating to the Unincorporated Business Tax (19 RCNY Chapter 28) to read as follows:

(a-1) Simplified return. The Commissioner of Finance may prescribe a form which may be filed voluntarily by a business whose income falls below the amount that would require the filing of a return under the Administrative Code. This filing will constitute the filing of a return pursuant to these rules and section 11-523 of the Administrative Code, which states (subject to the exceptions provided in subdivision (c) of that section) that if a return was filed, unincorporated business tax may be assessed only within three years after the return was filed.

BASIS AND PURPOSE OF AMENDMENT

Section 11-514 of the New York City Administrative Code provides gross income thresholds to determine whether an unincorporated business must file an unincorporated business tax return. Section 11-523 of the Administrative Code states that once a return is filed, the City can assess unincorporated business tax only within three years after the filing of the return. This amendment to the Rules Relating to the Unincorporated Business Tax authorizes the Commissioner of Finance to prescribe a simplified form to be filed voluntarily by businesses whose gross income falls below the applicable threshold, such that the filing will constitute the filing of a return, thereby causing the three-year period of limitation to begin running. This will eliminate the need for a filer to complete and file the longer return when the filer intends merely to advise the Department that the taxpayer is not required by law to file the return, and will assist the Department of Finance in administration by reducing the number of longer returns filed.