

REPORT #644

TAX SECTION

New York State Bar Association

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January 16, 1990

Kathleen Grimm, Esq.
 Acting Commissioner, Department of Finance
 Municipal Building
 1 Centre Street - Room 500
 New York, New York 10007

Dear Kathy:

As you know, the Tax Section has consistently advocated the establishment of an independent forum for administrative review of disputes involving New York City taxes. Our reports of October 31, 1988 and May 31, 1989 emphasized the need for independent dispute resolution procedures that would function efficiently and insure uniformity of interpretation.

Since our last report, New York City has prepared and submitted legislative proposals that would effect many of the changes we have recommended. Most notably, the City's bill will transfer the fact-finding and hearing processes out of the office of the Commissioner of Finance and place those important functions under the authority of the Tax Tribunal. This is a very important change, and we commend the City for recognizing the need for an independent hearing process, and for including this important reform in its bill. Your Department deserves great credit for its prompt, intelligent and well-crafted response to this very fundamental concern.

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There is, however, another issue that has been discussed in our reports that continues to raise concerns, and that is achieving uniformity in the interpretation of similar State and City tax laws, we continue to believe that decisions of the State and federal courts, should be treated as precedent by the City Tax Tribunal. Consistency in interpretation between the State and City Tribunals is very important to the administration of the tax laws and to the perception of New York, and New York City in particular, as a fair and predictable place to do business.

Again, we are available to work with you and your staff in finalizing the City's bill and in working for its prompt enactment. I anticipate that in the coming year our Committee members will seek to meet with you to discuss some questions of an essentially technical nature that have been raised by the bill.

With best regards,

Sincerely,

WLB/JAPP
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Wm. L. Burke
Chair