

**REPORT #646**

**TAX SECTION**

**New York State Bar Association**

**Table of Contents**

Cover Letter: .....i

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January 12, 1990

Kathleen Grimm  
 Acting Commissioner of Finance  
 New York City Department of Finance  
 One Center Street  
 New York, NY 10007

Dear Kathy:

Among the topics we discussed at our meeting with you last year was the City's procedure regarding advance rulings. Enclosed for your information is a copy of our recent report on modification of the federal rulings procedures and other taxpayer guidance programs, which was prepared by our Committee on Practices and Procedures.

You may find some of the proposals in the report useful for you to consider in connection with reducing your cost of issuing rulings, particularly the use of the "no action" approach (in which the City would then give a one sentence confirmation or rejection of the taxpayer's statement of facts and conclusions, with corresponding savings to the City in administrative processing time).

In addition, I invite your attention to the discussion of charges for rulings, particularly rulings that truly are of a "comfort" nature. The same self-funding principle should be applicable to your ruling program and would support your adopting an appropriate fee structure.

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Finally, we would like to commend the Department of Finance on the steps it has taken to make advance rulings generally known and available for review once issued. The Quarterly Bulletins are well organized and useful, and having electronic access to City rulings through Lexis also is a very helpful development.

With best regards,

Sincerely,

Wm. L. Burke  
Chair

Enclosure

4865