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April 27, 2016

The Honorable Jerry Boone

Commissioner

New York State Department of Taxation and Finance

W.A. Harriman Campus, Building 9

Albany, NY 12227

Re: *Report #1343 on New York Draft Combined Return Regulations*

Dear Commissioner Boone:

I am pleased to submit this report of the Tax Section of the New York State Bar Association commenting on draft regulations under Article 9-A relating to combined returns. The draft regulations provide guidance regarding provisions in the 2014 and 2015 New York State budget legislation, which went into effect for tax years beginning on or after January 1, 2015.

The report makes various recommendations regarding the draft regulations, including in the following areas: (1) the capital stock/voting power sections for determining when corporations are related; (2) the unitary business presumptions; (3) the commonly-owned group election; and (4) Public Law 86-272.

We commend the Department of Taxation and Finance on preparing generally clear and comprehensive guidance for businesses and practitioners in this entirely new area of the Tax Law. Our comments and recommendations are aimed at helping the Department administer a workable corporate income tax by providing clear rules, presumptions and safe harbors that taxpayers can rely upon in preparing their returns.

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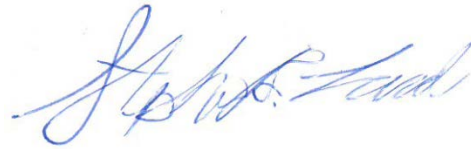
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We appreciate your consideration of these recommendations. If you have any questions or comments regarding this report, please feel free to contact us and we will be pleased to discuss our comments or assist in any other way we can.

Respectfully submitted,



Stephen B. Land
Chair

cc: Nonie Manion
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