



Legislation Details (With Text)

File #:	Res 1004-2011	Version:	*	Name:	Establishing the Taxpayer Refund Choice Act (A.6997- B/S.5140-B)
Type:	Resolution	Status:		Filed	
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On agenda:	9/8/2011				
Enactment date:		Enactment #:			
Title:	Resolution calling upon the New York State Governor to sign legislation, A.6997-B/S.5140-B, which relates to establishing the Taxpayer Refund Choice Act and affirming the right of state residents to receive personal income tax refunds by paper check and requiring the department of taxation and finance to fully describe any debit card or direct deposit program; and providing for the repeal of such provisions upon expiration thereof.				
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Date	Ver.	Action By	Action	Result
9/8/2011	*	City Council	Referred to Comm by Council	
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12/31/2013	*	City Council	Filed (End of Session)	

Res. No. 1004

Resolution calling upon the New York State Governor to sign legislation, A.6997-B/S.5140-B, which relates to establishing the Taxpayer Refund Choice Act and affirming the right of state residents to receive personal income tax refunds by paper check and requiring the department of taxation and finance to fully describe any debit card or direct deposit program; and providing for the repeal of such provisions upon expiration thereof.

By Council Members Nelson, James, Rose, Williams and Chin

Whereas, Every year, millions of New Yorkers overpay their state and local taxes on the wages they receive; and

Whereas, These overpaid funds remain the rightful property of the taxpayers; and

Whereas, Taxpayers are entitled to the timely refund of their overpayment and should be able to receive their refunds in a manner that is most convenient, understandable, and best suited to their individual financial needs; and

Whereas, The New York State Department of Taxation and Finance (the “Department”) has

considered transitioning all personal income tax refund payments to a mandatory direct deposit/prepaid debit card platform; and

Whereas, Although prepaid card programs may appear to be attractive due to potential cost savings to the agency, they include fees and costs to taxpayers which may be difficult to understand or keep track of, including ATM usage fees, negative balance fees, bank fees and other charges; and

Whereas, Additionally, many taxpayers do not have bank accounts or convenient access to bank branches in their communities; and

Whereas, Due to minimum balance requirements, overdraft fees, and other requirements, many low and moderate income consumers are unable to maintain bank accounts, and hence, are unlikely to have access to direct deposit accounts; and

Whereas, Thus, any program that forces New Yorkers to receive tax refunds in a manner that is not suited to their individual circumstances will negatively and disproportionately impact low-and moderate-income citizens and their communities; and

Whereas, It is the existing policy of the State of New York that its citizens have the choice to receive their wages in the manner which best suits their needs; and

Whereas, On June 16, 2011, the New York State Assembly and New York State Senate passed legislation, A.6997-B/S.5140-B, termed the “Taxpayer Refund Choice Act”, which ensures the right of state residents to continue to receive personal income tax refunds by paper check in addition to any other options that may be offered; and

Whereas, Specifically, the Taxpayer Refund Choice Act adds a new section 3013 to the Tax Law to provide that, notwithstanding the adoption by the Tax Commissioner of any prepaid debit card or direct deposit program for payment of personal income tax refunds, all taxpayers are entitled: (1) to receive their personal income tax refund by paper check; and (2) to opt out of any prepaid debit card or direct deposit program; and

Whereas, The Taxpayer Refund Choice Act also requires the Department to provide taxpayers with a

clear written statement setting forth these rights; and

Whereas, If the Department implements a program to pay refunds by prepaid debit card or direct deposit, the income tax forms shall indicate that the taxpayer has the option of receiving his or her refund by various methods, including by personal check, and boxes shall be provided on the income tax forms to allow the person to select the desired option; and

Whereas, The Taxpayer Refund Choice Act would expire five years after the effective date of the legislation that created such Act; and

Whereas, On August 5, 2011, the Taxpayer Refund Choice Act was delivered to the New York State Governor for his signature; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Governor to sign legislation, A.6997-B/S.5140-B, which relates to establishing the Taxpayer Refund Choice Act and affirming the right of state residents to receive personal income tax refunds by paper check and requiring the department of taxation and finance to fully describe any debit card or direct deposit program; and providing for the repeal of such provisions upon expiration thereof.

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