



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo Cosponsoring Legislation to Prevent Governor Paterson From Delaying Payment of State Income Tax Refunds for Residents

CHARLES J. FUSCHILLO JR. February 23, 2010

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Legislation Would Require State to Pay Income Tax Refunds within 30 Days

With Governor Paterson threatening to withhold hundreds of millions of dollars in tax refund payments to individuals, Senator Charles J. Fuschillo, Jr. (R-Merrick) is cosponsoring legislation which would require Albany to pay personal tax refunds within 30 days after the taxpayer files his or her tax return.

“Countless families are stretching every dollar in their family budget to the maximum right now; if Albany owes them a tax refund, they should get their money back as quickly as possible. Governor Paterson shouldn’t withhold individuals’ tax refunds, especially at a time when so many are desperate to make ends meet. The Senate should immediately pass legislation to ensure that taxpayers who overpaid on their taxes receive their refunds back in a timely manner,” said Senator Fuschillo.

Governor Paterson is considering withholding \$500 million in income tax refunds for early filers. These are funds that have already been appropriated in the state budget to pay income tax refunds for early filers. According to a recent Newsday article, the Governor’s budget office estimated that tax refund payments to “hundreds of thousands” of taxpayers would be delayed by several weeks under the plan.

Under the proposed law, the state Department of Taxation and Finance would be required to pay a taxpayer's refund within 30 days after receiving the taxpayer’s filing. If the department is unable to pay a tax refund because of a discrepancy in the taxpayer’s return, it would be required to provide written notice to the taxpayer of the discrepancy and an expected timeframe for its resolution. If the department fails to provide a refund or written notice within 30 days, the taxpayer would be paid interest on the refund owed at a rate of six percent annually.

In addition, Senator Fuschillo and the other members of the State Senate today unanimously passed a legislative resolution urging Governor Paterson not to withhold income tax refunds and instead return these funds to taxpayers as quickly as possible.

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