



NEW YORK STATE SENATOR

Darrel J. Aubertine

## Aubertine: Tax Refunds Must Be Paid

DARREL J. AUBERTINE February 24, 2010

| ISSUE: **TAXES, INCOME TAX**

Senator pushing resolution opposing Governor's plan, signs petition to move bill to prevent it

ALBANY (February 24, 2010)—State Sen. Darrel J. Aubertine today reiterated his support for the timely return of personal income tax refunds and his opposition to a plan proposed by the Governor to withhold refunds. On Tuesday, he signed a petition to discharge a bill that would require by law that refunds be paid within 30 days.

“To call it a refund does not reflect what this money really is: It’s an overpayment to New York State that must be returned,” said Sen. Aubertine, who is chair of the Rural Resources Commission and the Senate Upstate Caucus. “It’s not New York State’s money. The money should be returned and returned in a timely fashion. People very much need this money. People pay into the system all year long and this time of year a lot of people are counting on that money to make ends meet.”

Under Senate rules passed last year with the support and urging of Sen. Aubertine, any 38 members of the Senate can discharge a bill from committee for eventual placement on the Senate calendar. After signing onto a bipartisan resolution formally opposing the governor’s plan to lower the state’s current cap on income-tax refunds paid out before March 31st, the Senator signed a petition to discharge for Rural Resources Commission member Sen. George Winner’s bill, which would require payment of refunds within 30 days or else require the state to pay interest on the refund. Sen. Aubertine has signed on as a co-sponsor.

“There’s no question we need reform in the budget process, be it zero based or performance based budgeting, as well as statutes to prevent these kinds of gimmicks,” Sen. Aubertine said. “We’ve got a tool here that can bring out to the floor a bill to address this issue. If that’s what it takes, let’s use it to get it on the floor for a vote. I and other members, from both parties, are willing to do just that.”

The governor’s proposal is to lower the cap from \$1.75 billion to just \$1.25 billion, resulting in a nearly two-month delay for thousands of taxpayers awaiting lawful refunds. Additionally, taxpayers will not be paid interest on their funds until June 1 while businesses would be denied any interest until the second half of March.

“The governor really does not have a right to hold payments back to taxpayers across the state to the tune of some \$500 million and another \$200 million for businesses,” Sen. Aubertine continued. “The long and short of this is that it’s simply not the state’s money. Crafting a budget and meeting the needs of our state in these tough economic times requires creative solutions not repetition of the mistakes made in other states or gimmicks that only put hard working individuals and families in a deeper hole. ”

According to Sen. Winner, his legislation (S.3985/A.5100) would require the state Department of Taxation and Finance 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.