



Legislative Update



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SOCIETY ADVOCACY WORK

The NYSSCPA Government Relations Team has recently met with legislators and leaders on issues that matter to our members.

Manhattan/Bronx Legislative Breakfast: The Manhattan/Bronx Chapter hosted their annual Legislative Breakfast. This year's event featured Sen. Jamaal T. Bailey of the Bronx, who is also the Chair on the Senate's Codes Committee. Sen. Bailey laid out his top legislative priorities and took questions from chapter members during the event. If your chapter would like to host a Legislative Breakfast, please email Chapter Liaisons [Lelia Dickenson](#) or [William Titus](#).



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WORKING FOR OUR MEMBERS

Supporting Taxpayers for the 2022 Filing Season:

We understand that our members are fighting an uphill battle during this year's tax filing season, which is why we authored a letter in partnership with the AICPA to New York's Congressional delegation. The letter requests each member of Congress support a "Dear Colleague" letter to the IRS and the Treasury Department to provide immediate relief for taxpayers and tax practitioners by reducing the need to contact the IRS individually with issues. Representatives Sanchez and LaHood are the congressional representatives leading this bipartisan effort to call upon the IRS and Treasury Department to consider solutions that will help filers bypass the backlog that is plaguing the IRS and making it easier to file timely returns. [Read the congressional "Dear Colleague" letter.](#)



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LEGISLATIVE VICTORIES

Gov. Hochul Vetoes False Claims Act Bill: On Dec. 31, 2021, Gov. Kathy Hochul vetoed Senate bill S.4730, an act “to amend the state finance law, in relation to the liability of a person who presents false claims for money or property to the state or local government.”

If enacted, this bill would expand the False Claims Act (FCA) to allow civil actions based on the failure to file a state tax return. Currently, the FCA applies to certain actions by taxpayers when such actions result in at least \$350,000 in lost revenue and the filer has a net income or sales of over \$1 million. This bill would expand the law to include any tax obligation where a taxpayer knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay money to the state or a local government, or conspires to do the same.

In her veto statement, the governor said, “I have no tolerance for tax fraud. I am fully supportive of efforts to detect and penalize illegal or improper tax filing practices. The sponsors indicate their goal is to capture those individuals or businesses who improperly avoid tax obligations by not filing any tax returns at all. However, the language in this bill is broader than impacting only non-filers. This would be incongruent with the way other states and the federal government [pursue] False Claims Act violations, and could have the effect of incentivizing private parties to bring unjustified claims under the law. “

... In this time of great uncertainty for businesses,” Gov. Hochul concluded, “I cannot support a bill that may have these unintended consequences. For these reasons, I am constrained to veto the bill.”

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LEGISLATIVE AGENDA SPOTLIGHT

2022 LEGISLATIVE AGENDA

The NYSSCPA is proud to announce its 2022 Legislative & Regulatory Agenda. This legislative and regulatory agenda was developed with input from the NYSSCPA Legislative Task Force and will serve as the action plan for staff and volunteer activities this legislative session. This year’s agenda addresses the following legislative and regulatory priorities:

- The False Claims Act
- Non-CPA Ownership
- Power of Attorney E-Signature Expansion
- Board of Trustees to Administer the Accountants’ Fund
- Recoupling with the IRS
- CPE Reciprocity
- The Martin Act
- Occupational Licensing



- Tax on Professional Services

If you have a suggestion for our Legislative & Regulatory Agenda, please email Media & Government Relations Manager Jovan C. Richards at jrichards@nysscpa.org.

[Read the 2022 NYSSCPA Legislative & Regulatory Agenda in full.](#)

STATE AND FEDERAL UPDATES

Gov. Hochul Delivers Her First State of the State

Address: Gov. Kathy Hochul delivered her historic 2022 State of the State Address, outlining her plan to shepherd a new era for New York. Hochul made history as the first woman to ever deliver the State of the State Address in New York state. She outlined nine key components of her agenda: rebuilding our health care economy; protecting public safety and addressing gun violence; investing in New York's people; investing in New York's communities; making New York's housing system more affordable, equitable and stable; making New York a national leader in climate action and green jobs; rebuilding New York's teacher workforce and reimagining higher education; advancing New York's place as a national equity model; and making critical reforms to restore New Yorkers' faith in their government. Hochul intends to actively pursue—



- \$100 million in small business tax relief, achieved by increasing the current 5% small business income exclusion and expanding its eligibility for additional small business owners;
- Multiple provisions to support the state's agriculture industry, including an increased Farm Workforce Retention Tax Credit, a new refundable credit for payment of overtime wages and an increased investment tax credit to assist farms in investing in new equipment and technology;
- Two-year acceleration of the phase-in of "middle class" personal income tax rates, first adopted in 2018;
- Allow the existing New York City Section 421-a tax abatement to expire and adopt a new program to incentivize investments in affordable and market-rate rental housing in New York City;
- \$1 billion in small business support programs;
- Improvement and extension of the Brownfield Cleanup Program, to expand its tangible property tax credit renewable energy and other projects, and allow funds to be used for more pre-development activities, including demolition, asbestos removal, site preparation, legal and financial services, renewable energy feasibility studies and impact analyses.

[Watch Gov. Hochul's 2022 State of the State](#) or [read her Executive portfolio and transcript](#).

The budget process has begun in Albany. Gov Kathy Hochul proposed a \$216 billion Executive Budget for 2022-23. Hochul's budget is a \$4 billion increase from last year's Executive Budget. The Legislature is likely to announce its one-house budgets in March, which will spark a three-way budget negotiation, for a final budget to be voted on in early April. In her budget, Gov. Hochul aims to—

- Provide tax relief for small businesses and the middle class;
- Provide \$1 billion to fund innovative small businesses and tax credits for COVID-related expenses;
- Launch a new five-year, \$25 billion comprehensive housing plan; and
- Invest \$1.5 billion in SUNY and CUNY over the next five years.

Watch Gov. Hochul present her 2023 Fiscal Year budget or read the official Executive Budget book.

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NYSSCPA COMMENT LETTERS

Stay up-to-date with NYSSCPA Comment Letters:

- [Comments to AICPA PEEC on an Exposure Draft, Proposed Revised Interpretations and Definition – Loans, Acquisitions, and Other Transactions](#)
12/17/21 Comments to the AICPA Professional Ethics Executive Committee (PEEC) on their exposure draft of proposed revisions to one definition and four independence interpretations as part of AICPA PEEC's convergence efforts.
- [Letter to the NYS CFR Interagency Committee Regarding Proposed Revisions to Consolidated Fiscal Reports for the Impact of SAS No. 134](#)
1/5/22 Letter with proposed revisions to the auditor's opinion for New York State Consolidated Fiscal Reports (CFRs) to reflect the impact of SAS 134.



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ARTICLES ON LEGISLATION & ADVOCACY

To keep you informed on the latest news:

- [NYS Presents FY 2023 Budget, Benefitting from Unexpected Surplus](#), *The Trusted Professional*
- [Taxpayer Advocate Warns Refunds Will Probably Be Late This Year, Too](#), *The Trusted Professional*
- [IRS Annual Report Highlights Pandemic Accomplishments, with Focus on Taxpayer Experience](#), *The Trusted Professional*
- [Gov. Hochul, in First State of the State Speech, Promises Tax Credits and Investments](#), *The Trusted Professional*
- [5 things we've learned from the state budget](#), *NY State of Politics*
- [Stewart-Cousins: If needed, we'll redistrict reasonably](#), *NY State of Politics*



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Have a Leg/Reg Issue?

Your issues matter to us! The NYSSCPA Government Relations Team wants to help you be heard in the halls of power. If you have a suggestion for our legislative agenda, if you are having trouble getting through red tape, or would like assistance reaching your local or state officials, please email Media & Government Relations Manager Jovan C. Richards at jrichards@nysscpa.org.



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THE CPA PAC & LEGISLATIVE TASK FORCE

The [CPA Political Action Committee](#) (PAC) is bipartisan and raises funds to amplify the NYSSCPA's collective voice in Albany. The NYSSCPA distributes PAC donations to New York political candidates who understand the profession's needs and concerns. When you [donate to the PAC](#), you help send a clear message to legislators that issues important to the profession affect the wider business community and the public interest—and that we will be heard.



The [Legislative Task Force](#) (LTF) is responsible for the monitoring and evaluation of New York state laws, legislation, rules and regulations related to the accounting profession, in particular, and business, in general. In conjunction with the Society's legislative staff, the LTF proactively recommends to the NYSSCPA Board various amendments and changes to existing legislation and regulations, on a continual basis.

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