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BY APPOINTMENT ONLY

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TO: CLIENTS AND THEIR ADVISORS

RE: "Tax Amnesty" and other New York State Department of Taxation and Finance ("NYS DTF") Issues

1. Penalty and Interest Discount ("PAID") Program. Accrued penalties and interest will be reduced by fifty (50%) percent for assessments and final determinations issued between January 1, 2004 and December 31, 2006 and eighty (80%) percent for assessments and final determinations issued prior to January 1, 2004. For tax filings not subject to audit assessments or final determinations, the date of final assessment is deemed to be the date the subject tax return is filed. The PAID Program does not apply to "responsible officer" penalties. Letters will be sent out to qualifying taxpayers in early January 2010. To take advantage of the PAID Program full payment of the underlying tax and the discounted interest and penalties must be made by March 15, 2010.

2. The NYS DTF has recently established the Office of the Taxpayer Rights Advocate ("OTRA").

Jack Trachtenberg, Taxpayer Rights Advocate
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W.A. Harriman Campus, Building 9 - Room 123
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The goal of the OTRA is to balance enforcement with taxpayer service and ensure that the tax laws are reasonably and fairly applied. It is the intention of OTRA to provide direct assistance to taxpayers where they have been unable to resolve their problem through normal tax department channels and specifically those taxpayers facing an immediate threat of adverse action which would cause an undue harm. A new Form DTF-911, Request for Taxpayer Advocate Services Assistance, will be released soon to request OTRA assistance. In addition, an interactive OTRA website will be launched by January, 2010 to communicate directly with OTRA.

3. Form IT-204-LL. January 30, 2010 is the deadline for calendar year Limited Liability Corporations and Limited Liability Partnerships to file this form and annual fee. There is no extension of time to file Form IT-204-LL or pay the annual fee.

4. The newly created Metropolitan Commuter Transportation Mobility Tax ("MTCMT") has its second installment payment due on February 1, 2010. There is an annual MTCMT "reconciliation" return and payment due on April 30, 2010 for self employed individuals. There is an automatic extension available for the MTCMT reconciliation return but not the payment.

Our office is available to assist you or your clients with any questions or concerns on the New York tax issues. Our other areas of specialization include tax dispute resolution, sophisticated gift and estate tax planning and administration opportunities including family limited partnerships, qualified personal residence trusts, defective grantor trusts and charitable scenarios which will assist in the preservation of wealth for future generations, business and employment law representation and real estate transactions.