



### If You Owe NYS Taxes You Can Now Lose Your NYS Driver's License

Syracuse, New York

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Earlier this year the New York State legislature enacted a new provision of the Tax Law which provides for the suspension of a New York State driver's license when an individual owes at least \$10,000 in state taxes. This new law called for the Commissioners of the NYS Tax Department and DMV to reach an agreement on how to implement this new suspension program. That agreement has now been struck and the Tax Department has started to notify delinquent taxpayers. Once notified, taxpayers will have 60 days to pay the outstanding tax obligation or enter into a "satisfactory" payment arrangement to avoid the suspension. If a payment arrangement is set up, more than one missed payment in any twelve-month period will trigger a suspension of the license.

An individual's ability to contest this proposed suspension is extremely limited. Drivers holding commercial licenses and individuals that are already subject to wage garnishments for child and spousal support obligations are exempt from this suspension process. Otherwise, anyone owing more than \$10,000 (an amount that includes tax, interest and penalties) is subject to the new program.

Clearly this new provision is designed to motivate individuals to address their outstanding tax obligations. The impact of this new law could be quite disruptive for many people other than taxpayers, such as employers who depend upon their employee's ability to drive. The State is just now beginning to issue notices under this new law and the effectiveness of this approach remains untested.



**If you have any questions about this new law, or other IRS and NYS tax issues, please contact the Bousquet Holstein Tax Advocacy Practice Group:**

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## **Bousquet Holstein Tax Planning and Advocacy Practice Group**

Most significant personal and business decisions have tax consequences, and the laws governing these consequences frequently change. Our Tax Planning and Advocacy Group understands the complex tax rules at the federal, state and local levels, which enables us to help clients avoid undesirable and possibly detrimental tax consequences when undertaking significant lifetime decisions in their business or personal dealings. Through our long-standing relationship with the independent firm of Grossman St. Amour, Certified Public Accountants, PLLC, and our extensive experience in all aspects of tax planning and tax controversy advocacy, we have earned an exceptional reputation in this practice area.

Our Tax Planning and Advocacy Practice Group has developed an expertise in virtually every aspect of tax law affecting businesses. Whether assisting in the formation or the acquisition of a new business, the merger or expansion of an ongoing business, or the sale, consolidation, liquidation or dissolution of an existing business, our attorneys make every decision with a full understanding of the current tax rules. Our tax practitioners use experience and innovation to find the most tax-favored manner to achieve our client's objective.

When dealing with individual clients, the primary goal of our tax professionals is the preservation of income and assets. The preparation of a tax return is often the final step in thorough tax planning. We can assist in structuring compensation arrangements, planning for retirement, preserving wealth for future generations, charitable interests, and offering assistance in other situations in which income, estate, gift, excise, sales or property taxes may be an avoidable cost of an improperly structured transaction.

A significant part of our tax practice also includes assisting businesses and individuals in resolving differences with tax authorities in audit, administrative appeals, litigation, and collection activity. While an understanding of the tax law is essential when the IRS or a state or local tax authority is conducting an audit or pursuing collection, an understanding of the process and a rapport with the government agents is also invaluable. Our clients have the benefit of our extensive experience in dealing with the various taxing authorities at all levels.

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