

Testimony of Michael Hyman
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Before the Committee on State and Federal Legislation
New York City Council

On Senate 5170

June 7, 2005

My name is Michael Hyman. I am the Assistant Commissioner for Tax Policy at the New York City Department of Finance. Thank you for the opportunity to speak in favor of Senate 5170 on behalf of Finance Commissioner Martha E. Stark.

S. 5170 will protect the City's interests when corporations seek to dissolve in the state of New York. Presently, corporations doing business in New York City that are seeking to dissolve must pay their outstanding State taxes, but may dissolve while owing City taxes. This bill will require the consent of the New York City Commissioner of Finance before the Department of State allows a corporation to dissolve. It will provide the same protection for New York City tax revenues that exists for New York State tax revenues.

In addition, current law exempts tax claims of the State and federal governments from the requirement that creditors and claimants of a dissolving corporation file claims by a date specified in a notice published and mailed by a dissolving corporation. Due to the large number of claims of the City's Department of Finance, it is recommended that the City receive the same protection as regards claims for City taxes owed by a dissolving corporation – i.e., that the City's claims would not be barred if they are not filed by the date specified in the dissolving corporation's notification. This

would protect City tax revenues in the same manner as claims by the State and federal governments are currently protected.

For these reasons, the Administration supports S. 5170 and requests the City Council's support for the measure.

Thank you.