



Legislative Update



[On Your Behalf](#) | [How It Works](#) | [Leg Spotlight](#) | [Newsworthy Articles](#) | [Submit Your Leg Issues](#)

ON YOUR BEHALF

Tackling National BOI Issues: The NYSSCPA has joined our national partners, the AICPA and other state societies to voice serious concerns regarding the enforcement of the Beneficial Ownership Information (BOI) reporting requirements. In a letter addressed to the U.S. Department of the Treasury and the Financial Crimes Enforcement Network (FinCEN), the collective voice asked that all enforcement actions be suspended until one year after the conclusion of all court cases related to *NSBA v. Yellen*, and believes that no retroactive enforcement for noncompliance should happen during this time. The letter also urged caution regarding the failure to provide a reasonable time frame for small businesses to comply with BOI for both new and existing entities, which has effectively become a 30-day tracking requirement.



The letter also raises an alarm because of a March 1 court ruling which finds that the Corporate Transparency Act (CTA) is unconstitutional. This ruling only applies to National Small Business Association (NSBA) members as of March 1, meaning that those NSBA members currently do not need to file a BOI report, but that the filing requirement stands for all other businesses.

Lastly, this letter asks that no small business should be compelled to file or face enforcement for failure to comply until after the courts have worked through this complex case.

Addressing Accounting in STEM: The NYSSCPA joined other state societies and the AICPA in supporting legislation that would allow accounting to be part of STEM (science, technology, engineering and math). [H.R.3541/S.1705](#), a bipartisan and bicameral bill, would allow accounting programs access to existing STEM K-12 grant funding for accounting awareness and education. The bill adds “activities to promote the development, implementation, and strengthening of programs to teach accounting” to the list of allowable uses of grant funding under the Student Support and Academic Enrichment Grants program, with a focus on increasing access to high-quality accounting courses for students through grade 12 who are members of underrepresented groups. The legislation should help reinforce the interwoven relationships between accounting, math and technology—all of which are STEM fields—while exposing more students to potential careers in accounting.

Preparing for Non-CPA Ownership: The NYSSCPA issued a letter to the New York State Board for Public Accountancy and its Practice Committee addressing key terminology used by the State Education Department (SED) regarding the newly passed non-CPA ownership law. The NYSSCPA requested that the Practice Committee provide clarity and guidance on the meaning of the phrases “affiliated entity” and “actively participate,” for the purposes of the new law provisions in the New York statute. The letter addressed the Society’s thoughts on the two terms and how they may affect the new law, if not addressed immediately. The

Society also offered its assistance and resources to aid in the beginning stages of regulating the new law, stating, “Our shared goal is to ensure CPAs have the guidance and knowledge necessary to immediately tackle adding non-CPAs as minority owners to firms, which will help balance the scales and provide a new sense of equity in New York’s accounting profession and ensure the state remains competitive for workers.”

[Back To Top](#)

HOW IT WORKS

How the Fiscal Budget Process Works in New York State: New York State’s fiscal budget process uses an executive budget model. Under this system, the Executive (governor) is responsible for developing and preparing a comprehensive, balanced budget proposal, which the Legislature modifies and enacts into law. The governor is required by the state constitution to seek and coordinate requests from agencies of state government; develop a “complete” plan of proposed expenditures and the revenues available to support them (a “balanced budget”); and submit a budget to the Legislature, along with the appropriation bills and other legislation required to carry out budgetary recommendations. The governor is also required by State Finance Law to manage the budget through administrative actions during the fiscal year.

The state’s fiscal year begins on April 1 and ends on March 31. However, the actual “budget cycle,” representing the time between early budget preparation and final disbursements, begins some nine months earlier and lasts approximately 27 months—until the expiration of the state comptroller’s authority to honor vouchers against the previous fiscal year’s appropriations.

Although agencies begin to analyze their budget needs as early as May or June, the formal budget cycle begins when the Budget Director issues a policy memorandum—the “call letter”—to agency heads. The call letter outlines, in general terms, the governor’s priorities for the coming year, alerts the agency heads to expected fiscal constraints and informs agencies of the schedule for submitting requests to the Division of the Budget. The call letter also signals the official start of the budget process.

The next part of the process begins in September or October and includes the Division of the Budget. In accordance with the schedule outlined in the call letter, agencies typically submit their budget requests to the Division of the Budget in early to midfall, with copies provided to the legislative fiscal committees. Examination units within the Division then analyze the requests of the agencies for which they have responsibility. Examiners may seek additional information from the agencies and may hold informal hearings or meetings with agency management to clarify agency requests.

In November, the budget director conducts constitutionally authorized “formal” budget hearings, giving agency heads an opportunity to present and discuss their budget requests and giving the staff of the Division of the Budget and the governor’s office an opportunity to raise critical questions on program, policy and priorities.

Through late November, the Division’s examiners transform agency requests into preliminary budget and personnel recommendations, which are reviewed in detail with the director.

By early December, the Division of the Budget will normally have completed its preliminary recommendations on both revenues and expenditures, and presented them to the governor and the governor’s staff, which leads into the next phase of the process.

The governor’s staff, who are also preparing the annual “State of the State” message to the Legislature, work with the Division throughout the development of the budget. The governor is kept up-to-date on changing economic and revenue forecasts and confirms that

executive program priorities are accurately reflected in the budget. Based on the preliminary recommendations and the most current reading of the economic and fiscal environment, the final Executive Budget recommendations are formulated in a series of meetings between Division of the Budget staff and the governor.

Typically, by mid-January, the governor submits the Executive Budget to the Legislature, along with the related appropriation, revenue and budget bills.

Based on their separate and joint deliberations, the two houses of the Legislature reach agreement on spending and revenue recommendations, which are reflected in amended versions of the governor's proposed appropriation bills and related legislation and are approved by both houses.

The appropriation bills, except for those items which were added by the Legislature and the appropriations for the Legislature and Judiciary, become law without further action by the governor. The governor must approve or disapprove all or parts of the appropriation bills covering the Legislature and Judiciary and may use the line-item veto to disapprove items added by the Legislature, while approving the remainder of the bill. As provided in the state constitution, the Legislature may override the governor's veto by a vote of two-thirds of the members of each house. The appropriation bills legally authorize the expenditure of funds during the new fiscal year.

At this point, the budget process enters its last phase: budget execution. As a first step, the Division of the Budget approves "certificates of allocation" informing the state comptroller that accounts may be established, as specified in the certificates, and that vouchers drawn against the accounts may be honored.

In addition, the Division of the Budget keeps a close watch throughout the year on the flow of revenue and the pattern of expenditure against its projections. This information is reflected in quarterly updates of the Financial Plan, which are provided to the Legislature, as required by law, in April (or as soon as practicable after budget enactment), July and October, and with the Executive Budget for the ensuing year (usually in January).

These updates serve as the basis of financial management during the fiscal year and may alert both the governor and the Legislature to potential problems in maintaining balanced budget as the state fiscal year unfolds.

Shortly after the end of the fiscal year, the Division of the Budget issues a comprehensive report that (1) compares unaudited year-end results to the projections set forth in the Enacted Budget and in the final update to the Financial Plan and (2) summarizes the reasons for the annual change in receipts and disbursements.

The budget process is long and arduous, but it helps to identify the real problems that New Yorkers face regularly. It provides insight into how New York officials can govern more effectively, make fiscally responsible legislation, and provide the necessary governmental programs to help every New Yorker, from Buffalo to Brooklyn.

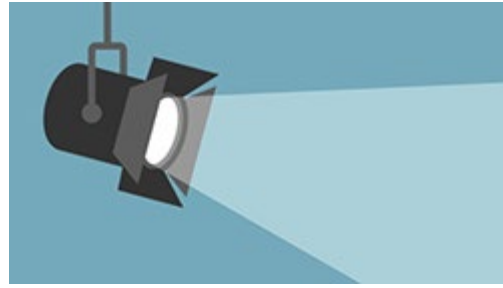
[Back To Top](#)

2024 LEGISLATIVE SPOTLIGHT

Tax on Professional Services

A growing number of state legislatures are currently considering expanding sales tax to cover services, including professional services, such as accounting. While there is currently no

proposal/legislation in New York, we continue to monitor this issue and stand ready to voice our opposition. If this issue does arise in New York state, the NYSSCPA will consider forming a coalition with the 50+ other professions in the state to push back against this bad public policy proposal.



UPDATE: The NYSSCPA is monitoring the issue in New York.

STATE AND FEDERAL UPDATES

Get the latest information from the following statewide officials and the federal government:

Governor Kathy Hochul:

- [Gov. Hochul Celebrates Historic Opening of 100th Brick and Mortar Adult-Use Cannabis Dispensary](#)
- [Gov. Hochul Announces \\$22 Million to Help Vulnerable New Yorkers Stay Cool](#)
- [Gov. Hochul Announces Agreement on FY 2025 State Budget](#)
- [Gov. Hochul Sends Letter to High School Seniors Encouraging Students to Complete the FAFSA](#)
- [Gov. Hochul Unveils \\$50 Million ConnectALL Digital Equity Plan to Close New York's Digital Divide](#)
- [Gov. Hochul Awards \\$13.7 Million to Support Education Workforce Training Programs at Colleges and Universities in New York](#)

Comptroller Thomas P. DiNapoli:

- [DiNapoli: State Tax Collections Outperform Budget Division Projections for 2023-24](#)
- [DiNapoli Announces State Pension Fund's 2024 Corporate Governance Stewardship Priorities](#)
- [State Comptroller DiNapoli Releases Municipal & School Audits](#)
- [State Comptroller DiNapoli Releases Audits](#)

Attorney General Letitia James:

- [AG James Secures More than \\$700,000 from Pathward Bank for Illegally Freezing Bank Accounts and Turning Over Consumer Funds to Debt Collectors](#)
- [AG James Secures More than \\$1 Million from Northwell Health for Deceptively Advertising COVID-19 Testing Sites](#)
- [AG James and NYC Comptroller Lander Secure Nearly \\$230,000 for Building Employees Cheated out of Fair Pay](#)

The New York State Senate:

- [State Senate Highlights Animal Advocacy Day in Albany with Animal Welfare Measures](#)

The New York State Assembly:

- [Assembly Passes Legislation to Keep New Yorkers from being Charged for Additional Insurance Coverage After the Death of a Spouse](#)

The White House:

- [FACT SHEET: Biden-Harris Administration Announces New Actions to Expand Overseas Telework Opportunities & Streamline Approvals for Military Spouses Employed by the Federal Government](#)

FACT SHEET: On One-Year Anniversary of President Biden's Care EO, the Biden-Harris Administration Celebrates New Progress toward Providing Care and Other Supportive Services for Workers

- FACT SHEET: Biden-Harris Administration Releases Strategy to Strengthen Global Health Security
- FACT SHEET: This Tax Day, the Tax Contrast Couldn't Be Clearer
- FACT SHEET: President Biden Announces Key Progress on Efforts to Close the Racial Wealth Gap

[Back To Top](#)

ARTICLES ON LEGISLATION & ADVOCACY

To keep you informed of the latest news:

- [IRS Commissioner Advocates for Continued Funding in Senate Finance Committee Hearing](#), *The Trusted Professional*
- [Senate Committee Report Details How Older Fraud Victims Had to Pay Taxes on Stolen Money](#), *The Trusted Professional*
- [Some Taxpayers Wait Years for Refunds](#), *The Trusted Professional*
- [On Tax Day, IRS Readied for Flurry of Last-Minute Filings](#), *The Trusted Professional*
- [Bronx tax preparer known as 'the Magician' charged by IRS in \\$100 million fraud](#), *NBC New York*
- [Bidens Report Earning \\$620,000 and Paying \\$181,000 in Taxes in 2023](#), *New York Times*
- [Progressive Advocates call for higher taxes on high earners in New York](#), *Spectrum 1 News*



[Back To Top](#)

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.



[Back To Top](#)

THE CPA PAC AND THE 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.

[Back To Top](#)

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