

REPORT #911

TAX SECTION

New York State Bar Association

Letter on Legislation Relating to Dual Resident Taxpayers

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July 31, 1997

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 Albany, NY 12247

Re: Legislation Relating to Dual Resident
 Taxpayers S 5208; A 8062

Gentlemen:

We are writing to express support for

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S-5208/A8062. We believe this legislation is important and desirable. Current law creates a serious risk of double taxation without offsetting credits for individuals who are domiciliaries of one state but statutory residents of a second state. The proposed legislation addresses this problem by providing taxpayers so situated with appropriate credits.

This legislation reflects an agreement entered into by the Commissioners of the States in the North Eastern State Tax Officials Association ("NESTOA") in October, 1996. This agreement was designed to ameliorate this problem of double taxation of dual residents, but the agreement requires implementing legislation by New York and certain other states. At least one of the NESTOA states, Connecticut, has enacted the required change, using language identical to New York's proposal. The Connecticut law will be applicable for New York taxes only if New York's law is passed, since each statute requires a reciprocal provision in the other state. Many New York taxpayers have a cross-border commute to or from Connecticut. Thus, enactment of this legislation will have the effect of eliminating unfair double taxation in a significant number of cases, and we urge its prompt passage.

If the Tax Section can be of any further assistance with regard to this legislation, please contact me.

Very truly yours,

Richard O. Loengard, Jr.
Chair

cc: Hon. George E. Pataki
Governor of the State of New York
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