



2018 New York State YMCA

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Committee Assignment: Senate 4

Bill #: S-27

1 **Sponsors:** Peter Gocke, Mason Allen, Alexia Fuset, Katherine O'Donnell

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3 **RESOLUTION-** The Members of the Assembly urge Congress to establish a free
4 online tax preparation and filing service and programs that allow taxpayers to
5 access third-party provided tax return information.

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7 *The People of the State of New York, represented in the*
8 *Senate and Assembly, do enact as follows:*

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10 **Purpose:** The Members of the Assembly urge Congress to amend the Internal
11 Revenue Code of 1986, establishing a free online tax preparation and filing service
12 that allows taxpayers to access third-party provided tax return information.

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14 **Summary of Provisions**

15 **Whereas,** the IRS's Free File program – a partnership between the IRS and private
16 tax software companies – claims to provide free tax preparation services to
17 70 percent of taxpayers. In reality, only 3 percent of eligible taxpayers use
18 Free File.

19 **Whereas,** each software company is allowed to set up its own eligibility criteria
20 that confuses taxpayers into purchasing unnecessary products.

21 **Whereas,** taxpayers wishing to e-file their taxes have no choice but to share
22 sensitive financial information with a private third party – even though a
23 recent audit found that nearly half of Free File companies fail to adequately
24 protect taxpayer data from cyber criminals.

25 **Whereas,** the IRS has repeatedly signed binding Free File agreements with the tax
26 preparation industry, pledging that the federal government will “not enter the
27 tax preparation software and e-filing services marketplace.” These
28 agreements block the IRS from offering a free portal that would allow
29 taxpayers to choose to file directly with the federal government.

30 **Resolved,** by the Assembly and Senate of the State of New York, jointly, that the
31 Legislature 10. of the State of New York respectfully memorializes the
32 Congress of the United States to propose regulations to establish a free
33 online tax preparation and filing service that allows taxpayers to access third-
34 party provided tax return information.

35 **Resolved,** that the Chief Clerk of the Assembly transmits copies of this resolution
36 to the Speaker of the House of Representatives, the President Pro-Tempore
37 of the United States Senate, and to each Senator and representatives from
38 New York in the Congress of the United States, and to the Chief Clerk of the
39 Legislature in each of the forty-nine States.