



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE
W A HARRIMAN CAMPUS
ALBANY, NY 12227

JAMIE WOODWARD
ACTING COMMISSIONER

September 25, 2009

Mr. Matthew R. Shay
President & CEO
International Franchise Association
1501 K Street, N.W., Suite 350
Washington, DC 20005

Dear Mr. Shay:

Thank you for your letter of July 20, 2009, expressing your concerns regarding the recently enacted franchisor information return filing requirement for New York State.

My staff discussed the concerns outlined in your letter with Troy Flanagan and Dennis Wieczorek as representatives for your organization. Based on those discussions, the following modifications to the reporting requirement will be made:

1. An extension of up to 90 days is granted for submission of the information return without imposition of penalty.
2. The required list of data fields will not include franchisees' purchase information from designated suppliers.
3. Franchisors will be required to report gross sales amounts only in those instances where the franchisor has obtained that information from the franchisee. In the case where a franchisor receives royalty payments based on some index or method other than gross sales, we will need an explanation of the calculation.

It is my understanding that agreement was reached to have franchisors obtain and provide taxpayer identification numbers, franchisee social security numbers, and New York State tax ID numbers.

I trust that these changes meet with your satisfaction and will enable your membership of franchisors to fully comply with the new filing requirement.

Sincerely,

A handwritten signature in black ink that reads "Jamie Woodward". The signature is written in a cursive, slightly slanted style.

Jamie Woodward
Acting Commissioner