



Department of Taxation and Finance

ANDREW D. MORRIS
Executive Deputy Commissioner

March 26, 2019

The Honorable Andrew M. Cuomo
Governor of New York State
NYS Capitol Building
Albany, NY 12224

Dear Governor Cuomo:

Enclosed is the Department's status report on the implementation of recommendations contained in the Office of the State Comptroller's audit report entitled: "New York Youth Jobs Program, Report 2017-S-69 dated January 2019."

Sincerely,

A handwritten signature in black ink, appearing to read "A. D. Morris".

Andrew D. Morris

Enclosure

cc: Majority Leader Stewart-Cousins
Speaker Heastie
Comptroller DiNapoli

Department of Taxation and Finance
Status of the Office of the State Comptroller's
Recommendations Contained in the Final Audit Report on
New York Youth Jobs Program

March 5, 2019

Recommendation 4 (Recommendations 1-3 will be addressed by DOL):

Improve procedures to ensure that Program tax credits that are granted are accurate and for eligible employees. Steps might include, but not be limited to:

- Modifying form instructions to clarify how to claim tax credits in the first six months;
- Changing how employee work hours, factors, and personal information are captured to allow automated checks against other relevant information.

Department Response:

The statutory changes enacted as part of the SFY 2018-19 Enacted Budget contained provisions to clarify that a qualified employer may claim a credit for an additional six-month period of employment only for qualified employees who are employed for six consecutive months beyond the initial six-month employment period. DTF has posted instructions and examples to clarify how a qualified employer can claim the credit for the initial six-month period.

DTF has also posted instructions to clarify how a qualified employer should prorate hours worked when establishing full-time or part-time status for employees who began employment on other than the first of the month.

Recommendation 5:

Take appropriate action to investigate and recover, where applicable, the \$191,336 (\$121,818 + \$69,518) in excess tax credits allowed

Department Response:

DTF recognized during the audit period that \$69,518 in credits were paid out erroneously; those credits have been repaid in full. DTF is in the process of investigating the remaining \$121,818 in potentially inaccurate or unsubstantiated credit claims identified by OSC and will pursue all appropriate avenues to recoup any additional credits that may have been improperly claimed.