

DON'T LOSE YOUR NYS DRIVER'S LICENSE DUE TO UNPAID TAXES!

Five Things You Need to Know

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Most people know the government can go after taxpayers who owe back taxes. However, few individuals realize that New York State can also suspend the driver's license of a delinquent taxpayer. Between 2013 and 2017, the State collected over \$738 million in back taxes from this program. In order to avoid losing their license, taxpayers should be aware of how the law operates and how to address tax problems promptly.

1. What Are the Requirements for Driver's License Suspension in New York?

New York State can suspend a taxpayer's New York State Driver's License if:

- (1) A taxpayer owes \$10,000 or more in taxes, penalties, or interest, and
- (2) No collection resolution is in place (such as an Installment Payment Agreement, Income Execution or Offer in Compromise).

2. How Does the Process Work?

When the New York State Department of Taxation and Finance (DTF) identifies delinquent taxpayers, it sends them a notice informing them that they have 60 days to enter into a collection resolution with the State. If there is no resolution within 60 days, the DTF will notify the Department of Motor Vehicles (DMV) of the taxpayer's delinquent status. The DMV then sends a further notice to the taxpayer that unless he/she addresses the tax liabilities within 15 days, his/her license will be suspended. If the taxpayer's license is suspended, the taxpayer may apply for a restricted license, which allows the taxpayer to drive to and from work, school, medical appointments, the DMV, and childcare related to employment.

3. Are There Any Exceptions?

Commercial drivers will not be subject to the license suspension. Also, those who already have a wage garnishment in place to pay child support or have an agreement with the collection arm of child support are exempt. Other exceptions include taxpayers who are seeking innocent spouse relief or those for whom enforcement of past liabilities has been stayed by a petition in Bankruptcy. It should be noted that there is no exception for hardship.

4. How Can Suspension of a Driver's License Be Lifted?

Once a driver's license has been suspended, the only remedies available to the taxpayer are applying for a restricted-use license (as described above) or contacting the DTF to negotiate a satisfactory payment arrangement. Since a restricted-use license is only a temporary solution, suspensions can only be lifted permanently when taxpayers pay their tax liabilities or enter into a payment plan to do so. Common options for resolving a tax dispute include an Installment Payment Agreement, Income Execution or Offer in Compromise. Each one of these choices has specific conditions that must be met for taxpayers to qualify.

5. Can I Get a Driver's License in Another State?

Many taxpayers think that if their NYS driver license is suspended, they can simply get one from New Jersey or Florida. However, 45 states and the District of Columbia have entered into the Multi-State Driver License Compact, which is an interstate information exchange. If the taxpayer's license is suspended in any member state, that suspension will hold in all other member states. Because of the short timeframe given to respond, it is crucial for taxpayers to act promptly if they receive a notice from the State. Not only can they lose their license, but under New York law, any person driving with a suspended license may be subject to arrest and penalties. If you have received a Notice of Proposed Driver License Suspension Referral or an Order of Suspension or Revocation, contact a qualified attorney to help you resolve your tax matter and avoid suspension.

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