NEW YORK STATE | Department of Taxation and Finance

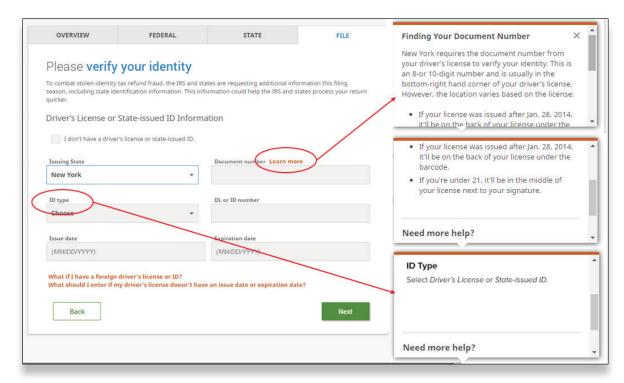# Driver License Requirement for Tax Year 2016

Overview

- Beginning in Tax Year 2015—following the lead of the IRS—New York began to capture taxpayers' driver license or state-issued ID (non-driver ID) information for their electronically-filed personal income tax returns as an additional verification device to deter fraud. Providing this information was optional for Tax Year 2015.

- Beginning with Tax Year 2016, this information is **required** for New York State personal income tax returns that are prepared using software. The requirement applies to driver licenses or state-issued IDs from any state.

- These fields appear in the Authentication Header section of the software's XML, however they're not visible on the return.

- For NYS-issued licenses or IDs, we also require the taxpayer/tax professional to input the document number for either the prime taxpayer or spouse. (The document number is specific to NYS IDs and is typically found in the bottom right corner on the front, or on the back of the ID.)

- If the taxpayer has either a driver license or state-issued ID, the following information is required:
  - license or ID number;
  - issuing state;
  - issue date;
  - expiration date; and
  - document number (NYS-issued licenses and IDs only).

- If the taxpayer **does not** have a driver license or state-issued ID, they'll be presented with an option to indicate that they don't have either one. This will fulfill the requirement.

Frequently Asked Questions

If you don't find the answer to your question, you may use our Ask a Question feature; select the Tax Practitioner category. We will respond within three business days.

Requirements

Q. Am I required to collect a driver license or state ID number and its document number?

A. All tax software products approved by New York State now require you to provide the driver license or state-issued ID information. If it's a New York-issued license or ID, you're also required to enter the document number.

Q. If I need to e-file an extension but don't have time to gather all the information, can I check the box for *No applicable ID* on the extension and then provide the driver license or state-issued ID information when I file the actual return?

A. If you file an extension and check the *No applicable ID* box, you'll fulfill the requirement. However, when you subsequently e-file the client's tax return or credit claim form, you're required to collect and submit the driver license or state-issued ID information.

The above screen capture shows an example of the fields featured in the new software.

Compliance

Q. If my client is known to have a valid driver license or state-issued ID, but chooses not to disclose it, can I check the *No applicable ID* box without repercussion? Am I required to disclose this (similar to when a taxpayer refuses to e-file)?

A. As with any return data, you should submit the information as it's provided by your client.

Fees

Q. Am I prohibited from charging an extra fee for completing this additional data capture?

A. The requirement is considered a part of the return preparation; you're prohibited from charging a separate fee to electronically file the return, but the preparation fee you charge your clients is at your discretion.

Software

Q. Will all software vendors have a *No ID Available* option for our clients who don't have either a driver license or state-issued ID?

A. All software products are required to support all three options.

Q. Is the driver license requirement now officially required for all software products or is it still in testing?

A. The requirement is for all software product vendors. In order to be certified as a NYS Approved Software product, each product must meet our testing requirements, which include the driver license information.

Processing time

Q. Is there a difference in refund processing time for a return that includes the driver license or state-issued ID information and one that does not?

A. We use the driver license and state-issued ID information as an additional way to validate the taxpayer and deter fraud. If the return doesn't include this information, that alone will not cause a delay. However, if all efforts to validate the taxpayer are unsuccessful, your client's refund may be delayed.

Q. Is there a difference in processing a return for taxpayers with out-of-state licenses or state-issued IDs either because they've recently moved to New York State, or are filing Form IT-203 as a part-year resident or nonresident?

A. If the information you enter for the taxpayer is the most current, there's no difference in the processing of the return for new NYS residents, or those who file Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*.

Resources

Q. Where can I find Publication 93, N*ew York State Personal Income Tax Modernized e-File (MeF) Guide For Return Preparers For Tax Year 2016*?

A. Publication 93, *New York State Personal Income Tax Modernized e-File (MeF) Guide For Return Preparers For Tax Year 2016* has been published.

We have also provided a link to these Frequently Asked Questions on the Driver license and state-issued ID information page and will update the information as needed. We recommend that you bookmark the page for future reference.

Q. The document number on the driver license or state-issued ID is in very small print. Can we use an external phone application to capture it and display it in larger print? We're concerned about the security of such an application.

A. You must include the document number if the driver license or state ID was issued by New York; any tool your client uses to read and provide the information to you is at their own discretion.