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To: Chief Fiscal Officers – Counties, Cities, Towns and Villages

From: Division of Local Government and School Accountability

Subject: Account Code for Aid and Incentives for Municipalities (AIM) - Related Payments

Please provide copies of this bulletin to others who may need this information.

Purpose of Bulletin

The purpose of this bulletin is to provide guidance related to accounting for Aid and Incentives for Municipalities (AIM)-Related Payments. These payments are a result of a recent amendment to the New York State Tax Law, which requires a portion of county-imposed sales tax revenues to be withheld and distributed by the State Comptroller to certain towns and villages in accordance with new Tax Law Section 1261.

Background

AIM moneys have traditionally been provided to cities,² towns and villages in New York State in the form of state aid. The program and funding levels have been relatively unchanged since 2010-11. The 2019-20 Enacted State Budget, however, reduced traditional AIM program funding by \$59 million (8 percent), from \$715 million to \$656 million, by eliminating payments to approximately 1,300 towns and villages where AIM funding represented less than 2 percent of total expenditures. All cities (other than New York City) and the 137 towns and villages whose AIM reliance (as defined in State Finance Law Section 54) is 2 percent or greater will continue to receive the same level of AIM funding from the State as they received in State Fiscal Year (SFY) 2018-19.

The 2019-20 Enacted State Budget also amended the Tax Law to provide that a portion of county-imposed sales tax revenues be distributed this year, and every future year, to fund

¹ Footnote five was added

² Other than New York City

the gap in revenues³ resulting from the elimination of AIM moneys for such towns and villages.⁴ The amended Law also directs the State Comptroller to withhold a portion of county sales tax revenues from each county in order to fund this gap in revenues.⁵ Additionally, the Tax Law requires that the State Comptroller distribute these moneys to the towns and villages eliminated from the AIM Program.

Municipalities that meet the established AIM-reliance standards will continue to receive AIM payments as they have in the past:

- Most cities receive AIM payments in both September and December; however, some cities receive partial payments in March, May, June or October.
- Eligible towns and villages will continue to receive a single AIM payment in September.

OSC will begin distributing AIM-Related payments on the following schedule:

- Villages with a fiscal year end that is not May 31 and all Towns will receive AIM-Related payments by December 15, 2019 and every December thereafter.
- Villages with a May 31 fiscal year end will receive their initial AIM-Related payment by May 15, 2020 and every May thereafter.

New Revenue Accounting Code Established

The new revenue code **2750 – AIM-Related Payments** should be used when a town or village receives AIM-Related Payments. This code will be available in both the General Fund (A) and the General Fund Town-Outside-Village (B).

Additional Information

If you have questions pertaining to the accounting guidance described in this bulletin, please contact the State Comptroller's [regional office that serves your local government](#).

³ The AIM payment schedule for SFY 2019-20 can be found here: <https://www.budget.ny.gov/pubs/archive/fy20/exec/local/index.html> .

⁴ For towns and villages whose boundaries extend across multiple counties, the county in which the majority of the town/village population resides will be the county responsible for the payment.

⁵ The total distributions reported on the New York State Department of Taxation and Finance's [AS001 Revenue Distribution Certification](#) reflect gross sales tax amounts. The amounts withheld and paid directly by OSC as AIM-Related payments have not been subtracted out of this number; however, they should be subtracted out in order to arrive at the net sales tax revenue that was provided to counties. The amounts to be withheld and paid out by OSC for AIM-Related payments to towns and villages can be found on OSC's AIM-Related webpage at <https://www.osc.state.ny.us/localgov/datanstat/stateaid/>.