

1906--A

2013-2014 Regular Sessions

I N   S E N A T E

(PREFILED)

January 9, 2013

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Introduced by Sen. SKELOS -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- recommitted to the Committee on Investigations and Government Operations in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to establishing a small business tax credit

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Section 606 of the tax law is amended by adding a new  
2     subsection (u) to read as follows:  
3     (U) SMALL BUSINESS TAX CREDIT. (1) GENERAL. A QUALIFIED TAXPAYER SHALL  
4     BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO SIX  
5     AND SIXTY-FIVE HUNDREDTHS PERCENT OF QUALIFIED BUSINESS INCOME.  
6     (2) DEFINITIONS. FOR THE PURPOSES OF THIS SUBSECTION, THE TERM:  
7     (A) "QUALIFIED TAXPAYER" SHALL MEAN A SOLE PROPRIETOR WHO EMPLOYS ONE  
8     OR MORE PERSONS AND WHO HAS NET BUSINESS INCOME OF LESS THAN TWO HUNDRED  
9     FIFTY THOUSAND DOLLARS.  
10    (B) "QUALIFIED BUSINESS INCOME" SHALL MEAN TEN PERCENT OF THE BUSINESS  
11    INCOME OF THE TAXPAYER AS DEFINED IN THE LAWS OF THE UNITED STATES.  
12    (3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY  
13    TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS  
14    SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN  
15    ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS  
16    ARTICLE, PROVIDED, HOWEVER, NO INTEREST SHALL BE PAID THEREON.  
17    S 2. Subparagraph (iv) of paragraph (a) of subdivision 1 of section  
18    210 of the tax law, as amended by section 2 of part N of chapter 60 of  
19    the laws of 2007, is amended to read as follows:

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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(iv) for taxable years beginning on or after January first, two thousand seven AND ENDING BEFORE JANUARY FIRST, TWO THOUSAND FIFTEEN, if the entire net income base is not more than two hundred ninety thousand dollars the amount shall be six and one-half percent of the entire net income base; if the entire net income base is more than two hundred ninety thousand dollars but not over three hundred ninety thousand dollars the amount shall be the sum of (1) eighteen thousand eight hundred fifty dollars, (2) seven and one-tenth percent of the excess of the entire net income base over two hundred ninety thousand dollars but not over three hundred ninety thousand dollars and (3) four and thirty-five hundredths percent of the excess of the entire net income base over three hundred fifty thousand dollars but not over three hundred ninety thousand dollars;

S 3. Paragraph (a) of subdivision 1 of section 210 of the tax law is amended by adding a new subparagraph (viii) to read as follows:

(VIII) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN, IF THE ENTIRE NET INCOME BASE IS NOT MORE THAN TWO HUNDRED NINETY THOUSAND DOLLARS THE AMOUNT SHALL BE FIVE AND TWO-TENTHS PERCENT OF THE ENTIRE NET INCOME BASE; IF THE ENTIRE NET INCOME BASE IS MORE THAN TWO HUNDRED NINETY THOUSAND DOLLARS BUT NOT OVER THREE HUNDRED NINETY THOUSAND DOLLARS THE AMOUNT SHALL BE THE SUM OF (1) FIFTEEN THOUSAND EIGHTY DOLLARS, (2) NINE AND SEVENTY-FIVE ONE-HUNDREDTHS PERCENT OF THE EXCESS OF THE ENTIRE NET INCOME BASE OVER TWO HUNDRED NINETY THOUSAND DOLLARS BUT NOT OVER THREE HUNDRED NINETY THOUSAND DOLLARS AND (3) SEVEN AND ONE-TENTHS PERCENT OF THE EXCESS OF THE ENTIRE NET INCOME BASE OVER THREE HUNDRED FIFTY THOUSAND DOLLARS BUT NOT OVER THREE HUNDRED NINETY THOUSAND DOLLARS;

S 4. The opening paragraph of subparagraph 4 of paragraph (d) of subdivision 1 of section 210 of the tax law, as added by section 2 of part AA-1 of chapter 57 of the laws of 2008, is amended to read as follows:

Notwithstanding subparagraphs one and two of this paragraph, for taxable years beginning on or after January first, two thousand eight AND ENDING BEFORE JANUARY FIRST, TWO THOUSAND FIFTEEN, the amount prescribed by this paragraph for New York S corporations will be determined in accordance with the following table:

S 5. Subparagraphs 5 and 6 of paragraph (d) of subdivision 1 of section 210 of the tax law are renumbered subparagraphs 6 and 7.

S 6. Paragraph (d) of subdivision 1 of section 210 of the tax law is amended by adding a new subparagraph 5 to read as follows:

(5) NOTWITHSTANDING SUBPARAGRAPHS ONE AND TWO OF THIS PARAGRAPH, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN, THE AMOUNT PRESCRIBED BY THIS PARAGRAPH FOR NEW YORK S CORPORATIONS WILL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING TABLE:

IF NEW YORK RECEIPTS ARE:	THE FIXED DOLLAR MINIMUM TAX IS:
NOT MORE THAN \$100,000	\$1
MORE THAN \$100,000 BUT NOT OVER \$250,000	\$1
MORE THAN \$250,000 BUT NOT OVER \$500,000	\$1
MORE THAN \$500,000 BUT NOT OVER \$1,000,000	\$1
MORE THAN \$1,000,000 BUT NOT OVER \$5,000,000	\$1,000
MORE THAN \$5,000,000 BUT NOT OVER \$25,000,000	\$3,000
OVER \$25,000,000	\$4,500

OTHERWISE THE AMOUNT PRESCRIBED BY THIS PARAGRAPH WILL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING TABLE:

IF NEW YORK RECEIPTS ARE:	THE FIXED DOLLAR MINIMUM TAX IS:
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1	NOT MORE THAN \$100,000	\$1
2	MORE THAN \$100,000 BUT NOT OVER \$250,000	\$1
3	MORE THAN \$250,000 BUT NOT OVER \$500,000	\$1
4	MORE THAN \$500,000 BUT NOT OVER \$1,000,000	\$1
5	MORE THAN \$1,000,000 BUT NOT OVER \$5,000,000	\$1,500
6	MORE THAN \$5,000,000 BUT NOT OVER \$25,000,000	\$3,500
7	OVER \$25,000,000	\$5,000

8 FOR PURPOSES OF THIS PARAGRAPH, NEW YORK RECEIPTS ARE THE RECEIPTS  
9 COMPUTED IN ACCORDANCE WITH SUBPARAGRAPH TWO OF PARAGRAPH (A) OF SUBDI-  
10 VISION THREE OF THIS SECTION FOR THE TAXABLE YEAR.

11 S 7. Subparagraph 6 of paragraph (d) of subdivision 1 of section 210  
12 of the tax law, as added by section 3 of part C of chapter 56 of the  
13 laws of 2011 and as renumbered by section five of this act, is amended  
14 to read as follows:

15 (6) For taxable years beginning on or after January first, two thou-  
16 sand twelve and before January first, two thousand fifteen, the amounts  
17 prescribed in subparagraphs one and [four] FIVE of this paragraph as the  
18 fixed dollar minimum tax for an eligible qualified New York manufacturer  
19 shall be one-half of the amounts stated in those subparagraphs. For  
20 purposes of this subparagraph, the term "eligible qualified New York  
21 manufacturer" shall have the same meaning as in subparagraph (vi) of  
22 paragraph (a) of this subdivision.

23 S 8. This act shall take effect immediately; provided that sections  
24 one and seven of this act shall apply to taxable years beginning on or  
25 after January 1, 2015.