

3772

2013-2014 Regular Sessions

I N   S E N A T E

February 14, 2013

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Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to the franchise tax on business corporations

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

1     Section 1. Subdivision 1 of section 209 of the tax law, as amended by  
2 chapter 817 of the laws of 1987, is amended to read as follows:  
3     1. For the privilege of exercising its corporate franchise, or of  
4 doing business, or of employing capital, or of owning or leasing proper-  
5 ty in this state in a corporate or organized capacity, or of maintaining  
6 an office in this state, for all or any part of each of its fiscal or  
7 calendar years, every domestic or foreign corporation, except corpo-  
8 rations specified in subdivision four of this section, shall annually  
9 pay a franchise tax, upon the basis of its entire net income base, or  
10 upon such other basis as may be applicable as hereinafter provided, for  
11 such fiscal or calendar year or part thereof, on a report which shall be  
12 filed, except as hereinafter provided, on or before the fifteenth day of  
13 March next succeeding the close of each such year, or, in the case of a  
14 corporation which reports on the basis of a fiscal year, within two and  
15 one-half months after the close of such fiscal year, and shall be paid  
16 as hereinafter provided. PROVIDED HOWEVER, A MANUFACTURER AS DEFINED IN  
17 SECTION TWO HUNDRED TEN OF THIS ARTICLE SHALL NOT BE SUBJECT TO TAX  
18 UNDER THIS ARTICLE FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY  
19 FIRST, TWO THOUSAND SIXTEEN; IF THE MANUFACTURER HAS ONE HUNDRED OR  
20 FEWER EMPLOYEES AND LESS THAN ONE MILLION DOLLARS IN GROSS INCOME SUCH  
21 MANUFACTURER SHALL NOT BE SUBJECT TO TAX UNDER THIS ARTICLE FOR TAXABLE  
22 YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN; IF THE  
23 MANUFACTURER HAS FIFTY OR FEWER EMPLOYEES AND LESS THAN FIVE HUNDRED  
24 THOUSAND DOLLARS IN GROSS INCOME SUCH MANUFACTURER SHALL NOT BE SUBJECT

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

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1 TO TAX UNDER THIS ARTICLE FOR TAXABLE YEARS BEGINNING ON OR AFTER JANU-  
2 ARY FIRST, TWO THOUSAND FOURTEEN.

3 S 2. Subsection (c) of section 612 of the tax law is amended by adding  
4 a new paragraph 39 to read as follows:

5 (39) IN THE CASE OF A TAXPAYER WHO IS A PROPRIETOR OF, A PARTNER IN,  
6 AN S-CORPORATION SHAREHOLDER OF, A LIMITED LIABILITY COMPANY MEMBER OF  
7 OR A LIMITED LIABILITY COMPANY MEMBER OF, A BUSINESS THAT IS A MANUFAC-  
8 Turer, AS THE TERM IS DEFINED IN SUBPARAGRAPH (VI) OF PARAGRAPH (A) OF  
9 SUBDIVISION ONE OF SECTION TWO HUNDRED TEN OF THIS ARTICLE, TO THE  
10 EXTENT INCLUDED IN FEDERAL GROSS INCOME FOR THE TAXABLE YEAR, BUSINESS  
11 INCOME OR SHARE OF BUSINESS INCOME FROM SUCH MANUFACTURING BUSINESS FOR  
12 TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN,  
13 PROVIDED HOWEVER IF SUCH BUSINESS THAT IS A MANUFACTURER HAS ONE HUNDRED  
14 OR FEWER EMPLOYEES AND LESS THAN ONE MILLION DOLLARS IN BUSINESS INCOME,  
15 THIS PARAGRAPH SHALL BE APPLICABLE FOR TAXABLE YEARS BEGINNING ON OR  
16 AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN, FURTHER PROVIDED HOWEVER IF  
17 SUCH BUSINESS THAT IS A MANUFACTURER HAS FIFTY OR FEWER EMPLOYEES AND  
18 LESS THAN FIVE HUNDRED THOUSAND DOLLARS IN BUSINESS INCOME THIS PARA-  
19 GRAPH SHALL BE APPLICABLE FOR TAXABLE YEARS BEGINNING ON OR AFTER JANU-  
20 ARY FIRST, TWO THOUSAND FOURTEEN.

21 S 3. This act shall take effect immediately.