

6717

I N S E N A T E

March 3, 2014

Introduced by Sen. MARTINS -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business

AN ACT to amend the economic development law and the tax law, in relation to authorizing the creation of small business tax-deferred savings accounts

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

1 Section 1. The economic development law is amended by adding a new
2 section 139 to read as follows:
3 S 139. SMALL BUSINESS TAX-DEFERRED SAVINGS ACCOUNTS. 1. ANY SMALL
4 BUSINESS SHALL BE AUTHORIZED TO ESTABLISH AND DEPOSIT PROFITS INTO A
5 SMALL BUSINESS TAX-DEFERRED SAVINGS ACCOUNT.
6 2. THE MONIES IN SUCH TAX-DEFERRED SAVINGS ACCOUNTS MAY BE WITHDRAWN
7 TAX FREE WHEN THEY ARE EXPENDED FOR EXPANSION OF SUCH BUSINESS FOR THE
8 PURPOSE OF CREATING OR PRESERVING FULL TIME JOBS.
9 S 2. Section 209 of the tax law is amended by adding a new subdivision
10 12 to read as follows:
11 12. FOR ANY TAXABLE YEAR BEGINNING ON OR AFTER JANUARY FIRST, TWO
12 THOUSAND FOURTEEN, ANY SMALL BUSINESS, AS SUCH TERM IS DEFINED PURSUANT
13 TO SECTION ONE HUNDRED THIRTY-ONE OF THE ECONOMIC DEVELOPMENT LAW, SHALL
14 BE EXEMPT FROM ALL TAXES IMPOSED PURSUANT TO THIS ARTICLE FOR ANY WITH-
15 DRAWAL FROM A SMALL BUSINESS TAX-DEFERRED SAVINGS ACCOUNT ESTABLISHED
16 PURSUANT TO SECTION ONE HUNDRED THIRTY-NINE OF THE ECONOMIC DEVELOPMENT
17 LAW AND USED FOR THE EXPANSION OF SUCH SMALL BUSINESS FOR THE PURPOSE OF
18 CREATING OR PRESERVING FULL TIME JOBS. IF A TAXPAYER FILES FOR AND
19 RECEIVES AN EXEMPTION FROM THE TAX IMPOSED UNDER THIS SECTION PURSUANT
20 TO THE PROVISIONS OF THIS SUBDIVISION AND THE FUNDS WITHDRAWN, OR ANY
21 PORTION THEREOF, ARE NOT EXPENDED FOR A QUALIFYING PURPOSE AS SET FORTH
22 HEREIN, THEN THE AMOUNT OF SUCH EXEMPTION CLAIMED BY THE TAXPAYER SHALL
23 BE ADDED BACK TO TAX IN THE NEXT SUCCEEDING TAXABLE YEAR OR IN THE YEAR
24 IN WHICH THE EXEMPTION IS DISALLOWED.
25 S 3. Subsection (c) of section 612 of the tax law is amended by adding
26 a new paragraph 41 to read as follows:

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

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1 (41) ANY WITHDRAWAL FROM A SMALL BUSINESS TAX-DEFERRED SAVINGS ACCOUNT
2 ESTABLISHED PURSUANT TO SECTION ONE HUNDRED THIRTY-NINE OF THE ECONOMIC
3 DEVELOPMENT LAW AND USED FOR THE EXPANSION OF SUCH SMALL BUSINESS FOR
4 THE PURPOSE OF CREATING OR PRESERVING FULL TIME JOBS. IF A TAXPAYER
5 FILES FOR AND RECEIVES AN EXEMPTION FROM THE TAX IMPOSED UNDER THIS
6 SECTION PURSUANT TO THE PROVISIONS OF THIS PARAGRAPH AND THE FUNDS WITH-
7 DRAWN, OR ANY PORTION THEREOF, ARE NOT EXPENDED FOR A QUALIFYING PURPOSE
8 AS SET FORTH HEREIN, THEN THE AMOUNT OF SUCH EXEMPTION CLAIMED BY THE
9 TAXPAYER SHALL BE ADDED BACK TO TAX IN THE NEXT SUCCEEDING TAXABLE YEAR
10 OR IN THE YEAR IN WHICH THE EXEMPTION IS DISALLOWED.
11 S 4. This act shall take effect immediately.