

6303--A

Cal. No. 698

I N S E N A T E

(PREFILED)

January 6, 2016

Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Cities -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the administrative code of the city of New York, in relation to establishing a credit for beer produced within the city of New York by a taxpayer that is registered as a distributor under article eighteen of the tax law

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

1 Section 1. Section 11-503 of the administrative code of the city of
2 New York is amended by adding a new subdivision (p) to read as follows:
3 (P) BEER PRODUCTION CREDIT. (1) A TAXPAYER SUBJECT TO TAX UNDER THIS
4 CHAPTER, THAT IS REGISTERED AS A DISTRIBUTOR UNDER ARTICLE EIGHTEEN OF
5 THE TAX LAW, AND THAT PRODUCES SIXTY MILLION OR FEWER GALLONS OF BEER IN
6 THIS STATE IN THE TAXABLE YEAR, SHALL BE ALLOWED A CREDIT AGAINST THE
7 TAX IMPOSED BY THIS CHAPTER IN THE AMOUNT SPECIFIED IN PARAGRAPH TWO OF
8 THIS SUBDIVISION. PROVIDED, HOWEVER, THAT NO CREDIT SHALL BE ALLOWED FOR
9 ANY BEER PRODUCED IN EXCESS OF FIFTEEN MILLION FIVE HUNDRED THOUSAND
10 GALLONS IN THE TAXABLE YEAR.
11 (2) THE AMOUNT OF THE CREDIT PER TAXPAYER PER TAXABLE YEAR FOR EACH
12 GALLON OF BEER PRODUCED IN THE CITY OF NEW YORK ON OR AFTER JANUARY
13 FIRST, TWO THOUSAND SEVENTEEN SHALL BE DETERMINED AS FOLLOWS:
14 (I) FOR THE FIRST FIVE HUNDRED THOUSAND GALLONS OF BEER PRODUCED IN
15 THE CITY OF NEW YORK IN THE TAXABLE YEAR, THE CREDIT SHALL EQUAL TWELVE
16 CENTS PER GALLON; AND
17 (II) FOR EACH GALLON OF BEER PRODUCED IN THE CITY OF NEW YORK IN THE
18 TAXABLE YEAR IN EXCESS OF FIVE HUNDRED THOUSAND GALLONS, THE CREDIT
19 SHALL EQUAL THREE AND EIGHTY-SIX ONE HUNDREDTHS CENTS PER GALLON. THE
20 CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL BE
21 TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORD-
22 ANCE WITH THE PROVISIONS OF SECTION 11-526 OF THIS CHAPTER; PROVIDED,

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

LBD02212-02-6

1 HOWEVER, THAT NOTWITHSTANDING THE PROVISIONS OF SECTION 11-528 OF THIS
2 CHAPTER, NO INTEREST SHALL BE PAID THEREON.

3 S 2. Section 11-654 of the administrative code of the city of New York
4 is amended by adding a new subdivision 22 to read as follows:

5 22. BEER PRODUCTION CREDIT. (A) A TAXPAYER SUBJECT TO TAX UNDER THIS
6 SUBCHAPTER, THAT IS REGISTERED AS A DISTRIBUTOR UNDER ARTICLE EIGHTEEN
7 OF THE TAX LAW, AND THAT PRODUCES SIXTY MILLION OR FEWER GALLONS OF BEER
8 IN THIS STATE IN THE TAXABLE YEAR, SHALL BE ALLOWED A CREDIT AGAINST THE
9 TAX IMPOSED BY THIS SUBCHAPTER IN THE AMOUNT SPECIFIED IN PARAGRAPH (B)
10 OF THIS SUBDIVISION. PROVIDED, HOWEVER, THAT NO CREDIT SHALL BE ALLOWED
11 FOR ANY BEER PRODUCED IN EXCESS OF FIFTEEN MILLION FIVE HUNDRED THOUSAND
12 GALLONS IN THE TAXABLE YEAR.

13 (B) THE AMOUNT OF THE CREDIT PER TAXPAYER PER TAXABLE YEAR FOR EACH
14 GALLON OF BEER PRODUCED IN THE CITY OF NEW YORK ON OR AFTER JANUARY
15 FIRST, TWO THOUSAND SEVENTEEN SHALL BE DETERMINED AS FOLLOWS:

16 (1) FOR THE FIRST FIVE HUNDRED THOUSAND GALLONS OF BEER PRODUCED IN
17 THE CITY OF NEW YORK IN THE TAXABLE YEAR, THE CREDIT SHALL EQUAL TWELVE
18 CENTS PER GALLON; AND

19 (2) FOR EACH GALLON OF BEER PRODUCED IN THE CITY OF NEW YORK IN THE
20 TAXABLE YEAR IN EXCESS OF FIVE HUNDRED THOUSAND GALLONS, THE CREDIT
21 SHALL EQUAL THREE AND EIGHTY-SIX ONE HUNDREDTHS CENTS PER GALLON. IN NO
22 EVENT SHALL THE CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE
23 YEAR REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE AMOUNT PRESCRIBED
24 IN CLAUSE FOUR OF SUBPARAGRAPH (A) OF PARAGRAPH E OF SUBDIVISION ONE OF
25 THIS SECTION. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDI-
26 VISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT
27 OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR SHALL BE TREATED AS
28 AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE
29 PROVISIONS OF SECTION 11-677 OF THIS CHAPTER; PROVIDED, HOWEVER, THAT
30 NOTWITHSTANDING THE PROVISIONS OF SECTION 11-679 OF THIS CHAPTER, NO
31 INTEREST SHALL BE PAID THEREON.

32 S 3. This act shall take effect immediately, and shall apply to taxa-
33 ble years beginning on or after January 1, 2017.