

STATE OF NEW YORK

5387

2017-2018 Regular Sessions

IN ASSEMBLY

February 8, 2017

Introduced by M. of A. KOLB, BARCLAY, McDONOUGH, RAIA -- Multi-Sponsored
by -- M. of A. GIGLIO, HAWLEY, McKEVITT, OAKS, THIELE -- read once and
referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to establishing tax deductions
for the tax paid by the taxpayer in connection with the purchase of a
new automobile and for the interest paid by the taxpayer in connection
with an automobile loan

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. Subdivision (d) of section 615 of the tax law, as amended
2 by chapter 921 of the laws of 1963, paragraph 1 as amended by chapter
3 1006 of the laws of 1970, paragraph 2 as amended by chapter 406 of the
4 laws of 1990 and paragraph 4 as added by section 2 of part DD of chapter
5 63 of the laws of 2000, is amended to read as follows:
6 (d) Modifications increasing federal itemized deductions. The total
7 amount of deductions from federal adjusted gross income shall be
8 increased by:
9 (1) an amount, not exceeding one hundred and fifty dollars in the
10 aggregate, for net premiums paid or incurred by a taxpayer during the
11 taxable year with respect to any life insurance or endowment policy upon
12 his life; provided, however, for taxable years beginning on or after
13 January first, nineteen hundred seventy-one, such amount shall not
14 exceed one hundred dollars in the aggregate; and for taxable years
15 beginning on or after January first, nineteen hundred seventy-two, such
16 amount shall not exceed fifty dollars in the aggregate; and for taxable
17 years beginning on or after January first, nineteen hundred seventy-
18 three, no such increase in the amount of deductions from federal
19 adjusted gross income shall be allowed;
20 (2) interest on indebtedness incurred or continued to purchase or
21 carry obligations or securities the interest on which is subject to tax
22 under this article but exempt from federal income tax, to the extent

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

LBD03288-01-7

1 that such interest on indebtedness is not deductible for federal income
2 tax purposes and is not subtracted from federal adjusted gross income
3 pursuant to paragraph ~~[(9)]~~ nine of subsection (c) of section six
4 hundred twelve of this part; ~~[and]~~

5 (3) ordinary and necessary expenses paid or incurred during the tax-
6 ble year for (i) the production or collection of income which is subject
7 to tax under this article but exempt from federal income tax, or (ii)
8 the management, conservation or maintenance of property held for the
9 production of such income, and the amortizable bond premium for the
10 taxable year on any bond the interest on which is subject to tax under
11 this article but exempt from federal income tax, to the extent that such
12 expenses and premiums are not deductible in determining federal adjusted
13 gross income and are not subtracted from federal adjusted gross income
14 pursuant to paragraph ~~[(10)]~~ ten of subsection (c) of section six
15 hundred twelve~~[-]~~ of this part;

16 (4) allowable college tuition expenses, as defined in paragraph two of
17 subsection (t) of section six hundred six of this article, multiplied by
18 the applicable percentage. Such applicable percentage shall be twenty-
19 five percent for taxable years beginning in two thousand one, fifty
20 percent for taxable years beginning in two thousand two, seventy-five
21 percent for taxable years beginning in two thousand three and one
22 hundred percent for taxable years beginning after two thousand three.
23 Provided, however, no deduction shall be allowed under this paragraph to
24 a taxpayer who claims the credit provided under subsection (t) of
25 section six hundred six of this article~~[-]~~;

26 (5) interest on indebtedness incurred to purchase an automobile from
27 an automobile dealer located within the state during the term of repay-
28 ment of the loan, provided: (A) the automobile is purchased for the
29 taxpayer's personal use; (B) the automobile is registered in the name of
30 the taxpayer; and (C) such deduction shall apply only to the amount of
31 interest attributable to the first forty-nine thousand five hundred
32 dollars of the automobile loan amount; and

33 (6) an amount not to exceed the sum of the state and local sales and
34 compensating use taxes paid by the taxpayer in connection with the
35 purchase of the automobile from an automobile dealer located within the
36 state provided: (A) the automobile is purchased for the taxpayer's
37 personal use; (B) the automobile is registered in the name of the
38 taxpayer; (C) such deduction is allowable once with respect to any auto-
39 mobile; and (D) such deduction shall apply only to the amount of tax
40 attributable to the first forty-nine thousand five hundred dollars of
41 the automobile purchase price.

42 § 2. This act shall take effect on the first of January next succeed-
43 ing the date on which it shall have become a law and shall apply to
44 taxable years beginning on or after such date.