

STATE OF NEW YORK

5165

2019-2020 Regular Sessions

IN ASSEMBLY

February 7, 2019

Introduced by M. of A. SCHIMMINGER, MAGNARELLI, LUPARDO, ZEBROWSKI --
Multi-Sponsored by -- M. of A. BARCLAY, GIGLIO, GOODELL, KOLB, LAVINE,
PALMESANO, PEOPLES-STOKES -- read once and referred to the Committee
on Ways and Means

AN ACT to amend the tax law, in relation to phasing out the franchise
tax on business corporations that are manufacturers

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

1 Section 1. Section 208 of the tax law is amended by adding two new
2 subdivisions 13 and 14 to read as follows:

3 13. The term "manufacturer" shall mean a taxpayer which during the
4 taxable year is principally engaged in the production of goods by manu-
5 facturing, processing, assembling, refining, mining, extracting, farm-
6 ing, agriculture, horticulture, floriculture, viticulture or commercial
7 fishing. Moreover, for purposes of computing the capital base in a
8 combined report, the group shall be considered a "manufacturer" for
9 purposes of this article only if the combined group during the taxable
10 year is principally engaged in the activities set forth in this subdi-
11 vision, or any combination thereof.

12 14. The term "principally engaged" shall include a taxpayer or a
13 combined group if, during the taxable year, more than fifty percent of
14 the gross receipts of the taxpayer or combined group, respectively, are
15 derived from receipts from the sale of goods produced by manufacturing.
16 In computing a combined group's gross receipts, intercorporate receipts
17 shall be eliminated.

18 § 2. Section 209 of the tax law is amended by adding a new subdivision
19 13 to read as follows:

20 13. (a) For any taxable year beginning on or after January first, two
21 thousand twenty, a taxpayer who is a manufacturer shall be exempt from
22 fifty percent of all taxes imposed by this article.

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

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1 (b) For any taxable year beginning on or after January first, two
2 thousand twenty-one, a taxpayer who is a manufacturer shall be exempt
3 from all taxes imposed by this article.

4 § 3. This act shall take effect immediately and shall apply to taxable
5 years commencing on or after January 1, 2019; provided, however, that
6 the commissioner of taxation and finance is authorized to promulgate any
7 and all rules and regulations and take any other measures necessary for
8 the timely implementation of this act on its effective date on or before
9 such date.