

STATE OF NEW YORK

4663

2021-2022 Regular Sessions

IN ASSEMBLY

February 4, 2021

Introduced by M. of A. PAULIN -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to establishing provisions related to unincorporated business tax

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

1 Section 1. The tax law is amended by adding a new article 24-A to read
2 as follows:

ARTICLE 24-A

UNINCORPORATED BUSINESS TAX

Section 860. Definitions.

6 861. Partnership election.

7 862. Imposition and rate of tax.

8 863. Tax credits.

9 864. Payment of estimated tax.

10 865. Filing of return and payment of tax.

11 866. Accounting periods and methods.

12 867. Procedural provisions.

13 § 860. Definitions. For purposes of this article, the following terms
14 shall have the following meanings:

15 (a) Affected partnership. Affected partnership means any partnership
16 as provided in section 7701(a)(2) of the internal revenue code. An
17 affected partnership includes any limited liability company treated as a
18 partnership for federal income tax purposes.

19 (b) Lower-tier partnership. A lower-tier partnership means any part-
20 nership in which an affected partnership has a direct ownership inter-
21 est.

22 (c) Unincorporated business tax. Unincorporated business tax means the
23 total tax imposed by this article without regard to the unincorporated
24 business credit calculated under subsection (a) of section eight hundred
25 sixty-three of this article.

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

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1 (d) Unincorporated business credit. Unincorporated business credit
2 means the total credit calculated under subsection (a) of section eight
3 hundred sixty-three of this article without regard to any limitation
4 imposed by paragraph three of such subsection.

5 (e) Ownership percentage. Ownership percentage means a fraction, the
6 numerator of which is the net total of the partner's distributive share
7 of income, gain, loss and deductions of, and guaranteed payments from,
8 the affected partnership for such taxable year, and the denominator of
9 which is the sum, for such taxable year, of the net total distributive
10 shares of income, gain, loss and deductions of, and guaranteed payments
11 to, all partners in the affected partnership for whom or which such net
12 total as separately determined for each partner, is greater than zero.

13 (f) Unincorporated business net income. Unincorporated business net
14 income means the sum of: (1) federal ordinary business income, as
15 described in section 702(a)(8) of the internal revenue code and as
16 applied to the partnership pursuant to section 703 of the internal
17 revenue code, of the affected partnership; and (2) taxes paid or
18 incurred during the taxable year under this article by the affected
19 partnership to the extent deducted in computing federal ordinary income;
20 and (3) guaranteed payments paid by the affected partnership to its
21 partners as described in section 707(c) of the internal revenue code.

22 (g) Unincorporated business taxable income. Unincorporated business
23 taxable income of an affected partnership means the sum of: (1) the
24 affected partnership's unincorporated business net income or loss,
25 excluding the affected partnership's distributive share of any such
26 amounts from a lower-tier partnership included in paragraph two of this
27 subsection, allocated to the state pursuant to subsection (b) of section
28 eight hundred sixty-two of this article; and (2) any unincorporated
29 business net income of a lower-tier partnership to the extent it was
30 sourced to the state by such lower-tier partnership pursuant to the
31 principles of subsection (b) of section eight hundred sixty-two of this
32 article.

33 § 861. Partnership election. (a) Any affected partnership shall be
34 allowed to make an annual election to be taxed under this article.

35 (b) In order to be effective, the annual election shall be made by any
36 member, owner, or other individual with authority to bind the entity or
37 sign returns required pursuant to section six hundred fifty-three of
38 this chapter.

39 (c) The annual election shall be made by December first of each calen-
40 dar year and will take effect for the immediately succeeding calendar
41 year. If an election is made after December first of a calendar year,
42 it will first take effect in the second succeeding calendar year.

43 (d) If an affected partnership determines that the election made
44 pursuant to subsection (a) of this section was in error and such part-
45 nership wishes to revoke an election for the calendar year and has taken
46 no action to comply with the requirements of this article, the employer
47 may revoke the election. For the calendar year two thousand twenty-one,
48 such revocation of the employer election may be made on or before April
49 fifteenth, two thousand twenty-one. For calendar years beginning two
50 thousand twenty-two and thereafter, such revocation of the partnership
51 election shall be made no later than January fifteenth of the immediate-
52 ly succeeding calendar year after the partnership election was made.

53 § 862. Imposition and rate of tax. (a) General. A tax is hereby
54 imposed for each taxable year on the unincorporated business taxable
55 income of every affected partnership which has elected to be taxed under
56 this article. This tax shall be in addition to any other taxes imposed

1 and shall be at the rate of five percent for each taxable year beginning
2 on or after January first, two thousand twenty.

3 (b) Allocation to New York. In determining the amount of unincorporat-
4 ed business taxable income, the unincorporated business net income or
5 loss of the affected partnership shall be allocated to this state by
6 multiplying the unincorporated business net income or loss of the
7 affected partnership by the average of the following three percentages:

8 (1) Property percentage. The property percentage is computed by divid-
9 ing (A) the average of the values, at the beginning and end of the taxa-
10 ble year, of real and tangible personal property owned and rented by the
11 affected partnership and located within this state, by (B) the average
12 of the values, at the beginning and end of the taxable year, of all real
13 and tangible personal property owned or rented by the affected partner-
14 ship and located both within and without the state of New York.

15 (2) Payroll percentage. The payroll percentage is computed by dividing
16 (A) the total wages, salaries and other personal service compensation
17 paid or incurred during the taxable year to employees of the affected
18 partnership, in connection with the business carried on within this
19 state, by (B) the total of all wages, salaries and other personal
20 service compensation paid or incurred during the taxable year to employ-
21 ees of the affected partnership in connection with the business carried
22 on both within and without the state of New York.

23 (3) Gross income percentage. The gross income percentage is computed
24 by dividing (A) the gross sales or charges for services performed by or
25 through an office, branch or agency of the affected partnership located
26 within the state of New York, by (B) the total of all gross sales or
27 charges for services performed within and without the state of New York.
28 The sales or charges to be allocated to the state include all sales
29 negotiated or consummated, and charges for services performed, by an
30 employee, agent, agency or independent contractor chiefly situated at,
31 connected by contract or otherwise with, or sent out from, offices,
32 branches of the affected partnership, or other agencies, situated within
33 the state.

34 § 863. Tax credits. (a) Unincorporated business credit. An affected
35 partnership that is a partner in a lower-tier partnership shall be
36 allowed a credit against the tax imposed under this article as computed
37 under paragraphs one through three of this subsection.

38 (1) Calculation of credit. The unincorporated business credit shall be
39 calculated by multiplying the affected partnership's ownership percent-
40 age of a lower-tier partnership by the larger of:

41 (A) the unincorporated business tax of the lower-tier partnership; or
42 (B) the unincorporated business credit calculated by the lower-tier
43 partnership.

44 (2) Credit from multiple lower-tier entities. If an affected partner-
45 ship has a direct ownership interest in more than one lower-tier part-
46 nership, the unincorporated business credit shall be the sum of the
47 credits calculated under paragraph one of this subsection with regard to
48 each lower-tier partnership in which the affected partnership has a
49 direct ownership interest.

50 (3) Limitation on credit. If the unincorporated business credit calcu-
51 lated under this subsection for any taxable year exceeds the amount of
52 tax due under this article for such year, such credit shall be used to
53 reduce the tax due to zero and any excess shall not be carried forward.

54 (b) Personal income tax credit. A taxpayer subject to tax under arti-
55 cle twenty-two of this chapter that is a partner in an affected partner-
56 ship subject to tax under this article shall be allowed a credit against

1 the tax imposed under article twenty-two of this chapter, computed
2 pursuant to the provisions of subsection (bbb) of section six hundred
3 six of this chapter.

4 (c) Corporation franchise tax credit. A taxpayer subject to tax under
5 article nine-A of this chapter that is a corporate partner in an
6 affected partnership subject to tax under this article shall be allowed
7 a credit against the tax imposed under article nine-A of this chapter,
8 computed pursuant to the provisions of subdivision fifty-five of section
9 two hundred ten-B of this chapter.

10 § 864. Payment of estimated tax. (a) Definition of estimated tax. For
11 the purposes of this section, "estimated tax" means the amount that an
12 affected partnership estimates to be the tax imposed by section eight
13 hundred sixty-two of this article for the current taxable year, less the
14 amount that it estimates to be the sum of any credits allowable against
15 the tax.

16 (b) General. The estimated tax shall be paid as follows for an
17 affected partnership that reports on a calendar year basis:

18 (1) If such estimated tax can reasonably be expected to exceed one
19 thousand dollars on or before March fifteenth of the taxable year, the
20 estimated tax shall be paid in four equal installments on March
21 fifteenth, June fifteenth, September fifteenth and December fifteenth.

22 (2) If such estimated tax can reasonably be expected to exceed one
23 thousand dollars after March fifteenth and not after June fifteenth of
24 the taxable year, the estimated tax shall be paid in three equal
25 installments on June fifteenth, September fifteenth and December
26 fifteenth.

27 (3) If such estimated tax can reasonably be expected to exceed one
28 thousand dollars after June fifteenth and not after September fifteenth
29 of the taxable year, the estimated tax shall be paid in two equal
30 installments on September fifteenth and December fifteenth.

31 (4) If such estimated tax can reasonably be expected to exceed one
32 thousand dollars after September fifteenth of the taxable year, the
33 estimated tax shall be paid on December fifteenth.

34 (c) Application to short taxable year. This section shall apply to a
35 taxable year of less than twelve months in accordance with procedures
36 established by the commissioner.

37 (d) Fiscal year. This section shall apply to a taxable year other than
38 a calendar year by the substitution of the months of such fiscal year
39 for the corresponding months specified in this section.

40 (e) Installments paid in advance. An affected partnership may elect to
41 pay any installment of its estimated tax prior to the date prescribed
42 for the payment thereof.

43 § 865. Filing of return and payment of tax. (a) General. On or before
44 the fifteenth day of the third month following the close of the taxable
45 year, each affected partnership required to file a return under para-
46 graph one of subsection (c) of section six hundred fifty-eight of this
47 chapter, shall also be required to report the information required under
48 this article on such return.

49 (b) Information on return. Each affected partnership shall report any
50 tax due under this article on the face of such return and such other
51 pertinent information as the commissioner may by regulations and
52 instructions prescribe. The balance of any tax shown on the face of such
53 return, not previously paid as installments of estimated tax, shall be
54 paid with such return.

1 (c) Information provided to partners. Each affected partnership
2 subject to tax under this article shall report to each partner its
3 distributive share of:

4 (1) the unincorporated business net income of the affected partner-
5 ship;

6 (2) the unincorporated business taxable income of the affected part-
7 nership;

8 (3) the unincorporated business tax imposed on the affected partner-
9 ship; and

10 (4) the total unincorporated business credit calculated by the
11 affected partnership under subsection (a) of section eight hundred
12 sixty-three of this article, before application of the limitation on
13 such credit under paragraph three of such subdivision.

14 § 866. Accounting periods and methods. (a) Accounting periods. An
15 affected partnership's taxable year under this article shall be the same
16 as the affected partnership's taxable year for federal income tax
17 purposes.

18 (b) Accounting methods. An affected partnership's method of accounting
19 under this article shall be the same as the affected partnership's meth-
20 od of accounting for federal income tax purposes.

21 (c) Change of accounting period or method.

22 (1) If an affected partnership's taxable year or method of accounting
23 is changed for federal income tax purposes, the taxable year or method
24 of accounting for purposes of this article shall be similarly changed.

25 (2) If an affected partnership's method of accounting is changed, any
26 additional tax that results from adjustments determined to be necessary
27 solely by reason of such change shall not be greater than if such
28 adjustments were ratably allocated and included for the taxable year of
29 the change and the preceding taxable years, not in excess of two, during
30 which the affected partnership used the method of accounting from which
31 the change is made.

32 § 867. Procedural provisions. (a) General. All provisions of article
33 twenty-two of this chapter shall apply to the provisions of this article
34 in the same manner and with the same force and effect as if the language
35 of article twenty-two of this chapter had been incorporated in full into
36 this article and had been specifically adjusted for and expressly
37 referred to the tax imposed by this article, except to the extent that
38 any provision is either inconsistent with or not relevant to this arti-
39 cle.

40 (b) Liability for tax. Only the affected partnership shall be liable
41 for the tax under this article, and no partner shall be personally
42 liable for such tax.

43 (c) Deposit and disposition of revenue. All taxes, interest, penal-
44 ties, and fees collected or received by the commissioner under this
45 article shall be deposited and disposed of pursuant to the provisions of
46 section one hundred seventy-one-a of this chapter.

47 (d) Secrecy provision. All the provisions of subsection (a) of section
48 six hundred ninety-seven of this chapter shall be applied to the
49 provisions of this article. Notwithstanding any provisions of this
50 chapter to the contrary, the commissioner may disclose information and
51 returns regarding the calculation and payment of the tax imposed by this
52 article and any credit calculated on taxes paid directly or indirectly
53 under this article to an affected partnership, its lower-tiered entity
54 or entities and to any taxpayer under article nine-A or article twenty-
55 two of this chapter that owns, in whole or in part, directly or indi-
56 rectly, such affected partnership.

§ 2. Section 606 of the tax law is amended by adding a new subsection (bbb) to read as follows:

(bbb) Credit for unincorporated business tax for partners. (1) A taxpayer partner of an affected partnership subject to tax under article twenty-four-A of this chapter shall be entitled to a credit against the tax imposed by this article. For purposes of this subsection, the terms "affected partnership", "ownership percentage", "unincorporated business tax" and "unincorporated business credit" shall have the same meanings as under article twenty-four-A of this chapter.

(2) The credit shall be equal to the product of:

(i) the taxpayer's ownership percentage of the affected partnership;

(ii) ninety-three percent; and

(iii) the greater of:

(A) the unincorporated business tax of the affected partnership; or

(B) the unincorporated business credit of the affected partnership.

(3) If a taxpayer has a direct ownership of a partnership interest in multiple affected partnerships subject to tax under article twenty-four-A of this chapter, the taxpayer's credit shall be the sum of such credits calculated under paragraph two of this subsection with regard to each partnership in which the taxpayer has a direct ownership interest.

(4) If the amount of the credit allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, the excess allowed for the taxable year may be carried over to the following year or years and may be deducted from the taxpayer's tax for such year or years.

§ 3. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xlvi) to read as follows:

(xlvi) Credit for unincorporated business tax for partners under subsection (bbb)

Amount of credit under subdivision fifty-five of section two hundred ten-B

§ 4. Section 210-B of the tax law is amended by adding a new subdivision 55 to read as follows:

55. Credit for unincorporated business tax for partners. (a) A corporate partner of an affected partnership subject to tax under article twenty-four-A of this chapter shall be entitled to a credit against the tax imposed by this article. For purposes of this subdivision, the terms "affected partnership", "ownership percentage", "unincorporated business tax" and "unincorporated business credit" shall have the same meanings as under article twenty-four-A of this chapter.

(b) The credit shall be equal to the product of:

(i) the taxpayer's ownership percentage of the affected partnership;

(ii) ninety-three percent; and

(iii) the greater of:

(A) the unincorporated business tax of the affected partnership; or

(B) the unincorporated business credit of the affected partnership.

(c) If a corporation has a direct ownership interest in multiple affected partnerships subject to tax under article twenty-four-A of this chapter, the corporation's credit under this subdivision shall be the sum of such credits calculated under paragraph (b) of this subdivision with regard to each partnership in which the corporation has a direct ownership interest.

(d) The credit allowed under this subdivision for any taxable year will not reduce the tax for such year to less than the amount prescribed

in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit allowed under this subdivision for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in such taxable year may be carried over to the following year or years and may be deducted from the taxpayer's tax for such year or years.

§ 5. Subdivision 1 of section 171-a of the tax law, as amended by section 3 of part XX of chapter 59 of the laws of 2019, is amended to read as follows:

1. All taxes, interest, penalties and fees collected or received by the commissioner or the commissioner's duly authorized agent under articles nine (except section one hundred eighty-two-a thereof and except as otherwise provided in section two hundred five thereof), nine-A, twelve-A (except as otherwise provided in section two hundred eighty-four-d thereof), thirteen, thirteen-A (except as otherwise provided in section three hundred twelve thereof), eighteen, nineteen, twenty (except as otherwise provided in section four hundred eighty-two thereof), twenty-B, twenty-D, twenty-one, twenty-two, twenty-four, twenty-four-A, twenty-six, twenty-eight (except as otherwise provided in section eleven hundred two or eleven hundred three thereof), twenty-eight-A, twenty-nine-B, thirty-one (except as otherwise provided in section fourteen hundred twenty-one thereof), thirty-three and thirty-three-A of this chapter shall be deposited daily in one account with such responsible banks, banking houses or trust companies as may be designated by the comptroller, to the credit of the comptroller. Such an account may be established in one or more of such depositories. Such deposits shall be kept separate and apart from all other money in the possession of the comptroller. The comptroller shall require adequate security from all such depositories. Of the total revenue collected or received under such articles of this chapter, the comptroller shall retain in the comptroller's hands such amount as the commissioner may determine to be necessary for refunds or reimbursements under such articles of this chapter out of which amount the comptroller shall pay any refunds or reimbursements to which taxpayers shall be entitled under the provisions of such articles of this chapter. The commissioner and the comptroller shall maintain a system of accounts showing the amount of revenue collected or received from each of the taxes imposed by such articles. The comptroller, after reserving the amount to pay such refunds or reimbursements, shall, on or before the tenth day of each month, pay into the state treasury to the credit of the general fund all revenue deposited under this section during the preceding calendar month and remaining to the comptroller's credit on the last day of such preceding month, (i) except that the comptroller shall pay to the state department of social services that amount of overpayments of tax imposed by article twenty-two of this chapter and the interest on such amount which is certified to the comptroller by the commissioner as the amount to be credited against past-due support pursuant to subdivision six of section one hundred seventy-one-c of this article, (ii) and except that the comptroller shall pay to the New York state higher education services corporation and the state university of New York or the city university of New York respectively that amount of overpayments of tax imposed by article twenty-two of this chapter and the interest on such amount which is certified to the comptroller by the commissioner as the amount to be credited against the amount of defaults in repayment of guaranteed student loans and state university loans or city university

1 loans pursuant to subdivision five of section one hundred seventy-one-d
2 and subdivision six of section one hundred seventy-one-e of this arti-
3 cle, (iii) and except further that, notwithstanding any law, the comp-
4 troller shall credit to the revenue arrearage account, pursuant to
5 section ninety-one-a of the state finance law, that amount of overpay-
6 ment of tax imposed by article nine, nine-A, twenty-two, thirty, thir-
7 ty-A, thirty-B or thirty-three of this chapter, and any interest there-
8 on, which is certified to the comptroller by the commissioner as the
9 amount to be credited against a past-due legally enforceable debt owed
10 to a state agency pursuant to paragraph (a) of subdivision six of
11 section one hundred seventy-one-f of this article, provided, however, he
12 shall credit to the special offset fiduciary account, pursuant to
13 section ninety-one-c of the state finance law, any such amount credita-
14 ble as a liability as set forth in paragraph (b) of subdivision six of
15 section one hundred seventy-one-f of this article, (iv) and except
16 further that the comptroller shall pay to the city of New York that
17 amount of overpayment of tax imposed by article nine, nine-A, twenty-
18 two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any
19 interest thereon that is certified to the comptroller by the commission-
20 er as the amount to be credited against city of New York tax warrant
21 judgment debt pursuant to section one hundred seventy-one-l of this
22 article, (v) and except further that the comptroller shall pay to a
23 non-obligated spouse that amount of overpayment of tax imposed by arti-
24 cle twenty-two of this chapter and the interest on such amount which has
25 been credited pursuant to section one hundred seventy-one-c, one hundred
26 seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or
27 one hundred seventy-one-l of this article and which is certified to the
28 comptroller by the commissioner as the amount due such non-obligated
29 spouse pursuant to paragraph six of subsection (b) of section six
30 hundred fifty-one of this chapter; and (vi) the comptroller shall deduct
31 a like amount which the comptroller shall pay into the treasury to the
32 credit of the general fund from amounts subsequently payable to the
33 department of social services, the state university of New York, the
34 city university of New York, or the higher education services corpo-
35 ration, or the revenue arrearage account or special offset fiduciary
36 account pursuant to section ninety-one-a or ninety-one-c of the state
37 finance law, as the case may be, whichever had been credited the amount
38 originally withheld from such overpayment, and (vii) with respect to
39 amounts originally withheld from such overpayment pursuant to section
40 one hundred seventy-one-l of this article and paid to the city of New
41 York, the comptroller shall collect a like amount from the city of New
42 York.

43 § 6. Subdivision 1 of section 171-a of the tax law, as amended by
44 section 4 of part XX of chapter 59 of the laws of 2019, is amended to
45 read as follows:

46 1. All taxes, interest, penalties and fees collected or received by
47 the commissioner or the commissioner's duly authorized agent under arti-
48 cles nine (except section one hundred eighty-two-a thereof and except as
49 otherwise provided in section two hundred five thereof), nine-A,
50 twelve-A (except as otherwise provided in section two hundred eighty-
51 four-d thereof), thirteen, thirteen-A (except as otherwise provided in
52 section three hundred twelve thereof), eighteen, nineteen, twenty
53 (except as otherwise provided in section four hundred eighty-two there-
54 of), twenty-D, twenty-one, twenty-two, twenty-four, twenty-four-A, twen-
55 ty-six, twenty-eight (except as otherwise provided in section eleven
56 hundred two or eleven hundred three thereof), twenty-eight-A, twenty-

1 nine-B, thirty-one (except as otherwise provided in section fourteen
2 hundred twenty-one thereof), thirty-three and thirty-three-A of this
3 chapter shall be deposited daily in one account with such responsible
4 banks, banking houses or trust companies as may be designated by the
5 comptroller, to the credit of the comptroller. Such an account may be
6 established in one or more of such depositories. Such deposits shall be
7 kept separate and apart from all other money in the possession of the
8 comptroller. The comptroller shall require adequate security from all
9 such depositories. Of the total revenue collected or received under such
10 articles of this chapter, the comptroller shall retain in the comp-
11 troller's hands such amount as the commissioner may determine to be
12 necessary for refunds or reimbursements under such articles of this
13 chapter out of which amount the comptroller shall pay any refunds or
14 reimbursements to which taxpayers shall be entitled under the provisions
15 of such articles of this chapter. The commissioner and the comptroller
16 shall maintain a system of accounts showing the amount of revenue
17 collected or received from each of the taxes imposed by such articles.
18 The comptroller, after reserving the amount to pay such refunds or
19 reimbursements, shall, on or before the tenth day of each month, pay
20 into the state treasury to the credit of the general fund all revenue
21 deposited under this section during the preceding calendar month and
22 remaining to the comptroller's credit on the last day of such preceding
23 month, (i) except that the comptroller shall pay to the state department
24 of social services that amount of overpayments of tax imposed by article
25 twenty-two of this chapter and the interest on such amount which is
26 certified to the comptroller by the commissioner as the amount to be
27 credited against past-due support pursuant to subdivision six of section
28 one hundred seventy-one-c of this article, (ii) and except that the
29 comptroller shall pay to the New York state higher education services
30 corporation and the state university of New York or the city university
31 of New York respectively that amount of overpayments of tax imposed by
32 article twenty-two of this chapter and the interest on such amount which
33 is certified to the comptroller by the commissioner as the amount to be
34 credited against the amount of defaults in repayment of guaranteed
35 student loans and state university loans or city university loans pursu-
36 ant to subdivision five of section one hundred seventy-one-d and subdivi-
37 sion six of section one hundred seventy-one-e of this article, (iii)
38 and except further that, notwithstanding any law, the comptroller shall
39 credit to the revenue arrearage account, pursuant to section
40 ninety-one-a of the state finance law, that amount of overpayment of tax
41 imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B
42 or thirty-three of this chapter, and any interest thereon, which is
43 certified to the comptroller by the commissioner as the amount to be
44 credited against a past-due legally enforceable debt owed to a state
45 agency pursuant to paragraph (a) of subdivision six of section one
46 hundred seventy-one-f of this article, provided, however, he shall cred-
47 it to the special offset fiduciary account, pursuant to section ninety-
48 one-c of the state finance law, any such amount creditable as a liabil-
49 ity as set forth in paragraph (b) of subdivision six of section one
50 hundred seventy-one-f of this article, (iv) and except further that the
51 comptroller shall pay to the city of New York that amount of overpayment
52 of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A,
53 thirty-B or thirty-three of this chapter and any interest thereon that
54 is certified to the comptroller by the commissioner as the amount to be
55 credited against city of New York tax warrant judgment debt pursuant to
56 section one hundred seventy-one-l of this article, (v) and except

1 further that the comptroller shall pay to a non-obligated spouse that
2 amount of overpayment of tax imposed by article twenty-two of this chap-
3 ter and the interest on such amount which has been credited pursuant to
4 section one hundred seventy-one-c, one hundred seventy-one-d, one
5 hundred seventy-one-e, one hundred seventy-one-f or one hundred seven-
6 ty-one-l of this article and which is certified to the comptroller by
7 the commissioner as the amount due such non-obligated spouse pursuant to
8 paragraph six of subsection (b) of section six hundred fifty-one of this
9 chapter; and (vi) the comptroller shall deduct a like amount which the
10 comptroller shall pay into the treasury to the credit of the general
11 fund from amounts subsequently payable to the department of social
12 services, the state university of New York, the city university of New
13 York, or the higher education services corporation, or the revenue
14 arrearage account or special offset fiduciary account pursuant to
15 section ninety-one-a or ninety-one-c of the state finance law, as the
16 case may be, whichever had been credited the amount originally withheld
17 from such overpayment, and (vii) with respect to amounts originally
18 withheld from such overpayment pursuant to section one hundred seventy-
19 one-l of this article and paid to the city of New York, the comptroller
20 shall collect a like amount from the city of New York.

21 § 7. This act shall take effect immediately and shall apply to taxable
22 years beginning on or after January 1, 2020; provided that the amend-
23 ments to subdivision 1 of section 171-a of the tax law made by section
24 five of this act shall be subject to the expiration and reversion of
25 such subdivision pursuant to section 12 of chapter 90 of the laws of
26 2014 when upon such date the provisions of section six of this act shall
27 take effect.