

STATE OF NEW YORK

3186

2021-2022 Regular Sessions

IN SENATE

January 28, 2021

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

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. Imposition and rate of tax.

7 862. Tax credits

8 863. Payment of estimated tax.

9 864. Filing of return and payment of tax.

10 865. Accounting periods and methods.

11 866. Procedural provisions.

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

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

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

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

33 § 861. Imposition and rate of tax. (a) General. A tax is hereby
34 imposed for each taxable year on the unincorporated business taxable
35 income of every affected partnership doing business within this state.
36 This tax shall be in addition to any other taxes imposed and shall be at
37 the rate of five percent for each taxable year beginning on or after
38 January first, two thousand twenty-one.

39 (b) Allocation to New York. In determining the amount of unincorporat-
40 ed business taxable income, the unincorporated business net income or
41 loss of the affected partnership shall be allocated to this state by
42 multiplying the unincorporated business net income or loss of the
43 affected partnership by the average of the following three percentages:

44 (1) Property percentage. The property percentage is computed by divid-
45 ing (A) the average of the values, at the beginning and end of the taxa-
46 ble year, of real and tangible personal property owned and rented by the
47 affected partnership and located within this state, by (B) the average
48 of the values, at the beginning and end of the taxable year, of all real
49 and tangible personal property owned or rented by the affected partner-
50 ship and located both within and without the state of New York.

51 (2) Payroll percentage. The payroll percentage is computed by dividing
52 (A) the total wages, salaries and other personal service compensation
53 paid or incurred during the taxable year to employees of the affected
54 partnership, in connection with the business carried on within this
55 state, by (B) the total of all wages, salaries and other personal
56 service compensation paid or incurred during the taxable year to employ-

ees of the affected partnership in connection with the business carried on both within and without the state of New York.

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

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

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

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

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

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

(b) Personal income tax credit. A taxpayer subject to tax under article twenty-two of this chapter that is a partner in an affected partnership subject to tax under this article shall be allowed a credit against the tax imposed under article twenty-two of this chapter, computed pursuant to the provisions of subsection (bbb) of section six hundred six of this chapter.

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

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

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

(1) If such estimated tax can reasonably be expected to exceed one thousand dollars on or before March fifteenth of the taxable year, the

1 estimated tax shall be paid in four equal installments on March
2 fifteenth, June fifteenth, September fifteenth and December fifteenth.

3 (2) If such estimated tax can reasonably be expected to exceed one
4 thousand dollars after March fifteenth and not after June fifteenth of
5 the taxable year, the estimated tax shall be paid in three equal
6 installments on June fifteenth, September fifteenth and December
7 fifteenth.

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

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

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

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

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

24 § 864. Filing of return and payment of tax. (a) General. On or before
25 the fifteenth day of the third month following the close of the taxable
26 year, each affected partnership required to file a return under para-
27 graph one of subsection (c) of section six hundred fifty-eight of this
28 chapter, shall also be required to report the information required under
29 this article on such return.

30 (b) Information on return. Each affected partnership shall report any
31 tax due under this article on the face of such return and such other
32 pertinent information as the commissioner may by regulations and
33 instructions prescribe. The balance of any tax shown on the face of such
34 return, not previously paid as installments of estimated tax, shall be
35 paid with such return.

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

39 (1) the unincorporated business net income of the affected partner-
40 ship;

41 (2) the unincorporated business taxable income of the affected part-
42 nership;

43 (3) the unincorporated business tax imposed on the affected partner-
44 ship; and

45 (4) the total unincorporated business credit calculated by the
46 affected partnership under subsection (a) of section eight hundred
47 sixty-two of this article, before application of the limitation on such
48 credit under paragraph three of such subdivision.

49 § 865. Accounting periods and methods. (a) Accounting periods. An
50 affected partnership's taxable year under this article shall be the same
51 as the affected partnership's taxable year for federal income tax
52 purposes.

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

56 (c) Change of accounting period or method.

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

4 (2) If an affected partnership's method of accounting is changed, any
5 additional tax that results from adjustments determined to be necessary
6 solely by reason of such change shall not be greater than if such
7 adjustments were ratably allocated and included for the taxable year of
8 the change and the preceding taxable years, not in excess of two, during
9 which the affected partnership used the method of accounting from which
10 the change is made.

11 § 866. Procedural provisions. (a) General. All provisions of article
12 twenty-two of this chapter shall apply to the provisions of this article
13 in the same manner and with the same force and effect as if the language
14 of article twenty-two of this chapter had been incorporated in full into
15 this article and had been specifically adjusted for and expressly
16 referred to the tax imposed by this article, except to the extent that
17 any provision is either inconsistent with or not relevant to this arti-
18 cle.

19 (b) Liability for tax. Only the affected partnership shall be liable
20 for the tax under this article, and no partner shall be personally
21 liable for such tax.

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

26 (d) Secrecy provision. All the provisions of subsection (a) of section
27 six hundred ninety-seven of this chapter shall be applied to the
28 provisions of this article. Notwithstanding any provisions of this
29 chapter to the contrary, the commissioner may disclose information and
30 returns regarding the calculation and payment of the tax imposed by this
31 article and any credit calculated on taxes paid directly or indirectly
32 under this article to an affected partnership, its lower-tiered entity
33 or entities and to any taxpayer under article nine-A or article twenty-
34 two of this chapter that owns, in whole or in part, directly or indi-
35 rectly, such affected partnership.

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

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

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

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

47 (ii) ninety-three percent; and

48 (iii) the greater of:

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

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

51 (3) If a taxpayer has a direct ownership of a partnership interest in
52 multiple affected partnerships subject to tax under article
53 twenty-four-A of this chapter, the taxpayer's credit shall be the sum of
54 such credits calculated under paragraph two of this subsection with
55 regard to each partnership in which the taxpayer has a direct ownership
56 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:

<u>(xlvi) Credit for unincorporated</u>	<u>Amount of credit</u>
<u>business tax for partners</u>	<u>under subdivision</u>
<u>under subsection (bbb)</u>	<u>fifty-five of section</u>
	<u>two hundred ten-B</u>

§ 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),

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

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

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

25 1. All taxes, interest, penalties and fees collected or received by
26 the commissioner or the commissioner's duly authorized agent under arti-
27 cles nine (except section one hundred eighty-two-a thereof and except as
28 otherwise provided in section two hundred five thereof), nine-A,
29 twelve-A (except as otherwise provided in section two hundred eighty-
30 four-d thereof), thirteen, thirteen-A (except as otherwise provided in
31 section three hundred twelve thereof), eighteen, nineteen, twenty
32 (except as otherwise provided in section four hundred eighty-two there-
33 of), twenty-D, twenty-one, twenty-two, twenty-four, twenty-four-A, twen-
34 ty-six, twenty-eight (except as otherwise provided in section eleven
35 hundred two or eleven hundred three thereof), twenty-eight-A, twenty-
36 nine-B, thirty-one (except as otherwise provided in section fourteen
37 hundred twenty-one thereof), thirty-three and thirty-three-A of this
38 chapter shall be deposited daily in one account with such responsible
39 banks, banking houses or trust companies as may be designated by the
40 comptroller, to the credit of the comptroller. Such an account may be
41 established in one or more of such depositories. Such deposits shall be
42 kept separate and apart from all other money in the possession of the
43 comptroller. The comptroller shall require adequate security from all
44 such depositories. Of the total revenue collected or received under such
45 articles of this chapter, the comptroller shall retain in the comp-
46 troller's hands such amount as the commissioner may determine to be
47 necessary for refunds or reimbursements under such articles of this
48 chapter out of which amount the comptroller shall pay any refunds or
49 reimbursements to which taxpayers shall be entitled under the provisions
50 of such articles of this chapter. The commissioner and the comptroller
51 shall maintain a system of accounts showing the amount of revenue
52 collected or received from each of the taxes imposed by such articles.
53 The comptroller, after reserving the amount to pay such refunds or
54 reimbursements, shall, on or before the tenth day of each month, pay
55 into the state treasury to the credit of the general fund all revenue
56 deposited under this section during the preceding calendar month and

1 remaining to the comptroller's credit on the last day of such preceding
2 month, (i) except that the comptroller shall pay to the state department
3 of social services that amount of overpayments of tax imposed by article
4 twenty-two of this chapter and the interest on such amount which is
5 certified to the comptroller by the commissioner as the amount to be
6 credited against past-due support pursuant to subdivision six of section
7 one hundred seventy-one-c of this article, (ii) and except that the
8 comptroller shall pay to the New York state higher education services
9 corporation and the state university of New York or the city university
10 of New York respectively that amount of overpayments of tax imposed by
11 article twenty-two of this chapter and the interest on such amount which
12 is certified to the comptroller by the commissioner as the amount to be
13 credited against the amount of defaults in repayment of guaranteed
14 student loans and state university loans or city university loans pursu-
15 ant to subdivision five of section one hundred seventy-one-d and subdi-
16 vision six of section one hundred seventy-one-e of this article, (iii)
17 and except further that, notwithstanding any law, the comptroller shall
18 credit to the revenue arrearage account, pursuant to section
19 ninety-one-a of the state finance law, that amount of overpayment of tax
20 imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B
21 or thirty-three of this chapter, and any interest thereon, which is
22 certified to the comptroller by the commissioner as the amount to be
23 credited against a past-due legally enforceable debt owed to a state
24 agency pursuant to paragraph (a) of subdivision six of section one
25 hundred seventy-one-f of this article, provided, however, he shall cred-
26 it to the special offset fiduciary account, pursuant to section ninety-
27 one-c of the state finance law, any such amount creditable as a liabil-
28 ity as set forth in paragraph (b) of subdivision six of section one
29 hundred seventy-one-f of this article, (iv) and except further that the
30 comptroller shall pay to the city of New York that amount of overpayment
31 of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A,
32 thirty-B or thirty-three of this chapter and any interest thereon that
33 is certified to the comptroller by the commissioner as the amount to be
34 credited against city of New York tax warrant judgment debt pursuant to
35 section one hundred seventy-one-l of this article, (v) and except
36 further that the comptroller shall pay to a non-obligated spouse that
37 amount of overpayment of tax imposed by article twenty-two of this chap-
38 ter and the interest on such amount which has been credited pursuant to
39 section one hundred seventy-one-c, one hundred seventy-one-d, one
40 hundred seventy-one-e, one hundred seventy-one-f or one hundred seven-
41 ty-one-l of this article and which is certified to the comptroller by
42 the commissioner as the amount due such non-obligated spouse pursuant to
43 paragraph six of subsection (b) of section six hundred fifty-one of this
44 chapter; and (vi) the comptroller shall deduct a like amount which the
45 comptroller shall pay into the treasury to the credit of the general
46 fund from amounts subsequently payable to the department of social
47 services, the state university of New York, the city university of New
48 York, or the higher education services corporation, or the revenue
49 arrearage account or special offset fiduciary account pursuant to
50 section ninety-one-a or ninety-one-c of the state finance law, as the
51 case may be, whichever had been credited the amount originally withheld
52 from such overpayment, and (vii) with respect to amounts originally
53 withheld from such overpayment pursuant to section one hundred seventy-
54 one-l of this article and paid to the city of New York, the comptroller
55 shall collect a like amount from the city of New York.

1 § 7. This act shall take effect immediately and shall apply to taxable
2 years beginning on or after January 1, 2021; provided that the amend-
3 ments to subdivision 1 of section 171-a of the tax law made by section
4 five of this act shall be subject to the expiration and reversion of
5 such subdivision pursuant to section 12 of chapter 90 of the laws of
6 2014 when upon such date the provisions of section six of this act shall
7 take effect.