STATE OF NEW YORK

2654

2025-2026 Regular Sessions

IN SENATE

January 22, 2025

Introduced by Sens. STEC, BORRELLO, MURRAY, OBERACKER -- 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 creating a tax credit for small businesses that sell a certain percentage of products produced in New York state

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

Section 1. Section 210-B of the tax law is amended by adding a new subdivision 61 to read as follows:

61. Credit for small businesses that sell New York state produced products. (a) A small business shall be allowed a credit against the tax imposed by this article if such small business sells a certain percentage of qualified products. Such credit shall be computed according to the following schedule:

(i) Credit of one thousand dollars when five to nine percent of a qualifying small business' total sales are attributed to the sale of qualifying products.

(ii) Credit of two thousand dollars when ten to twenty-four percent of a qualifying small business' total sales are attributed to the sale of qualifying products.

(iii) Credit of five thousand dollars when twenty-five percent or more of a qualifying small business' total sales are attributed to the sale of qualifying products.

(b) For the purposes of this subdivision, the term:

(i) "Small business" shall mean a business which is an independently or privately-owned cafe, restaurant, eatery, bar, pub, brewery, distillery, orchard, food truck, retail store, farm stand, hotel, or motel.

(ii) "Qualified product" shall mean a product which is grown, brewed or distilled in New York state and such products shall include:

(A) beer, wine, spirits, and ciders;

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

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(B) agricultural ingredients, including but not limited to wheat, barley, hops, apples, pumpkins, corn, cabbage, berries, soybeans, maple, or any item used for menu items;

(C) dairy products, including but not limited to milk, cream, butter, and cheese; or

(D) meat products, including but not limited to beef, chicken, and pork.

(c) The credit allowed under this subdivision for the taxable year shall not reduce the tax due 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 the 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 shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

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

(qqq) Credit for small businesses that sell New York state produced products. (1) A small business shall be allowed a credit against the tax imposed by this article if such small business sells a certain percentage of qualified products. Such credit shall be computed according to the following schedule:

(A) Credit of one thousand dollars when five to nine percent of a qualifying small business' total sales are attributed to the sale of qualifying products.

(B) Credit of two thousand dollars when ten to twenty-four percent of a qualifying small business' total sales are attributed to the sale of qualifying products.

(C) Credit of five thousand dollars when twenty-five percent or more of a qualifying small business' total sales are attributed to the sale of qualifying products.

(2) For the purposes of this subsection, the term:

(A) "Small business" shall mean a business which is an independently or privately-owned cafe, restaurant, eatery, bar, pub, brewery, distillery, orchard, food truck, retail store, farm stand, hotel, or motel.

(B) "Qualified product" shall mean a product which is grown, brewed or distilled in New York state and such products shall include:

(i) beer, wine, spirits, and ciders;

(ii) agricultural ingredients, including but not limited to wheat, barley, hops, apples, pumpkins, corn, cabbage, berries, soybeans, maple, or any item used for menu items;

(iii) dairy products, including but not limited to milk, cream, butter, and cheese; or

(iv) meat products, including but not limited to beef, chicken, and pork.

(3) If the amount of the credit allowed under this subsection for any taxable year shall exceed the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

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

(lii) Credit for small businesses that sell New York state produced products under subsection (qqq)	**Amount of credit under subdivision sixty-one of section two hundred ten-B**

§ 4. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2026.