S T A T E O F N E W Y O R K

10073

I N A S S E M B L Y

March 3, 2010

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

AN ACT to amend the tax law, in relation to providing a deduction from personal income taxes for un-reimbursed expenses paid for veterinary care of companion animals

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraphs 2, 3 and 4 of subdivision (d) of section 615 of the tax law, paragraph 2 as amended by chapter 406 of the laws of 1990, paragraph 3 as amended by chapter 921 of the laws of 1963 and paragraph 4 as added by section 2 of part DD of chapter 63 of the laws of 2000, are amended and a new paragraph 5 is added to read as follows:

(2) interest on indebtedness incurred or continued to purchase or carry obligations or securities the interest on which is subject to tax under this article but exempt from federal income tax, to the extent that such interest on indebtedness is not deductible for federal income tax purposes and is not subtracted from federal adjusted gross income pursuant to paragraph (9) of subsection (c) of section six hundred twelve; [and]

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

(4) allowable college tuition expenses, as defined in paragraph two of subsection (t) of section six hundred six of this article, multiplied by the applicable percentage. Such applicable percentage shall be twenty-five percent for taxable years beginning in two thousand one, fifty

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

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percent for taxable years beginning in two thousand two, seventy-five percent for taxable years beginning in two thousand three and one hundred percent for taxable years beginning after two thousand three. Provided, however, no deduction shall be allowed under this paragraph to a taxpayer who claims the credit provided under subsection (t) of section six hundred six of this article[.]; AND

(5) EXPENSES, NOT COMPENSATED FOR BY INSURANCE OR OTHERWISE, PAID DURING THE TAXABLE YEAR BY THE TAXPAYER OR HIS OR HER SPOUSE FOR VETERINARY CARE OF AND MEDICATION FOR A COMPANION ANIMAL, AS DEFINED IN SECTION THREE HUNDRED FIFTY OF THE AGRICULTURE AND MARKETS LAW, TO THE EXTENT THAT SUCH EXPENSES EXCEED SEVEN AND ONE-HALF PERCENT OF THE TAXPAYER'S ADJUSTED GROSS INCOME.

S 2. The commissioner of taxation and finance shall promulgate rules and regulations to establish criteria for the veterinary care deduction provided for in section one of this act, including determining expenses eligible for the deduction, which shall include, but not be limited to, amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, to treat injury sustained as the result of an accident, and to promote the proper structure and function of the animal's body, and for necessary medications, and shall take such other measures as he or she deems necessary to implement the provisions of this section.

S 3. This act shall take effect on the first of January next succeeding the date on which it shall have become a law and shall apply to all taxable years commencing on or after such date; provided that, effective immediately, the commissioner of taxation and finance is authorized to and shall promulgate any and all rules and regulations and take any other measures necessary to implement this act on its effective date on or before such date.