

7257

I N S E N A T E

March 25, 2010

Introduced by Sen. VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to including payments from the state's farmland protection program as federal gross income from farming for otherwise eligible farmers

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

1 Section 1. Paragraph (b) of subdivision 22 of section 210 of the tax
2 law, as amended by chapter 527 of the laws of 2003, is amended to read
3 as follows:
4 (b) Eligible farmer. For purposes of this subdivision, the term
5 "eligible farmer" means a taxpayer whose federal gross income from farm-
6 ing for the taxable year is at least two-thirds of excess federal gross
7 income. The term "eligible farmer" also includes a corporation other
8 than the taxpayer of record for qualified agricultural land which has
9 paid the school district property taxes on such land pursuant to a
10 contract for the future purchase of such land; provided that such corpo-
11 ration has a federal gross income from farming for the taxable year
12 which is at least two-thirds of excess federal gross income; and
13 provided further that, in determining such income eligibility, a taxpay-
14 er may, for any taxable year, use the average of such federal gross
15 income from farming for that taxable year and such income for the two
16 consecutive taxable years immediately preceding such taxable year.
17 Excess federal gross income means the amount of federal gross income
18 from all sources for the taxable year in excess of thirty thousand
19 dollars. FOR THE PURPOSES OF THIS PARAGRAPH, PAYMENTS FROM THE STATE'S
20 FARMLAND PROTECTION PROGRAM, ADMINISTERED BY THE DEPARTMENT OF AGRICUL-
21 TURE AND MARKETS, SHALL BE INCLUDED AS FEDERAL GROSS INCOME FROM FARMING
22 FOR OTHERWISE ELIGIBLE FARMERS.
23 S 2. Paragraph 2 of subsection (n) of section 606 of the tax law, as
24 amended by chapter 527 of the laws of 2003, is amended to read as
25 follows:

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

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1 (2) Eligible farmer. For purposes of this subsection, the term "eligi-
2 ble farmer" means a taxpayer whose federal gross income from farming for
3 the taxable year is at least two-thirds of excess federal gross income.
4 The term "eligible farmer" also includes an individual other than the
5 taxpayer of record for qualified agricultural land who has paid the
6 school district property taxes on such land pursuant to a contract for
7 the future purchase of such land; provided that such individual has a
8 federal gross income from farming for the taxable year which is at least
9 two-thirds of excess federal gross income; and provided further that, in
10 determining such income eligibility, a taxpayer may, for any taxable
11 year, use the average of such federal gross income from farming for that
12 taxable year and such income for the two consecutive taxable years imme-
13 diately preceding such taxable year. Excess federal gross income means
14 the amount of federal gross income from all sources for the taxable year
15 reduced by the sum (not to exceed thirty thousand dollars) of those
16 items included in federal gross income which consist of (i) earned
17 income, (ii) pension payments, including social security payments, (iii)
18 interest, and (iv) dividends. For purposes of this paragraph, the term
19 "earned income" shall mean wages, salaries, tips and other employee
20 compensation, and those items of gross income which are includible in
21 the computation of net earnings from self-employment. FOR THE PURPOSES
22 OF THIS PARAGRAPH, PAYMENTS FROM THE STATE'S FARMLAND PROTECTION
23 PROGRAM, ADMINISTERED BY THE DEPARTMENT OF AGRICULTURE AND MARKETS,
24 SHALL BE INCLUDED AS FEDERAL GROSS INCOME FROM FARMING FOR OTHERWISE
25 ELIGIBLE FARMERS.

26 S 3. This act shall take effect immediately and shall apply to taxable
27 years beginning on or after January 1, 2011.