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

1773

2009-2010 Regular Sessions

I N A S S E M B L Y

January 12, 2009

Introduced by M. of A. MORELLE -- Multi-Sponsored by -- M. of A. CANESTRARI, CHRISTENSEN, DESTITO, GUNTHER, MAGEE, SCHIMMINGER -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to facilitating manufacturing in this state by eliminating sales and use tax on certain costs related to such business

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

Section 1. Subdivision (a) of section 1115 of the tax law is amended by adding a new paragraph 12-c to read as follows:

(12-C) COMPUTERS AND SOFTWARE LOCATED WITHIN A FACILITY THAT IS USED PREDOMINANTLY IN THE PRODUCTION OF TANGIBLE PERSONAL PROPERTY FOR SALE BY MANUFACTURING, PROCESSING, GENERATING, ASSEMBLING, REFINING, MINING OR EXTRACTING SHALL BE EXEMPT FROM THE TAXES IMPOSED UNDER SUBDIVISION (A) OF SECTION ELEVEN HUNDRED FIVE OF THIS ARTICLE AND THE COMPENSATING USE TAX IMPOSED UNDER SECTION ELEVEN HUNDRED TEN OF THIS ARTICLE.

S 2. Subdivision (a) of section 1115 of the tax law is amended by adding a new paragraph 10-a to read as follows:

(10-A) COMPUTERS AND SOFTWARE LOCATED WITHIN A FACILITY THAT IS USED PREDOMINANTLY IN RESEARCH AND DEVELOPMENT IN THE EXPERIMENTAL OR LABORATORY SENSE SHALL BE EXEMPT FROM THE TAXES IMPOSED UNDER SUBDIVISION (A) OF SECTION ELEVEN HUNDRED FIVE OF THIS ARTICLE AND THE COMPENSATING USE TAX IMPOSED UNDER SECTION ELEVEN HUNDRED TEN OF THIS ARTICLE. SUCH RESEARCH AND DEVELOPMENT SHALL NOT BE DEEMED TO INCLUDE THE ORDINARY TESTING OR INSPECTION OF MATERIALS OR PRODUCTS FOR QUALITY CONTROL, EFFICIENCY SURVEYS, MANAGEMENT STUDIES, CONSUMER SURVEYS, ADVERTISING, PROMOTIONS OR RESEARCH IN CONNECTION WITH LITERARY, HISTORICAL OR SIMILAR PROJECTS.

S 3. Subdivision (a) of section 1115 of the tax law is amended by adding a new paragraph 44 to read as follows:

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

LBD04130-01-9

(44) SHARPENING DRILLS, END MILLS, MILLING CUTTERS OR ANY OTHER TYPE OF TOOLING THAT IS RECONDITIONED AS A SERVICE.

S 4. Paragraph 1 of subdivision (c) of section 1115 of the tax law, as amended by section 7 of part B of chapter 63 of the laws of 2000, is amended to read as follows:

(1) Fuel, gas, electricity, refrigeration and steam, and gas, electric, refrigeration and steam service of whatever nature for use or consumption directly and exclusively in the production of tangible personal property, gas, electricity, refrigeration or steam, for sale, by manufacturing, processing, assembling, generating, refining, mining or extracting [shall be exempt from the taxes imposed under subdivisions (a) and (b) of section eleven hundred five and the compensating use tax imposed under section eleven hundred ten of this article], SHALL BE EXEMPT FROM THE TAXES IMPOSED UNDER SUBDIVISIONS (A) AND (B) OF SECTION ELEVEN HUNDRED FIVE OF THIS ARTICLE AND THE COMPENSATING USE TAX IMPOSED UNDER SECTION ELEVEN HUNDRED TEN OF THIS ARTICLE. THIS EXEMPTION SHALL ALSO INCLUDE ALL ENERGY COSTS RELATED TO MAINTAINING (I) THE LIGHTING, HEATING, VENTILATION AND COOLING AT A FACILITY THAT IS USED PREDOMINANTLY FOR MANUFACTURING, PROCESSING, ASSEMBLING, GENERATING, REFINING, MINING, EXTRACTING, FARMING, AGRICULTURE, HORTICULTURE OR FLORICULTURE AND (II) THE LIGHTING, HEATING, VENTILATION AND COOLING AT A FACILITY THAT IS USED PREDOMINANTLY IN RESEARCH AND DEVELOPMENT IN THE EXPERIMENTAL OR LABORATORY SENSE WITHIN THE MEANING OF PARAGRAPH TEN OF SUBDIVISION (A) OF THIS SECTION.

S 5. Section 1115 of the tax law is amended by adding a new subdivision (gg) to read as follows:

(GG) DISPLAYS USED IN ANY "SHOW" BY A "SHOW VENDOR" AS SUCH TERMS ARE DEFINED IN SECTION ELEVEN HUNDRED THIRTY-ONE OF THIS ARTICLE WHEN THEY ARE NOT DISPLAYED WITHIN THE STATE BUT ARE MERELY STORED WITHIN THE STATE BETWEEN SHOWS FOR USE EXCLUSIVELY OUT-OF-STATE SHALL BE EXEMPT FROM TAX UNDER THIS ARTICLE.

S 6. This act shall take effect immediately but shall not apply to transactions occurring during the sales and compensating use tax quarter-year in which this act shall have become a law or any quarter-year prior thereto.