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

2415

2009-2010 Regular Sessions

I N A S S E M B L Y

January 15, 2009

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

AN ACT to amend the administrative code of the city of New York, in relation to unincorporated business gross income

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

Section 1. Paragraph 9 of subdivision (c) of section 11-506 of the administrative code of the city of New York, as added by chapter 128 of the laws of 1996, is amended to read as follows:

(9) (I) Notwithstanding any other provision of this chapter to the contrary, the amount of any income or gain (to the extent includible in gross income for federal income tax purposes), including but not limited to, dividends, interest, payments with respect to securities loans, income from notional principal contracts, or income and gains, other than as a dealer, from the holding, sale, disposition, assumption, offset or termination of a position in, property, as defined in paragraph one of subdivision (c) of section 11-502 of this chapter, or other substantially similar income from ordinary and routine trading or investment activity to the extent determined by the commissioner of finance, realized in connection with activities described in paragraph two of subdivision (c) of section 11-502 of this chapter if, and to the extent that, such activities are not deemed an unincorporated business carried on by the taxpayer pursuant to the provisions of subdivision (c) of section 11-502 of this chapter. PROVIDED, HOWEVER, ANY SUCH INCOME OR GAIN REALIZED IN CONNECTION WITH AN INVESTMENT MANAGEMENT SERVICES INTEREST, OTHER THAN ANY PORTION THEREOF ACQUIRED BY A CONTRIBUTION OF INVESTMENT CAPITAL, SHALL NOT BE SO SUBTRACTED FROM THE INCOME OF A BUSINESS WHOSE ASSETS EXCEED TEN MILLION DOLLARS.

(II) FOR PURPOSES OF THIS PARAGRAPH, THE TERM "INVESTMENT MANAGEMENT SERVICES INTEREST" MEANS ANY INTEREST IN A BUSINESS WHICH IS HELD BY ANY PERSON IF SUCH PERSON PROVIDES, DIRECTLY OR INDIRECTLY, IN THE ACTIVE

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

LBD00027-01-9

CONDUCT OF A TRADE OR BUSINESS, A SUBSTANTIAL QUANTITY OF ANY OF THE FOLLOWING SERVICES TO THE BUSINESS:

(A) ADVISING THE BUSINESS AS TO THE VALUE OF ANY PROPERTY;

(B) ADVISING THE BUSINESS AS TO THE ADVISABILITY OF INVESTING IN, PURCHASING, OR SELLING ANY PROPERTY;

(C) MANAGING, ACQUIRING, OR DISPOSING OF ANY PROPERTY;

(D) ARRANGING FINANCING WITH RESPECT TO ACQUIRING PROPERTY; OR

(E) ANY ACTIVITY IN SUPPORT OF ANY SERVICE DESCRIBED IN CLAUSES (A) THROUGH (D) OF THIS SUBPARAGRAPH.

FOR PURPOSES OF THIS PARAGRAPH, THE TERM "PROPERTY" MEANS PROPERTY AS DEFINED IN PARAGRAPH ONE OF SUBDIVISION (C) OF SECTION 11-502 OF THIS CHAPTER.

S 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2009.