

3376

2009-2010 Regular Sessions

I N S E N A T E

March 17, 2009

Introduced by Sen. KRUGER -- 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 refundability of the investment tax credit for research and development property

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

1 Section 1. Paragraph (e) of subdivision 12 of section 210 of the tax
2 law, as amended by section 9 of part M of chapter 407 of the laws of
3 1999, is amended to read as follows:
4 (e) Except as otherwise provided in this paragraph, the credit allowed
5 under this subdivision for any taxable year shall not reduce the tax due
6 for such year to less than the higher of the amounts prescribed in para-
7 graphs (c) and (d) of subdivision one of this section. However, if the
8 amount of credit allowable under this subdivision for any taxable year
9 reduces the tax to such amount, any amount of credit allowed for a taxa-
10 ble year commencing prior to January first, nineteen hundred eighty-sev-
11 en and not deductible in such taxable year may be carried over to the
12 following year or years and may be deducted from the taxpayer's tax for
13 such year or years but in no event shall such credit be carried over to
14 taxable years commencing on or after January first, two thousand two,
15 and any amount of credit allowed for a taxable year commencing on or
16 after January first, nineteen hundred eighty-seven and not deductible in
17 such year may be carried over to the fifteen taxable years next follow-
18 ing such taxable year and may be deducted from the taxpayer's tax for
19 such year or years. In lieu of such carryover, any such taxpayer which
20 qualifies as a new business under paragraph (j) of this subdivision AND
21 ANY SUCH TAXPAYER ALLOWED A CREDIT UNDER CLAUSE (C) OF SUBPARAGRAPH (I)
22 OF PARAGRAPH (B) OF THIS SUBDIVISION THAT CONDUCTS BASIC, APPLIED OR
23 TRANSLATIONAL RESEARCH THAT LEADS TO THE DEVELOPMENT OF PRODUCTS THAT
24 IMPROVE HUMAN HEALTH OR AGRICULTURE AND THAT REQUIRE APPROVAL BY THE

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

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1 FEDERAL FOOD AND DRUG ADMINISTRATION AND THE CONDUCT OF CLINICAL TRIALS
2 TO OBTAIN SUCH APPROVAL may elect to treat the amount of such carryover
3 as an overpayment of tax to be credited or refunded in accordance with
4 the provisions of section [ten hundred] ONE THOUSAND eighty-six of this
5 chapter, provided, however, the provisions of subsection (c) of section
6 [ten hundred] ONE THOUSAND eighty-eight of this chapter notwithstanding,
7 no interest shall be paid thereon.

8 S 2. Paragraph 5 of subsection (a) of section 606 of the tax law, as
9 amended by chapter 170 of the laws of 1994, is amended to read as
10 follows:

11 (5) If the amount of credit allowable under this subsection for any
12 taxable year shall exceed the taxpayer's tax for such year, the excess
13 allowed for a taxable year commencing prior to January first, nineteen
14 hundred eighty-seven may be carried over to the following year or years
15 and may be deducted from the taxpayer's tax for such year or years, but
16 in no event shall such credit be carried over to taxable years commencing
17 on or after January first, nineteen hundred ninety-seven, and any
18 amount of credit allowed for a taxable year commencing on or after January
19 first, nineteen hundred eighty-seven and not deductible in such year
20 may be carried over to the ten taxable years next following such taxable
21 year and may be deducted from the taxpayer's tax for such year or years.
22 In lieu of carrying over any such excess, a taxpayer who qualifies as an
23 owner of a new business for purposes of paragraph ten of this subsection
24 OR WHO QUALIFIES AS AN OWNER OF A BUSINESS THAT CONDUCTS BASIC, APPLIED
25 OR TRANSLATIONAL RESEARCH THAT LEADS TO THE DEVELOPMENT OF PRODUCTS THAT
26 IMPROVE HUMAN HEALTH OR AGRICULTURE AND THAT REQUIRE APPROVAL BY THE
27 FEDERAL FOOD AND DRUG ADMINISTRATION AND THE CONDUCT OF CLINICAL TRIALS
28 TO OBTAIN SUCH APPROVAL may, at his option, receive such excess as a
29 refund. Any refund paid pursuant to this paragraph shall be deemed to be
30 a refund of an overpayment of tax as provided in section six hundred
31 eighty-six of this article, provided, however, that no interest shall be
32 paid thereon.

33 S 3. This act shall take effect on the first of January next succeeding
34 the date on which it shall have become a law.