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

2567--B

2011-2012 Regular Sessions

I N A S S E M B L Y

January 19, 2011

Introduced by M. of A. COLTON, BARCLAY, WEPRIN -- Multi-Sponsored by -- M. of A. CRESPO, McDONOUGH, PALMESANO, SALADINO -- read once and referred to the Committee on Ways and Means -- recommitted to the Committee on Ways and Means in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to authorizing a personal income tax deduction for elementary and secondary school teachers for certain expenses incurred for school supplies

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

Section 1. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 39 to read as follows:

(39) EXPENSES NOT IN EXCESS OF FOUR HUNDRED FIFTY DOLLARS ACTUALLY INCURRED AND PAID BY AN ELIGIBLE EDUCATOR FOR SCHOOL SUPPLIES, ACTUALLY USED AND USEFUL, TO THE EXTENT NOT DEDUCTIBLE IN DETERMINING FEDERAL ADJUSTED GROSS INCOME AND NOT REIMBURSED. FOR THE PURPOSES OF THIS PARAGRAPH, THE FOLLOWING TERMS HAVE THE FOLLOWING MEANINGS:

(I) "ELIGIBLE EDUCATOR" MEANS A PERSON EMPLOYED AS A TEACHER, INSTRUCTOR, COUNSELOR, PRINCIPAL OR AIDE IN A SCHOOL FOR AT LEAST NINE HUNDRED HOURS DURING A SCHOOL YEAR.

(II) "NONPUBLIC SCHOOL" HAS THE SAME MEANING AS PROVIDED FOR SUCH TERM IN SUBPARAGRAPH (B) OF PARAGRAPH THREE OF SUBSECTION (J) OF THIS SECTION.

(III) "SCHOOL" MEANS ANY PUBLIC OR NONPUBLIC SCHOOL PROVIDING EDUCATION IN ANY GRADE FROM KINDERGARTEN THROUGH TWELFTH.

(IV) "SCHOOL SUPPLIES" INCLUDES BOOKS, SUPPLIES (OTHER THAN NON-ATHLETIC SUPPLIES FOR COURSES OF INSTRUCTION IN HEALTH OR PHYSICAL EDUCATION), COMPUTER EQUIPMENT (INCLUDING RELATED SOFTWARE AND SERVICES), AND

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

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OTHER EQUIPMENT AND SUPPLEMENTAL MATERIALS USED BY THE ELIGIBLE EDUCATOR IN THE CLASSROOM.

S 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2012.

FISCAL NOTE.--Pursuant to Legislative Law, Section 50:

This bill would allow eligible educators to deduct up to $450 annually for the out-of-pocket expenses for school supplies under New York's personal income tax in addition to the existing Federal deduction.

We estimate that this bill would result in a $1 million revenue loss during SFY 2012-13 and $3.9 million annually thereafter if the existing Federal deduction is extended beyond December 31, 2011. Alternatively, if the Federal deduction is not extended, the bill would result in a $1.7 million revenue loss during SFY 2012-13 and $6.9 million annually thereafter.