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

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I N A S S E M B L Y

January 12, 2011

Introduced by M. of A. TEDISCO, REILICH, KOLB -- Multi-Sponsored by -- M. of A. CONTE, HAWLEY, THIELE -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to enacting the graduate outreach assistance law to exempt from state income taxation the first two hundred fifty thousand dollars earned by a college graduate

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

Section 1. This act shall be known and may be cited as the "graduate outreach assistance law".

S 2. Paragraph 3 of subsection (a) of section 605 of the tax law, as added by chapter 28 of the laws of 1987, is amended to read as follows:

(3) Accounting methods. (A) A taxpayer's method of accounting under this article shall be the same as his OR HER method of accounting for federal income tax purposes, WITH THE EXCEPTION OF THE PROVISIONS OF SUBPARAGRAPH (B) OF THIS PARAGRAPH. In the absence of any method of accounting for federal income tax purposes, New York taxable income shall be computed under such method as in the opinion of the tax commission clearly reflects income.

(B) FOR THE PURPOSE OF COMPUTING NEW YORK TAXABLE INCOME, A TAXPAYER SHALL NOT BE REQUIRED TO INCLUDE IN SUCH COMPUTATION THE FIRST TWO HUNDRED FIFTY THOUSAND DOLLARS, WITH A CAP OF FIFTY THOUSAND DOLLARS PER TAXABLE YEAR, HE OR SHE EARNS FOLLOWING GRADUATION FROM ANY COLLEGE OR UNIVERSITY HAVING ATTAINED A FOUR-YEAR DEGREE OR HIGHER, OR THE FIRST ONE HUNDRED FIFTY THOUSAND DOLLARS, WITH A CAP OF TWENTY-FIVE THOUSAND DOLLARS PER TAXABLE YEAR, HE OR SHE EARNS FOLLOWING GRADUATION FROM ANY COLLEGE OR UNIVERSITY HAVING ATTAINED A TWO-YEAR DEGREE.

S 3. This act shall take effect immediately, and shall apply to taxable years beginning the first of January following the effective date of this act.

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

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