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 30, 2014

Introduced by M. of A. LAVINE, McDONOUGH, SCHIMMINGER, SCHIMEL, OTIS, SCARBOROUGH, SIMANOWITZ, ZEBROWSKI, SALADINO, PERRY, RAIA, RA, GJONAJ, CAMARA, BENEDETTO, GUNTHER, CLARK, FAHY, ROBINSON, SKARTADOS, GRAF, HOOPER, HENNESSEY -- Multi-Sponsored by -- M. of A. CERETTO, COOK, FINCH, GOODELL, HEVESI, LALOR, PALMESANO, PEOPLES-STOKES, RIVERA, SOLAGES, SWEENEY, THIELE, WEISENBERG -- read once and referred to the Committee on Small Business -- reported and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to authorizing the creation of small business tax-deferred savings accounts

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

Section 1. Paragraph (a) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 20 to read as follows:

(20) ANY DEPOSIT MADE BY A SMALL BUSINESS AS DEFINED IN SECTION ONE HUNDRED THIRTY-ONE OF THE ECONOMIC DEVELOPMENT LAW INTO A SMALL BUSINESS TAX-DEFERRED SAVINGS ACCOUNT MAINTAINED BY A BANKING ORGANIZATION AS DEFINED IN SUBDIVISION ELEVEN OF SECTION TWO OF THE BANKING LAW AND ESTABLISHED FOR THE PURPOSES OF CREATING OR PRESERVING FULL TIME JOBS.

S 2. Paragraph (b) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 22 to read as follows:

(22) ANY WITHDRAWAL EXCLUSIVE OF INTEREST INCOME MADE BY A SMALL BUSINESS AS DEFINED IN SECTION ONE HUNDRED THIRTY-ONE OF THE ECONOMIC DEVELOPMENT LAW FROM A SMALL BUSINESS TAX-DEFERRED SAVINGS ACCOUNT MAINTAINED BY A BANKING ORGANIZATION AS DEFINED IN SUBDIVISION ELEVEN OF SECTION TWO OF THE BANKING LAW AND ESTABLISHED FOR THE PURPOSES OF CREATING OR PRESERVING FULL TIME JOBS.

S 3. Subsection (b) of section 612 of the tax law is amended by adding a new paragraph 42 to read as follows:

(42) ANY WITHDRAWAL EXCLUSIVE OF INTEREST INCOME MADE BY A SMALL BUSINESS AS DEFINED IN SECTION ONE HUNDRED THIRTY-ONE OF THE ECONOMIC DEVELOPMENT LAW FROM A SMALL BUSINESS TAX-DEFERRED SAVINGS ACCOUNT MAINTAINED BY A BANKING ORGANIZATION AS DEFINED IN SUBDIVISION ELEVEN OF SECTION

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

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TWO OF THE BANKING LAW AND ESTABLISHED FOR THE PURPOSES OF CREATING OR PRESERVING FULL TIME JOBS.

S 4. Subsection (c) of section 612 of the tax law is amended by adding a new subparagraph 42 to read as follows:

(42) ANY DEPOSIT MADE BY A SMALL BUSINESS AS DEFINED IN SECTION ONE HUNDRED THIRTY-ONE OF THE ECONOMIC DEVELOPMENT LAW INTO A SMALL BUSINESS TAX-DEFERRED SAVINGS ACCOUNT MAINTAINED BY A BANKING ORGANIZATION AS DEFINED IN SUBDIVISION ELEVEN OF SECTION TWO OF THE BANKING LAW AND ESTABLISHED FOR THE PURPOSES OF CREATING OR PRESERVING FULL TIME JOBS.

S 5. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2015.