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2013-2014 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 9, 2013

Introduced by M. of A. HAWLEY, CROUCH, BUTLER, McDONOUGH, PALMESANO --
Multi-Sponsored by -- M. of A. BARCLAY, CERETTO, DUPREY, FINCH, KOLB,
P. LOPEZ, OAKS, RAIA, REILICH, TEDISCO, TENNEY, THIELE -- read once
and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to the eligibility of farmers
leasing land for the agricultural property tax credit

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

1 Section 1. Paragraphs (a) and (b) of subdivision 22 of section 210 of
2 the tax law, paragraph (a) as amended by chapter 315 of the laws of 1998
3 and paragraph (b) as amended by chapter 297 of the laws of 2010, are
4 amended to read as follows:
5 (a) General. In the case of a taxpayer which is an eligible farmer
6 [or], an eligible farmer [who] WHICH has paid taxes pursuant to a land
7 contract, OR AN ELIGIBLE FARMER WHICH HAS A LEASEHOLD INTEREST OF NOT
8 FEWER THAN FIVE CONTINUOUS YEARS AS A LESSEE OF QUALIFIED AGRICULTURAL
9 PROPERTY, there shall be allowed a credit for the allowable school
10 district property taxes. The term "allowable school district property
11 taxes" means the school district property taxes paid during the taxable
12 year on qualified agricultural property, subject to the acreage limita-
13 tion provided in paragraph (e) of this subdivision and the income limi-
14 tation provided in paragraph (f) of this subdivision.
15 (b) Eligible farmer. For purposes of this subdivision, the term
16 "eligible farmer" means a taxpayer whose federal gross income from farm-
17 ing for the taxable year is at least two-thirds of excess federal gross
18 income. The term "eligible farmer" also includes a corporation other
19 than the taxpayer of record for qualified agricultural land which has
20 paid the school district property taxes on such land pursuant to a
21 contract for the future purchase of such land OR WHICH HAS A LEASEHOLD
22 INTEREST OF NOT FEWER THAN FIVE CONTINUOUS YEARS AS A LESSEE OF SUCH

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

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1 LAND; provided that such corporation has a federal gross income from
2 farming for the taxable year which is at least two-thirds of excess
3 federal gross income; and provided further that, in determining such
4 income eligibility, a taxpayer may, for any taxable year, use the aver-
5 age of such federal gross income from farming for that taxable year and
6 such income for the two consecutive taxable years immediately preceding
7 such taxable year. Excess federal gross income means the amount of
8 federal gross income from all sources for the taxable year in excess of
9 thirty thousand dollars. For the purposes of this paragraph, payments
10 from the state's farmland protection program, administered by the
11 department of agriculture and markets, shall be included as federal
12 gross income from farming for otherwise eligible farmers.

13 S 2. Paragraphs 1 and 2 of subsection (n) of section 606 of the tax
14 law, paragraph 1 as amended by chapter 315 of the laws of 1998 and para-
15 graph 2 as amended by chapter 297 of the laws of 2010, are amended to
16 read as follows:

17 (1) General. In the case of a taxpayer who is an eligible farmer [or],
18 an eligible farmer who has paid taxes pursuant to a land contract, OR AN
19 ELIGIBLE FARMER WHO HAS A LEASEHOLD INTEREST OF NOT FEWER THAN FIVE
20 CONTINUOUS YEARS AS A LESSEE OF QUALIFIED AGRICULTURAL PROPERTY, there
21 shall be allowed a credit for the allowable school district property
22 taxes. The term "allowable school district property taxes" means the
23 school district property taxes paid during the taxable year on qualified
24 agricultural property, subject to the acreage limitation provided in
25 paragraph five of this subsection and the income limitation provided in
26 paragraph six of this subsection. Such credit shall be allowed against
27 the taxes imposed by this article for the taxable year reduced by the
28 credits permitted by this article. If the credit exceeds the tax as so
29 reduced, the taxpayer may receive, and the comptroller, subject to a
30 certificate of the commissioner, shall pay as an overpayment, without
31 interest, the amount of such excess.

32 (2) Eligible farmer. For purposes of this subsection, the term "eligi-
33 ble farmer" means a taxpayer whose federal gross income from farming for
34 the taxable year is at least two-thirds of excess federal gross income.
35 The term "eligible farmer" also includes an individual other than the
36 taxpayer of record for qualified agricultural land who has paid the
37 school district property taxes on such land pursuant to a contract for
38 the future purchase of such land OR WHO HAS A LEASEHOLD INTEREST OF NOT
39 FEWER THAN FIVE CONTINUOUS YEARS AS A LESSEE OF SUCH LAND; provided that
40 such individual has a federal gross income from farming for the taxable
41 year which is at least two-thirds of excess federal gross income; and
42 provided further that, in determining such income eligibility, a taxpay-
43 er may, for any taxable year, use the average of such federal gross
44 income from farming for that taxable year and such income for the two
45 consecutive taxable years immediately preceding such taxable year.
46 Excess federal gross income means the amount of federal gross income
47 from all sources for the taxable year reduced by the sum (not to exceed
48 thirty thousand dollars) of those items included in federal gross income
49 which consist of (i) earned income, (ii) pension payments, including
50 social security payments, (iii) interest, and (iv) dividends. For
51 purposes of this paragraph, the term "earned income" [shall mean] MEANS
52 wages, salaries, tips and other employee compensation, and those items
53 of gross income which are includible in the computation of net earnings
54 from self-employment. For the purposes of this paragraph, payments from
55 the state's farmland protection program, administered by the department

1 of agriculture and markets, shall be included as federal gross income
2 from farming for otherwise eligible farmers.

3 S 3. The commissioner of taxation and finance is authorized and
4 directed to promulgate any rules and regulations necessary to implement
5 the provisions of this act.

6 S 4. This act shall take effect immediately and shall apply to taxable
7 years commencing on or after January 1, 2015.