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

8371

I N A S S E M B L Y

January 9, 2014

Introduced by M. of A. THIELE -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to providing an income tax credit to taxpayers who donate farm products to charitable or nonprofit organizations

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

Section 1. Section 606 of the tax law is amended by adding a new subsection (xx) to read as follows:

(XX) FARM PRODUCTS DONATION CREDIT. (1) A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE IN THE AMOUNT PRESCRIBED IN THIS SUBSECTION WHERE SUCH TAXPAYER DONATES FARM PRODUCTS TO A CHARITABLE OR NONPROFIT ORGANIZATION IN ACCORDANCE WITH ARTICLE FOUR-D OF THE AGRICULTURE AND MARKETS LAW. THE AMOUNT OF THE CREDIT SHALL BE EQUAL TO THE FULL MARKET VALUE OF THE DONATED FARM PRODUCTS.

(2) FOR PURPOSES OF THIS SUBSECTION, THE FOLLOWING DEFINITIONS SHALL APPLY:

(A) "FARM PRODUCTS" MEANS ANY AGRICULTURAL, DAIRY OR HORTICULTURAL PRODUCT OR ANY PRODUCT DESIGNED OR INTENDED FOR HUMAN CONSUMPTION OR PREPARED PRINCIPALLY FROM AN AGRICULTURAL, DAIRY OR HORTICULTURAL PRODUCT.

(B) "CHARITABLE OR NONPROFIT ORGANIZATION" MEANS ANY ORGANIZATION WHICH IS EXEMPT FROM FEDERAL OR STATE INCOME TAXATION, EXCEPT THAT THE TERM DOES NOT INCLUDE ORGANIZATIONS WHICH SELL OR OFFER TO SELL SUCH DONATED ITEMS OF FOOD.

(3) APPLICATION OF CREDIT. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

S 2. This act shall take effect immediately.

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

LBD11184-02-4