

6310

I N S E N A T E

January 13, 2014

Introduced by Sen. MARTINS -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business

AN ACT to amend the economic development law, the tax law and the labor 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:

1 Section 1. The economic development law is amended by adding a new
2 section 139 to read as follows:
3 S 139. SMALL BUSINESS TAX-DEFERRED SAVINGS ACCOUNTS. 1. ANY SMALL
4 BUSINESS SHALL BE AUTHORIZED TO ESTABLISH AND DEPOSIT PROFITS INTO A
5 SMALL BUSINESS TAX-DEFERRED SAVINGS ACCOUNT.
6 2. THE MONIES IN SUCH TAX-DEFERRED SAVINGS ACCOUNTS MAY BE WITHDRAWN
7 TAX FREE ONLY WHEN THE COMMISSIONER OF LABOR DECLARES AN ECONOMIC DOWN-
8 TURN PURSUANT TO SUBDIVISION FIFTEEN OF SECTION TWENTY-ONE OF THE LABOR
9 LAW.
10 3. IF A SMALL BUSINESS WITHDRAWS FUNDS FROM SUCH A TAX-DEFERRED
11 SAVINGS ACCOUNT WHEN AN ECONOMIC DOWNTURN HAS NOT BEEN DECLARED, SUCH
12 FUNDS WITHDRAWN SHALL BE TAXABLE AS INCOME UNDER THE TAX LAW.
13 S 2. Section 209 of the tax law is amended by adding a new subdivision
14 12 to read as follows:
15 12. FOR ANY TAXABLE YEAR BEGINNING ON OR AFTER JANUARY FIRST, TWO
16 THOUSAND FOURTEEN, ANY SMALL BUSINESS, AS SUCH TERM IS DEFINED PURSUANT
17 TO SECTION ONE HUNDRED THIRTY-ONE OF THE ECONOMIC DEVELOPMENT LAW, SHALL
18 BE EXEMPT FROM ALL TAXES IMPOSED PURSUANT TO THIS ARTICLE FOR ANY WITH-
19 DRAWAL FROM A SMALL BUSINESS TAX-DEFERRED SAVINGS ACCOUNT ESTABLISHED
20 PURSUANT TO SECTION ONE HUNDRED THIRTY-NINE OF THE ECONOMIC DEVELOPMENT
21 LAW AND MADE DURING AN ECONOMIC DOWNTURN DECLARED BY THE COMMISSIONER OF
22 LABOR PURSUANT TO SUBDIVISION FIFTEEN OF SECTION TWENTY-ONE OF THE LABOR
23 LAW.
24 S 3. Subsection (c) of section 612 of the tax law is amended by adding
25 a new paragraph 41 to read as follows:

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

LBD13473-01-4

1 (41) ANY WITHDRAWAL FROM A SMALL BUSINESS TAX-DEFERRED SAVINGS ACCOUNT
2 ESTABLISHED PURSUANT TO SECTION ONE HUNDRED THIRTY-NINE OF THE ECONOMIC
3 DEVELOPMENT LAW MADE DURING AN ECONOMIC DOWNTURN DECLARED BY THE COMMIS-
4 SIONER OF LABOR PURSUANT TO SUBDIVISION FIFTEEN OF SECTION TWENTY-ONE OF
5 THE LABOR LAW.

6 S 4. Section 21 of the labor law is amended by adding a new subdivi-
7 sion 15 to read as follows:

8 15. SHALL CALCULATE AND PUBLISH, ON OR BEFORE THE FIFTEENTH DAY OF
9 EACH MONTH, A COMPOSITE INDEX OF BUSINESS CYCLE INDICATORS. SUCH INDEX
10 SHALL BE CALCULATED USING MONTHLY DATA ON NEW YORK STATE EMPLOYMENT,
11 TOTAL MANUFACTURING HOURS WORKED, AND UNEMPLOYMENT PREPARED BY THE
12 DEPARTMENT OR ITS SUCCESSOR AGENCY, AND TOTAL SALES TAX COLLECTED NET OF
13 LAW CHANGES, PREPARED BY THE DEPARTMENT OF TAXATION AND FINANCE OR ITS
14 SUCCESSOR AGENCY. SUCH INDEX SHALL BE CONSTRUCTED IN ACCORDANCE WITH THE
15 PROCEDURES FOR CALCULATING COMPOSITE INDEXES ISSUED BY THE CONFERENCE
16 BOARD OR ITS SUCCESSOR ORGANIZATION, AND ADJUSTED FOR SEASONAL VARI-
17 ATIONS IN ACCORDANCE WITH THE PROCEDURES ISSUED BY THE CENSUS BUREAU OF
18 THE UNITED STATES DEPARTMENT OF COMMERCE OR ITS SUCCESSOR AGENCY. IF THE
19 COMPOSITE INDEX DECLINES FOR FIVE CONSECUTIVE MONTHS, THE COMMISSIONER
20 OF LABOR SHALL NOTIFY THE GOVERNOR, THE SPEAKER OF THE ASSEMBLY, THE
21 TEMPORARY PRESIDENT OF THE SENATE, AND THE MINORITY LEADERS OF THE
22 ASSEMBLY AND THE SENATE THAT AN ECONOMIC DOWNTURN HAS BEEN DECLARED.

23 S 5. This act shall take effect immediately.