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

3772

2015-2016 Regular Sessions

I N  A S S E M B L Y

January 27, 2015

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

AN ACT to amend the tax law, in relation to creating a tax credit for New York state businesses that source materials and supplies manufactured by other New York state businesses

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

Section. 1. Section 210-B of the tax law is amended by adding a new subdivision 49 to read as follows:

49. QUALIFIED PRODUCTS LOCAL SOURCING CREDIT. (A) BUSINESSES SUBJECT TO TAX LIABILITY UNDER ARTICLE NINE OR NINE-A OF THIS CHAPTER, PURCHASING QUALIFIED PRODUCTS MAY CLAIM THE QUALIFIED PRODUCTS LOCAL SOURCING TAX CREDIT AGAINST ANY SUCH LIABILITY AT THE CLOSE OF THE TAX YEAR PROVIDED, HOWEVER, THAT THE UNUSED PORTION OF ANY TAX CREDIT CLAIMED SHALL NOT BE CARRIED FORWARD AND APPLIED IN ANOTHER TAX YEAR.

(B) FOR THE PURPOSES OF THIS SECTION THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(1) "QUALIFIED PRODUCTS" SHALL MEAN ANY MATERIALS, COMPONENTS, OR SUPPLIES WHETHER USED IN THE MANUFACTURING PROCESS OR OTHERWISE THAT ARE PRODUCED IN NEW YORK STATE BY A NEW YORK STATE BUSINESS;

(2) "PRODUCER" IS AN INDIVIDUAL (WHETHER ACTING INDIVIDUALLY OR THROUGH A COOPERATIVE, CORPORATION, PARTNERSHIP, BUSINESS ASSOCIATION, OR EDUCATIONAL INSTITUTION) WHO IS A BUSINESS OR MANUFACTURER OF GOODS IN NEW YORK STATE, IT SHALL NOT HOWEVER INCLUDE A WHOLESALER OR DISTRIBUTOR;

(3) "PURCHASER" IS AN INDIVIDUAL (WHETHER ACTING INDIVIDUALLY OR THROUGH A COOPERATIVE, CORPORATION, PARTNERSHIP, BUSINESS ASSOCIATION, OR EDUCATIONAL INSTITUTION) WHO IS A BUSINESS OR MANUFACTURER OF GOODS IN NEW YORK STATE, IT SHALL NOT HOWEVER INCLUDE A WHOLESALER OR DISTRIBUTOR;

(4) "NET SALES" ARE THE TOTAL SALES OF THE BUSINESS SUBJECT TO TAX.

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

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(C) THE AMOUNT OF THE CREDIT SHALL BE PRESCRIBED ACCORDING TO THE FOLLOWING SCHEDULE:

(1) TWENTY PERCENT OF NET SALES ARE ATTRIBUTED TO QUALIFIED PRODUCTS THE CREDIT SHALL BE ONE THOUSAND FIVE HUNDRED DOLLARS.

(2) FORTY PERCENT OF NET SALES ARE ATTRIBUTED TO QUALIFIED PRODUCTS THE CREDIT SHALL BE THREE THOUSAND DOLLARS.

(3) SIXTY PERCENT OF NET SALES ARE ATTRIBUTED TO QUALIFIED PRODUCTS THE CREDIT SHALL BE SIX THOUSAND DOLLARS.

(4) EIGHTY PERCENT OF NET SALES ARE ATTRIBUTED TO QUALIFIED PRODUCTS THE CREDIT SHALL BE TWELVE THOUSAND DOLLARS.

(5) ONE HUNDRED PERCENT OF NET SALES ARE ATTRIBUTED TO QUALIFIED PRODUCTS THE CREDIT SHALL BE TWENTY-FIVE THOUSAND DOLLARS.

(D) (1) BUSINESSES CLAIMING THE QUALIFIED PRODUCTS LOCAL SOURCING CREDIT SHALL SUBMIT A COMPUTER-GENERATED REPORT WITH TAX RETURNS THAT CLAIM A TAX CREDIT.

(2) SUCH REPORT SHALL INCLUDE THE NAME OF THE PRODUCER AND THE PHYSICAL PLACE OF THE BUSINESS WHERE THE PRODUCTS ARE PRODUCED.

(3) THE AMOUNT PAID BY THE PURCHASER TO THE PRODUCER AND THE AMOUNT OF UNITS PURCHASED.

S 2. This act shall take effect immediately.