

6707

I N S E N A T E

February 8, 2016

Introduced by Sen. RITCHIE -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the tax law, in relation to the tax treatment of farm income of certain farm business taxpayers

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

1 Section 1. Paragraph 39 of subsection (c) of section 612 of the tax  
2 law, as added by section 1 of part Y of chapter 59 of the laws of 2013,  
3 is amended to read as follows:

4 (39) (A) In the case of a taxpayer who is a small business who has  
5 business income [and/or farm income] as defined in the laws of the  
6 United States, an amount equal to three percent of the net items of  
7 income, gain, loss and deduction attributable to such business [or farm]  
8 entering into federal adjusted gross income, but not less than zero, for  
9 taxable years beginning after two thousand thirteen, an amount equal to  
10 three and three-quarters percent of the net items of income, gain, loss  
11 and deduction attributable to such business [or farm] entering into  
12 federal adjusted gross income, but not less than zero, for taxable years  
13 beginning after two thousand fourteen, and an amount equal to five  
14 percent of the net items of income, gain, loss and deduction attribut-  
15 able to such business [or farm] entering into federal adjusted gross  
16 income, but not less than zero, for taxable years beginning after two  
17 thousand fifteen. For the purposes of this paragraph, the term small  
18 business shall mean a sole proprietor [or a farm business] who employs  
19 one or more persons during the taxable year and who has net business  
20 income [or net farm income] of less than two hundred fifty thousand  
21 dollars.

22 (B) IN THE CASE OF A TAXPAYER WHO IS A FARM BUSINESS OR A TAXPAYER WHO  
23 IS A MEMBER, PARTNER, OR SHAREHOLDER OF A LIMITED LIABILITY COMPANY,  
24 PARTNERSHIP, OR NEW YORK S CORPORATION, RESPECTIVELY, THAT IS A FARM  
25 BUSINESS, WHO OR WHICH HAS FARM INCOME AS DEFINED BY THE LAWS OF THE  
26 UNITED STATES, AN AMOUNT EQUAL TO TWENTY PERCENT OF THE NET ITEMS OF  
27 INCOME, GAIN, LOSS AND DEDUCTION ATTRIBUTABLE TO SUCH FARM. FOR THE  
28 PURPOSES OF THIS PARAGRAPH, THE TERM FARM BUSINESS SHALL MEAN A FARM

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

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1 BUSINESS THAT HAS NET FARM INCOME OF LESS THAN THREE HUNDRED FIFTY THOU-  
2 SAND DOLLARS.  
3 S 2. This act shall take effect immediately and shall apply to taxable  
4 years beginning on or after January 1, 2017.