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

1775

2015-2016 Regular Sessions

I N A S S E M B L Y

January 12, 2015

Introduced by M. of A. GARBARINO, RAIA, WALTER, FINCH, GRAF, MONTESANO, McKEVITT, DiPIETRO, BROOK-KRASNY, LALOR -- Multi-Sponsored by -- M. of A. BARCLAY, CAMARA, CERETTO, HAWLEY, MAGEE, McLAUGHLIN -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to exemptions from sales and use taxes for gift certificates, electronic gift cards and magnetic gift cards

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

Section 1. Subdivision (a) of section 1115 of the tax law is amended by adding a new paragraph 44 to read as follows:

(44)(A) GIFT CERTIFICATES, ELECTRONIC GIFT CARDS AND MAGNETIC GIFT CARDS.

(B) FOR THE PURPOSE OF THIS PARAGRAPH: (I) THE TERM "GIFT CERTIFICATE" MEANS A WRITING IDENTIFIED AS A GIFT CERTIFICATE BY AN ISSUER FOR USE BY A CUSTOMER, WHETHER OR NOT REDEEMABLE FOR CASH, AND USABLE FOR ITS FACE AMOUNT IN LIEU OF CASH FOR THE EXCHANGE OF GOODS OR SERVICES SUPPLIED BY THE SELLER. GIFT CERTIFICATES SHALL INCLUDE ELECTRONIC OR MAGNETIC CARDS WITH A BANKED DOLLAR VALUE, A MERCHANDISE CREDIT, A CERTIFICATE WHERE THE ISSUER HAS RECEIVED PAYMENT FOR THE FULL FACE VALUE FOR THE FUTURE PURCHASE OR DELIVERY OF GOODS OR SERVICES, AND ANY OTHER MEDIUM THAT EVIDENCES THE GIVING OF CONSIDERATION IN EXCHANGE FOR THE RIGHT TO REDEEM IT FOR GOODS OR SERVICES OF AT LEAST AN EQUAL VALUE. PRE-PAID CALLING ARRANGEMENTS, SUCH AS PRE-PAID PHONE CARDS, ARE NOT CONSIDERED GIFT CERTIFICATES; (II) THE TERM "ELECTRONIC GIFT CARD" OR "MAGNETIC GIFT CARD" MEANS A CARD WITH A BANKED DOLLAR VALUE THAT MAY BE REDEEMED FOR GOODS OR SERVICES WHEREBY THE DOLLAR AMOUNT OF THE CARD IS REDUCED ACCORDINGLY.

S 2. This act shall take effect on the first day of a quarterly sales tax period, as set forth in subdivision (b) of section 1136 of the tax law, next succeeding the thirtieth day after it shall have become a law. Provided, however that the commissioner of taxation and finance shall take any action necessary for the timely implementation of this act on or before the date on which it shall have become a law.

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

LBD04204-01-5