

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

5908

2015-2016 Regular Sessions

I N A S S E M B L Y

March 6, 2015

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

AN ACT to amend the tax law, in relation to requiring issuers of credit
cards and debit cards to pay and collect sales and use taxes and pay
such taxes to the commissioner of taxation and finance

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

1 Section 1. The tax law is amended by adding a new section 1168 to read
2 as follows:
3 S 1168. COLLECTION AND PAYMENT OF TAXES BY PROCESSORS OF CREDIT CARDS
4 AND DEBIT CARDS. (A) NOTWITHSTANDING ANY LAW, RULE OR REGULATION TO THE
5 CONTRARY, AN ISSUER OF CREDIT CARDS OR DEBIT CARDS, AS DEFINED IN
6 SECTION FIVE HUNDRED ELEVEN OF THE GENERAL BUSINESS LAW, SHALL COLLECT
7 AND PAY TAXES IMPOSED BY ARTICLES TWENTY-EIGHT AND TWENTY-NINE OF THIS
8 CHAPTER, AND SHALL BE SUBJECT TO ALL PROVISIONS OF SUCH ARTICLES AS A
9 PERSON REQUIRED TO COLLECT TAX, AS DEFINED IN SUBDIVISION ONE OF SECTION
10 ELEVEN HUNDRED THIRTY-ONE OF THIS CHAPTER ON ALL TRANSACTIONS CONDUCTED
11 WITH A CREDIT OR DEBIT CARD OF THE ISSUER, PROVIDED, HOWEVER, NOTWITH-
12 STANDING ANY LAW, RULE OR REGULATION TO THE CONTRARY, SUCH TAXES SHALL
13 BE PAID DIRECTLY TO THE COMMISSIONER BY THE ISSUER.
14 (B) NOTWITHSTANDING ANY LAW, RULE OR REGULATION TO THE CONTRARY, ON
15 ANY TRANSACTION CONDUCTED WITH A DEBIT OR CREDIT CARD OF THE ISSUER,
16 WHEREIN THE ISSUER IS REQUIRED TO COLLECT AND PAY TAXES PURSUANT TO
17 SUBDIVISION (A) OF THIS SECTION, THE VENDOR OF TANGIBLE PERSONAL PROPER-
18 TY OR SERVICES INVOLVED IN SAID TRANSACTION SHALL NOT BE REQUIRED TO PAY
19 AND COLLECT TAXES PURSUANT TO ARTICLES TWENTY-EIGHT AND TWENTY-NINE OF
20 THIS CHAPTER, RATHER THIS DUTY SHALL BE IMPOSED UPON PROCESSORS.
21 (C) FOR PURPOSES OF THIS SECTION, PROCESSOR SHALL MEAN ANY ENTITY
22 WHICH CONTRACTS WITH VENDORS TO PROCESS THEIR CREDIT CARD RECEIPTS AND
23 WHO FOR A FEE, OBTAIN FUNDS FOR VENDORS FROM SUCH ISSUERS OF CREDIT OR
24 DEBIT CARDS.

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

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1 S 2. This act shall take effect on the first of October next succeed-
2 ing the date on which it shall have become a law. Effective immediately,
3 any rules and regulations necessary for the timely implementation of
4 this act on its effective date may be promulgated on or before such
5 date.