

2015-2016 Regular Sessions

I N S E N A T E

(PREFILED)

January 7, 2015

Introduced by Sen. LITTLE -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to establishing a forestry stewardship and habitat conservation credit for personal income and business franchise taxes

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

1 Section 1. Section 606 of the tax law is amended by adding a new
2 subsection (ccc) to read as follows:
3 (CCC) FORESTRY STEWARDSHIP AND HABITAT CONSERVATION CREDIT. (1) IN THE
4 CASE OF A TAXPAYER WHO OWNS LAND THAT IS SUBJECT TO AN AGREEMENT WITH
5 THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION, BY WHICH SUCH LAND IS
6 COMMITTED TO FORESTRY STEWARDSHIP, OR HABITAT CONSERVATION, OR BOTH,
7 THERE SHALL BE ALLOWED A CREDIT FOR TWENTY-FIVE PERCENT OF THE REAL
8 PROPERTY TAXES PAID ON SUCH LAND. IN NO EVENT SHALL THE CREDIT ALLOWED
9 UNDER THIS SUBSECTION IN COMBINATION WITH ANY OTHER CREDIT FOR SUCH REAL
10 PROPERTY TAXES UNDER THIS SECTION EXCEED THE TOTAL AMOUNT OF SUCH TAXES
11 PAID DURING THE TAXABLE YEAR.
12 (2) FOR THE PURPOSES OF THIS SUBSECTION:
13 (A) "ELIGIBLE TRACT" SHALL MEAN A TRACT OF LAND OF AT LEAST
14 TWENTY-FIVE CONTIGUOUS ACRES THAT HAS BEEN INSPECTED BY THE DEPARTMENT
15 OF ENVIRONMENTAL CONSERVATION, A WILDLIFE BIOLOGIST CERTIFIED BY THE
16 WILDLIFE SOCIETY, OR A FISHERIES BIOLOGIST CERTIFIED BY THE AMERICAN
17 FISHERIES SOCIETY, AND BASED ON SUCH INSPECTION IS DETERMINED BY THE
18 DEPARTMENT OF ENVIRONMENTAL CONSERVATION TO BE: VALUABLE HABITAT FOR
19 WILDLIFE, FISH, SHELLFISH OR CRUSTACEA; OR SAFE AND SUITABLE FOR FISH OR
20 WILDLIFE-RELATED RECREATION, INCLUDING FISHING, HUNTING, TRAPPING AND
21 WILDLIFE OBSERVATION; OR BOTH. LAND DIVIDED ONLY BY FEDERAL, STATE,
22 COUNTY OR TOWN ROADS, EASEMENTS OR RIGHTS-OF-WAY, OR ENERGY TRANSMISSION

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

1 CORRIDORS OR SIMILAR FACILITIES SHALL BE CONSIDERED CONTIGUOUS FOR
2 PURPOSES OF THIS SECTION.

3 (B) "AGREEMENT" SHALL MEAN A WRITTEN AGREEMENT BETWEEN THE DEPARTMENT
4 OF ENVIRONMENTAL CONSERVATION AND THE OWNER OF AN ELIGIBLE TRACT,
5 EXECUTED BY BOTH PARTIES, BY WHICH THE ELIGIBLE TRACT IS COMMITTED TO
6 HABITAT CONSERVATION, OR FORESTRY STEWARDSHIP, OR BOTH, FOR A PERIOD OF
7 NOT LESS THAN FIVE YEARS.

8 (C) "APPROVED HABITAT CONSERVATION PLAN" SHALL MEAN A PLAN, APPROVED
9 BY THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION, FOR THE MANAGEMENT OF
10 AN ELIGIBLE TRACT WHICH SHALL CONTAIN REQUIREMENTS AND STANDARDS WITH
11 WHICH THE OWNER OF THE ELIGIBLE TRACT MUST COMPLY IN ORDER TO CONSERVE
12 THE VALUE OF THE LAND AS WILDLIFE, FISH, SHELLFISH, OR CRUSTACEA HABI-
13 TAT.

14 (D) "FORESTRY STEWARDSHIP" SHALL MEAN PARTICIPATION IN A FOREST
15 CERTIFICATION PROGRAM (SUCH AS FOREST STEWARDSHIP COUNCIL CERTIFICATION,
16 SUSTAINABLE FORESTRY INITIATIVE, AMERICAN TREE FARM PROGRAM, ETC.)
17 RECOGNIZED IN THE REGULATIONS OF THE DEPARTMENT OF ENVIRONMENTAL CONSER-
18 VATION.

19 (3) THERE IS HEREBY CREATED A NEW YORK STATE FORESTRY STEWARDSHIP AND
20 HABITAT CONSERVATION PROGRAM FOR THE PURPOSE OF PROVIDING FORESTED LANDS
21 IN THE STATE AND CONSERVING THE VALUE OF LAND IN THE STATE AS WILDLIFE,
22 FISH, SHELLFISH OR CRUSTACEA HABITAT.

23 (4) A LANDOWNER MAY MAKE APPLICATION TO THE DEPARTMENT OF ENVIRON-
24 MENTAL CONSERVATION, ON FORMS PRESCRIBED BY SUCH DEPARTMENT, TO HAVE
25 LAND INCLUDED IN THE NEW YORK STATE HABITAT CONSERVATION AND FORESTRY
26 STEWARDSHIP PROGRAM. IF, BASED ON AN INSPECTION OF THE LAND BY THE
27 DEPARTMENT OF ENVIRONMENTAL CONSERVATION, OR A WILDLIFE BIOLOGIST CERTI-
28 FIED BY THE WILDLIFE SOCIETY, OR A FISHERIES BIOLOGIST CERTIFIED BY THE
29 AMERICAN FISHERIES SOCIETY, THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION
30 DETERMINES THAT SUCH LAND IS AN ELIGIBLE TRACT, IT SHALL NOTIFY THE
31 LANDOWNER THAT THE LAND IS ELIGIBLE FOR INCLUSION IN THE NEW YORK STATE
32 HABITAT CONSERVATION AND FORESTRY STEWARDSHIP PROGRAM.

33 (5) THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION MAY, IN ITS
34 DISCRETION, ENTER INTO AGREEMENTS WITH OWNERS OF ELIGIBLE TRACTS FOR
35 PURPOSES OF FORESTRY STEWARDSHIP, OR HABITAT CONSERVATION, OR BOTH. SUCH
36 AGREEMENTS SHALL BE FOR A MINIMUM DURATION OF FIVE YEARS, AND SHALL
37 CONTAIN A DESCRIPTION OF THE PROPERTY THAT IS THE SUBJECT OF THE AGREE-
38 MENT, AND SUCH TERMS AND CONDITIONS AS THE DEPARTMENT DEEMS APPROPRIATE,
39 INCLUDING, BUT NOT LIMITED TO:

40 (A) FOR FORESTRY STEWARDSHIP AGREEMENTS, A DESCRIPTION OF THE PARTIC-
41 IPATION IN A FOREST CERTIFICATION PROGRAM FOR A PERIOD OF NOT LESS THAN
42 FIVE YEARS;

43 (B) FOR HABITAT CONSERVATION AGREEMENTS, A REQUIREMENT THAT THE LAND-
44 OWNER DEVELOP A HABITAT CONSERVATION PLAN AND IMPLEMENT THE PLAN FOR A
45 PERIOD OF NOT LESS THAN FIVE YEARS;

46 (C) FOR HABITAT CONSERVATION AND FORESTRY STEWARDSHIP AGREEMENTS, A
47 REQUIREMENT THAT THE LANDOWNER DEVELOP A HABITAT CONSERVATION PLAN AND
48 IMPLEMENT THE PLAN FOR A PERIOD OF NOT LESS THAN FIVE YEARS; AND A
49 DESCRIPTION OF PARTICIPATION IN A FOREST CERTIFICATION PROGRAM FOR A
50 PERIOD OF NOT LESS THAN FIVE YEARS;

51 (D) A REQUIREMENT THAT THE LANDOWNER'S OBLIGATIONS CONCERNING THE LAND
52 UNDER THE TERMS OF THE AGREEMENT, AS WELL AS ANY BENEFITS, SHALL PASS TO
53 ANY SUCCESSOR IN INTEREST TO SUCH LAND FOR THE DURATION OF THE TERM OF
54 THE AGREEMENT; AND

55 (E) A REQUIREMENT THAT A COPY OF THE AGREEMENT SHALL BE DULY RECORDED
56 AND INDEXED AS SUCH IN THE OFFICE OF THE RECORDING OFFICER FOR THE COUN-

1 TY OR COUNTIES WHERE THE LAND IS SITUATE IN THE MANNER PRESCRIBED BY
2 ARTICLE NINE OF THE REAL PROPERTY LAW; AND THAT ANY SUBSEQUENT INSTRU-
3 MENT OF CONVEYANCE RELATING TO THE PROPERTY ENCUMBERED BY THE AGREEMENT
4 SHALL REFERENCE, BY BOOK AND PAGE NUMBER, THE AGREEMENT; AND THAT SUCH
5 INSTRUMENT SHALL ALSO SPECIFY THAT THE PROPERTY IS SUBJECT TO THE
6 RESTRICTIONS CONTAINED IN THE AGREEMENT; AND THAT AN INSTRUMENT FOR THE
7 PURPOSE OF CREATING, CONVEYING, MODIFYING OR TERMINATING THE AGREEMENT
8 SHALL NOT BE EFFECTIVE UNLESS RECORDED.

9 (6) THE AMOUNT OF THE CREDIT THAT MAY BE CLAIMED BY A TAXPAYER PURSU-
10 ANT TO THIS SUBSECTION SHALL NOT EXCEED TEN THOUSAND DOLLARS IN ANY
11 GIVEN YEAR.

12 (7) IF THE AMOUNT OF THE CREDIT UNDER THIS SUBSECTION FOR ANY TAXABLE
13 YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS SHALL BE
14 TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORD-
15 ANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTI-
16 CLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

17 S 2. Paragraph 4 of subsection (n) of section 606 of the tax law, as
18 amended by section 2 of part F of chapter 62 of the laws of 2006, is
19 amended to read as follows:

20 (4) Qualified agricultural property. For purposes of this subsection,
21 the term "qualified agricultural property" means land located in this
22 state which is used in agricultural production, and land improvements,
23 structures and buildings (excluding buildings used for the taxpayer's
24 residential purpose) located on such land which are used or occupied to
25 carry out such production. Qualified agricultural property also includes
26 land set aside or retired under a federal supply management or soil
27 conservation program or land that at the time it becomes subject to a
28 conservation easement, as defined under subsection (kk) of this section,
29 met the requirements under this paragraph, AND LAND THAT AT THE TIME IT
30 BECOMES SUBJECT TO AN AGREEMENT AS DEFINED IN SUBSECTION (CCC) OF THIS
31 SECTION MET THE REQUIREMENTS UNDER THIS PARAGRAPH.

32 S 3. Section 210-B of the tax law is amended by adding a new subdivi-
33 sion 49 to read as follows:

34 49. FORESTRY STEWARDSHIP AND HABITAT CONSERVATION CREDIT. (1) IN THE
35 CASE OF A TAXPAYER WHO OWNS LAND THAT IS SUBJECT TO AN AGREEMENT WITH
36 THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION, BY WHICH SUCH LAND IS
37 COMMITTED TO FORESTRY STEWARDSHIP, OR HABITAT CONSERVATION, OR BOTH,
38 THERE SHALL BE ALLOWED A CREDIT FOR TWENTY-FIVE PERCENT OF THE REAL
39 PROPERTY TAXES PAID ON SUCH LAND. IN NO EVENT SHALL THE CREDIT ALLOWED
40 UNDER THIS SUBDIVISION IN COMBINATION WITH ANY OTHER CREDIT FOR SUCH
41 REAL PROPERTY TAXES UNDER THIS SECTION EXCEED THE TOTAL AMOUNT OF SUCH
42 TAXES PAID DURING THE TAXABLE YEAR.

43 (2) FOR THE PURPOSES OF THIS SUBDIVISION:

44 (A) "ELIGIBLE TRACT" SHALL MEAN A TRACT OF LAND OF AT LEAST
45 TWENTY-FIVE CONTIGUOUS ACRES THAT HAS BEEN INSPECTED BY THE DEPARTMENT
46 OF ENVIRONMENTAL CONSERVATION, A WILDLIFE BIOLOGIST CERTIFIED BY THE
47 WILDLIFE SOCIETY, OR A FISHERIES BIOLOGIST CERTIFIED BY THE AMERICAN
48 FISHERIES SOCIETY, AND BASED ON SUCH INSPECTION IS DETERMINED BY THE
49 DEPARTMENT OF ENVIRONMENTAL CONSERVATION TO BE: VALUABLE HABITAT FOR
50 WILDLIFE, FISH, SHELLFISH OR CRUSTACEA; OR SAFE AND SUITABLE FOR FISH OR
51 WILDLIFE-RELATED RECREATION, INCLUDING FISHING, HUNTING, TRAPPING AND
52 WILDLIFE OBSERVATION; OR BOTH. LAND DIVIDED ONLY BY FEDERAL, STATE,
53 COUNTY OR TOWN ROADS, EASEMENTS OR RIGHTS-OF-WAY, OR ENERGY TRANSMISSION
54 CORRIDORS OR SIMILAR FACILITIES SHALL BE CONSIDERED CONTIGUOUS FOR
55 PURPOSES OF THIS SECTION.

1 (B) "AGREEMENT" SHALL MEAN A WRITTEN AGREEMENT BETWEEN THE DEPARTMENT
2 OF ENVIRONMENTAL CONSERVATION AND THE OWNER OF AN ELIGIBLE TRACT,
3 EXECUTED BY BOTH PARTIES, BY WHICH THE ELIGIBLE TRACT IS COMMITTED TO
4 HABITAT CONSERVATION, OR FORESTRY STEWARDSHIP, OR BOTH, FOR A PERIOD OF
5 NOT LESS THAN FIVE YEARS.

6 (C) "APPROVED HABITAT CONSERVATION PLAN" SHALL MEAN A PLAN, APPROVED
7 BY THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION, FOR THE MANAGEMENT OF
8 AN ELIGIBLE TRACT WHICH SHALL CONTAIN REQUIREMENTS AND STANDARDS WITH
9 WHICH THE OWNER OF THE ELIGIBLE TRACT MUST COMPLY IN ORDER TO CONSERVE
10 THE VALUE OF THE LAND AS WILDLIFE, FISH, SHELLFISH, OR CRUSTACEA HABI-
11 TAT.

12 (D) "FORESTRY STEWARDSHIP" SHALL MEAN PARTICIPATION IN A FOREST
13 CERTIFICATION PROGRAM (SUCH AS FOREST STEWARDSHIP COUNCIL CERTIFICATION,
14 SUSTAINABLE FORESTRY INITIATIVE, AMERICAN TREE FARM PROGRAM, ETC.)
15 RECOGNIZED IN THE REGULATIONS OF THE DEPARTMENT OF ENVIRONMENTAL CONSER-
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17 (3) THERE IS HEREBY CREATED A NEW YORK STATE FORESTRY STEWARDSHIP AND
18 HABITAT CONSERVATION PROGRAM FOR THE PURPOSE OF PROVIDING FORESTED LANDS
19 IN THE STATE AND CONSERVING THE VALUE OF LAND IN THE STATE AS WILDLIFE,
20 FISH, SHELLFISH OR CRUSTACEA HABITAT.

21 (4) A LANDOWNER MAY MAKE APPLICATION TO THE DEPARTMENT OF ENVIRON-
22 MENTAL CONSERVATION, ON FORMS PRESCRIBED BY SUCH DEPARTMENT, TO HAVE
23 LAND INCLUDED IN THE NEW YORK STATE HABITAT CONSERVATION AND FORESTRY
24 STEWARDSHIP PROGRAM. IF, BASED ON AN INSPECTION OF THE LAND BY THE
25 DEPARTMENT OF ENVIRONMENTAL CONSERVATION, OR A WILDLIFE BIOLOGIST CERTI-
26 FIED BY THE WILDLIFE SOCIETY, OR A FISHERIES BIOLOGIST CERTIFIED BY THE
27 AMERICAN FISHERIES SOCIETY, THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION
28 DETERMINES THAT SUCH LAND IS AN ELIGIBLE TRACT, IT SHALL NOTIFY THE
29 LANDOWNER THAT THE LAND IS ELIGIBLE FOR INCLUSION IN THE NEW YORK STATE
30 HABITAT CONSERVATION AND FORESTRY STEWARDSHIP PROGRAM.

31 (5) THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION MAY, IN ITS
32 DISCRETION, ENTER INTO AGREEMENTS WITH OWNERS OF ELIGIBLE TRACTS FOR
33 PURPOSES OF HABITAT CONSERVATION, OR FORESTRY STEWARDSHIP, OR BOTH. SUCH
34 AGREEMENTS SHALL BE FOR A MINIMUM DURATION OF FIVE YEARS, AND SHALL
35 CONTAIN A DESCRIPTION OF THE PROPERTY THAT IS THE SUBJECT OF THE AGREE-
36 MENT, AND SUCH TERMS AND CONDITIONS AS THE DEPARTMENT DEEMS APPROPRIATE,
37 INCLUDING, BUT NOT LIMITED TO:

38 (A) FOR FORESTRY STEWARDSHIP AGREEMENTS, A DESCRIPTION OF THE PARTIC-
39 IPATION IN A FOREST CERTIFICATION PROGRAM FOR A PERIOD OF NOT LESS THAN
40 FIVE YEARS;

41 (B) FOR HABITAT CONSERVATION AGREEMENTS, A REQUIREMENT THAT THE LAND-
42 OWNER DEVELOP A HABITAT CONSERVATION PLAN AND IMPLEMENT THE PLAN FOR A
43 PERIOD OF NOT LESS THAN FIVE YEARS;

44 (C) FOR HABITAT CONSERVATION AND FORESTRY STEWARDSHIP AGREEMENTS, A
45 REQUIREMENT THAT THE LANDOWNER DEVELOP A HABITAT CONSERVATION PLAN AND
46 IMPLEMENT THE PLAN FOR A PERIOD OF NOT LESS THAN FIVE YEARS; AND A
47 DESCRIPTION OF PARTICIPATION IN A FOREST CERTIFICATION PROGRAM FOR A
48 PERIOD OF NOT LESS THAN FIVE YEARS;

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50 UNDER THE TERMS OF THE AGREEMENT, AS WELL AS ANY BENEFITS, SHALL PASS TO
51 ANY SUCCESSOR IN INTEREST TO SUCH LAND FOR THE DURATION OF THE TERM OF
52 THE AGREEMENT; AND

53 (E) A REQUIREMENT THAT A COPY OF THE AGREEMENT SHALL BE DULY RECORDED
54 AND INDEXED AS SUCH IN THE OFFICE OF THE RECORDING OFFICER FOR THE COUN-
55 TY OR COUNTIES WHERE THE LAND IS SITUATE IN THE MANNER PRESCRIBED BY
56 ARTICLE NINE OF THE REAL PROPERTY LAW; AND THAT ANY SUBSEQUENT INSTRU-

1 MENT OF CONVEYANCE RELATING TO THE PROPERTY ENCUMBERED BY THE AGREEMENT
 2 SHALL REFERENCE, BY BOOK AND PAGE NUMBER, THE AGREEMENT; AND THAT SUCH
 3 INSTRUMENT SHALL ALSO SPECIFY THAT THE PROPERTY IS SUBJECT TO THE
 4 RESTRICTIONS CONTAINED IN THE AGREEMENT; AND THAT AN INSTRUMENT FOR THE
 5 PURPOSE OF CREATING, CONVEYING, MODIFYING OR TERMINATING THE AGREEMENT
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7 (6) THE AMOUNT OF THE CREDIT THAT MAY BE CLAIMED BY A TAXPAYER PURSU-
 8 ANT TO THIS SUBDIVISION SHALL NOT EXCEED TEN THOUSAND DOLLARS IN ANY
 9 GIVEN YEAR.

10 (7) IF THE AMOUNT OF THE CREDIT UNDER THIS SUBDIVISION FOR ANY TAXABLE
 11 YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS SHALL BE
 12 TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORD-
 13 ANCE WITH THE PROVISIONS OF SECTION ONE THOUSAND EIGHTY-SIX OF THIS
 14 CHAPTER, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

15 S 4. Paragraph (d) of subdivision 11 of section 210-B of the tax law,
 16 as added by section 17 of part A of chapter 59 of the laws of 2014, is
 17 amended to read as follows:

18 (d) Qualified agricultural property. For purposes of this subdivision,
 19 the term "qualified agricultural property" means land located in this
 20 state which is used in agricultural production, and land improvements,
 21 structures and buildings (excluding buildings used for the taxpayer's
 22 residential purpose) located on such land which are used or occupied to
 23 carry out such production. Qualified agricultural property also includes
 24 land set aside or retired under a federal supply management or soil
 25 conservation program [or], land that at the time it becomes subject to a
 26 conservation easement met the requirements under this paragraph AND LAND
 27 THAT AT THE TIME IT BECOMES SUBJECT TO AN AGREEMENT AS DEFINED UNDER
 28 SUBDIVISION FORTY-NINE OF THIS SECTION, MET THE REQUIREMENTS UNDER THIS
 29 PARAGRAPH.

30 S 5. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
 31 of the tax law is amended by adding a new clause (xli) to read as
 32 follows:

33 (XLI) FOREST STEWARDSHIP AND	AMOUNT OF CREDIT UNDER
34 HABITAT CONSERVATION	SUBDIVISION FORTY-NINE OF
35 CREDIT UNDER SUBSECTION (CCC)	SECTION TWO HUNDRED TEN-B

36 S 6. This act shall take effect immediately.