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

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I N S E N A T E

May 10, 2016

Introduced by Sen. LAVALLE -- 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 interest on indebtedness incurred by taxpayer to pay for higher education

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

Section 1. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 44 to read as follows:

(44) INTEREST ON INDEBTEDNESS INCURRED BY THE TAXPAYER SOLELY TO PAY QUALIFIED HIGHER EDUCATION EXPENSES TO THE EXTENT SUCH INTEREST IS DEDUCTIBLE, IN ACCORDANCE WITH TITLE 26 U.S.C. S 221, FOR FEDERAL TAX PURPOSES, BUT NOT TO EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS.

S 2. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2017.

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

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