

# STATE OF NEW YORK

4649

2017-2018 Regular Sessions

## IN ASSEMBLY

February 3, 2017

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

AN ACT to amend the tax law, in relation to reducing farm-based taxes

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subparagraphs (A) and (B) of paragraph 3 of subsection (c)  
2 of section 658 of the tax law, subparagraph (A) as amended by section 13  
3 of part Q of chapter 60 of the laws of 2016 and subparagraph (B) as  
4 amended by section 1 of part H-1 of chapter 57 of the laws of 2009, are  
5 amended to read as follows:

6 (A) Every subchapter K limited liability company, every limited  
7 liability company that is a disregarded entity for federal income tax  
8 purposes, and every partnership which has any income derived from New  
9 York sources, determined in accordance with the applicable rules of  
10 section six hundred thirty-one of this article as in the case of a  
11 nonresident individual, shall on or before the fifteenth day of the  
12 third month following the close of each taxable year make a payment of a  
13 filing fee. Such deadline shall not apply to farms, commercial horse  
14 boarding operations or agricultural service providers subject to the  
15 fee, which shall, within one hundred twenty days after the last day of  
16 the taxable year, make payment of any required filing fee. The amount of  
17 the filing fee is the amount set forth in subparagraph (B) of this para-  
18 graph. The minimum filing fee is twenty-five dollars for taxable years  
19 beginning in two thousand eight and thereafter. Limited liability compa-  
20 nies that are disregarded entities for federal income tax purposes must  
21 pay a filing fee of twenty-five dollars for taxable years beginning on  
22 or after January first, two thousand eight.

23 (B) The filing fee will be based on the New York source gross income  
24 of the limited liability company or partnership for the taxable year  
25 immediately preceding the taxable year for which the fee is due. If the  
26 limited liability company or partnership does not have any New York

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

LBD08822-01-7

1 source gross income for the taxable year immediately preceding the taxa-  
2 ble year for which the fee is due, the limited liability company or  
3 partnership shall pay the minimum filing fee. Partnerships, other than  
4 limited liability partnerships under article eight-B of the partnership  
5 law and foreign limited liability partnerships, with less than one  
6 million dollars in New York source gross income are exempt from the  
7 filing fee. New York source gross income is the sum of the partners' or  
8 members' shares of federal gross income from the partnership or limited  
9 liability company derived from or connected with New York sources,  
10 determined in accordance with the provisions of section six hundred  
11 thirty-one of this article as if those provisions and any related  
12 provisions expressly referred to a computation of federal gross income  
13 from New York sources. For this purpose, federal gross income is  
14 computed without any allowance or deduction for cost of goods sold,  
15 except that for companies engaged primarily in farming, commercial horse  
16 boarding or agricultural service providers, the term federal gross  
17 income shall mean net income as reported for federal tax purposes.

18 The amount of the filing fee for taxable years beginning on or after  
19 January first, two thousand eight will be determined in accordance with  
20 the following table:

21 If the New York source gross income is:	The fee is:
22 not more than \$100,000	\$25
23 more than \$100,000 but not over \$250,000	\$50
24 more than \$250,000 but not over \$500,000	\$175
25 more than \$500,000 but not over \$1,000,000	\$500
26 more than \$1,000,000 but not over \$5,000,000	\$1,500
27 more than \$5,000,000 but not over \$25,000,000	\$3,000
28 Over \$25,000,000	\$4,500

29 § 2. Clause (E) of subparagraph 1 of paragraph (d) of subdivision 1 of  
30 section 210 of the tax law, as amended by section 19 of part T of chap-  
31 ter 59 of the laws of 2015, is amended to read as follows:

32 (E) For purposes of this paragraph, New York receipts are the receipts  
33 included in the numerator of the apportionment factor determined under  
34 section two hundred ten-A of this article for the taxable year, except  
35 that for corporations engaged primarily in farming, commercial horse  
36 boarding, or providing agricultural services, the term New York receipts  
37 shall refer to net farm income as reported for federal tax purposes.

38 § 3. This act shall take effect immediately.