

# STATE OF NEW YORK

7368--A

2017-2018 Regular Sessions

## IN ASSEMBLY

April 25, 2017

Introduced by M. of A. MAGEE -- read once and referred to the Committee on Ways and Means -- recommitted to the Committee on Ways and Means in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to creating a certified transitional tax credit; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. The tax law is amended by adding a new section 44 to read as follows:

§ 44. Certified transitional tax credit. (a) Allowance of credit. A taxpayer, who is subject to tax under article nine, nine-A, or twenty-two of this chapter shall be allowed a refundable credit against such tax to be computed as provided in this section, for the tax imposed by this article for taxable years after January first, two thousand nineteen.

(b) Value of credit. The amount of such credit shall be equal to twenty-five percent of the total pounds of goods sold under an eligible program under subdivision (c) of this section, multiplied by one-half.

(c) Eligible programs. Taxpayers that wish to claim this credit must demonstrate their agricultural products were sold during a period of transition in to USDA organic certification, under the Whole Foods Market IP. L.P. "responsibly grown" labelling program, or under the QAI and Hesco, Inc. "certified transitional" label.

(d) Application of credit. The credit allowed under this section for any taxable year shall not reduce the tax due for such year to less than the minimum tax fixed by this article. However, if the amount of credit allowed under this section for any taxable year reduces the tax to such amount, any amount of credit thus not deductible in such taxable year

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

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1 shall be treated as an overpayment of tax to be credited or refunded in  
2 accordance with the provisions of section one thousand eighty-six of  
3 this chapter. Except as provided in subsection (c) of section one thou-  
4 sand eighty-eight of this chapter, no interest shall be paid thereon.

5 § 2. The tax law is amended by adding a new section 187-q to read as  
6 follows:

7 § 187-q. Certified transitional tax credit. (a) Allowance of credit. A  
8 taxpayer, who is subject to tax under article nine, nine-A, or twenty-  
9 two of this chapter shall be allowed a refundable credit against such  
10 tax to be computed as provided in this section, for the tax imposed by  
11 this article for taxable years after January first, two thousand nine-  
12 teen.

13 (b) Value of credit. The amount of such credit shall be equal to twen-  
14 ty-five percent of the total pounds of goods sold under an eligible  
15 program under subdivision (c) of this section, multiplied by one-half.

16 (c) Eligible programs. Taxpayers that wish to claim this credit must  
17 demonstrate their agricultural products were sold during a period of  
18 transition in to USDA organic certification, under the Whole Foods  
19 Market IP. L.P. "responsibly grown" labelling program, or under the QAI  
20 and Hesco, Inc. "certified transitional" label.

21 (d) Application of credit. The credit allowed under this section for  
22 any taxable year shall not reduce the tax due for such year to less than  
23 the minimum tax fixed by this article. However, if the amount of credit  
24 allowed under this section for any taxable year reduces the tax to such  
25 amount, any amount of credit thus not deductible in such taxable year  
26 shall be treated as an overpayment of tax to be credited or refunded in  
27 accordance with the provisions of section one thousand eighty-six of  
28 this chapter. Except as provided in subsection (c) of section one thou-  
29 sand eighty-eight of this chapter, no interest shall be paid thereon.

30 § 3. Section 210-B of the tax law is amended by adding a new subdivi-  
31 sion 53 to read as follows:

32 53. Certified transitional tax credit. (a) Allowance of credit. A  
33 taxpayer, who is subject to tax under article nine, nine-A, or twenty-  
34 two of this chapter shall be allowed a refundable credit against such  
35 tax to be computed as provided in this subdivision, for the tax imposed  
36 by this article for taxable years after January first, two thousand  
37 nineteen.

38 (b) Value of credit. The amount of such credit shall be equal to twen-  
39 ty-five percent of the total pounds of goods sold under an eligible  
40 program under subdivision (c) of this section, multiplied by one-half.

41 (c) Eligible programs. Taxpayers that wish to claim this credit must  
42 demonstrate their agricultural products were sold during a period of  
43 transition in to USDA organic certification, under the Whole Foods  
44 Market IP. L.P. "responsibly grown" labelling program, or under the QAI  
45 and Hesco, Inc. "certified transitional" label.

46 (d) Application of credit. The credit allowed under this subdivision  
47 for any taxable year shall not reduce the tax due for such year to less  
48 than the minimum tax fixed by this article. However, if the amount of  
49 credit allowed under this subdivision for any taxable year reduces the  
50 tax to such amount, any amount of credit thus not deductible in such  
51 taxable year shall be treated as an overpayment of tax to be credited or  
52 refunded in accordance with the provisions of section one thousand  
53 eighty-six of this chapter. Except as provided in subsection (c) of  
54 section one thousand eighty-eight of this chapter, no interest shall be  
55 paid thereon.

§ 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xliv) to read as follows:

(xliv) Certified transitional  
tax credit under section  
forty-four of this chapter

Amount of credit under  
subdivision fifty-three of  
section two hundred ten-B

§ 5. This act shall take effect January 1, 2019, and shall apply to taxable years beginning on or after such date, and shall expire January 1, 2025 when upon such date the provisions of this act shall be deemed repealed; provided, however, that effective immediately the addition, amendment and/or repeal of any rule or regulation by the department of agriculture and markets, in conjunction with the department of taxation and finance that is necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.