

STATE OF NEW YORK

4771--A

2017-2018 Regular Sessions

IN SENATE

February 28, 2017

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to exempting from the definition of business capital, for the purposes of the franchise tax on business corporations, the stock of a unitary insurance company, the dividends from which are (or would be) exempt unitary dividends

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

1 Section 1. Paragraph (a) of subdivision 7 of section 208 of the tax
2 law, as amended by section 4 of part A of chapter 59 of the laws of
3 2014, is amended to read as follows:

4 (a) The term "business capital" means all assets, other than invest-
5 ment capital and stock issued by the taxpayer, less liabilities not
6 deducted from investment capital. Business capital shall include only
7 those assets the income, loss or expense of which are properly reflected
8 (or would have been properly reflected if not fully depreciated or
9 expensed or depreciated or expensed to a nominal amount) in the computa-
10 tion of entire net income for the taxable year, except that business
11 capital shall not include those assets the dividends from which are, or
12 would be, "exempt unitary corporation dividends" under paragraph (c) of
13 subdivision six-a of this section (such as stock in corporations taxable
14 under the franchise tax imposed by article thirty-three of this
15 chapter).

16 § 2. This act shall take effect immediately.

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

LBD10086-02-7