

STATE OF NEW YORK

4388

2017-2018 Regular Sessions

IN ASSEMBLY

February 2, 2017

Introduced by M. of A. MAGEE, CROUCH, FINCH, GUNTHER, HAWLEY, OTIS, ROSENTHAL, JENNE, SKOUFIS, STIRPE, BARCLAY, JAFFEE, MAGNARELLI, SEPULVEDA, PEOPLES-STOKES, TITONE, DiPIETRO -- Multi-Sponsored by -- M. of A. BUTLER, COOK, GOTTFRIED, LUPARDO, LUPINACCI, McLAUGHLIN, PALMESANO, SIMANOWITZ, THIELE -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to providing a tax credit to farmers who sell or rent their agricultural land to a young farmer

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

Section 1. Section 210-B of the tax law is amended by adding a new subdivision 52 to read as follows:

52. Credit for farmers who sell or rent their agricultural land to a young farmer. (a) Allowance of credit. A taxpayer that is an agricultural business principally engaged in farming, as such term is defined in paragraph nineteen of subdivision (b) of section eleven hundred one of this chapter shall be allowed a credit against the tax imposed by this article for the sale or rent of their agricultural lands to a young farmer, as defined in this section. Such credit shall be ten percent of the purchase price or rental amount of the agricultural lands.

(b) For purposes of this subdivision, "young farmer" shall mean a farmer who has not produced an agricultural product for more than ten consecutive years, where agricultural product means any agricultural or aquacultural product of the soil or water, including but not limited to fruits, vegetables, eggs, dairy products, meat and meat products, poultry and poultry products, fish and fish products, grain and grain products, honey, nuts, preserves, maple sap products, apple cider, fruit juice, horticultural specialties, and Christmas trees and who will materially and substantially participate in the production of an agricultural project.

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

LBD07443-01-7

1 (c) Prior to sale, the seller shall convey to the department of agri-
2 culture and markets, an easement, the terms of which limit development
3 of the land to agricultural business, principally farming, as such term
4 is defined in paragraph nineteen of subdivision (b) of section eleven
5 hundred one of this chapter. The easement shall expire not less than ten
6 years from the date of sale.

7 § 2. Section 606 of the tax law is amended by adding a new subsection
8 (ccc) to read as follows:

9 (ccc) Credit for the sale or rent of agricultural land to a young
10 farmer. (1) Allowance of credit. A taxpayer whose federal gross income
11 from farming for the taxable year is at least two-thirds of excess
12 federal gross income shall be allowed a credit against the tax imposed
13 by this article for the sale or rent of agricultural land or equipment
14 to a young farmer, as defined by section two hundred ten-B of this chap-
15 ter. Such credit shall be ten percent of the purchase price of rental
16 amount of the agricultural land, and shall be allowed notwithstanding
17 subsection (kk) of this section.

18 (2) Definitions. For purposes of this subsection, the following defi-
19 nitions shall apply:

20 (A) "Excess federal gross income" means the amount of federal gross
21 income from all sources for the taxable year reduced by the sum, not to
22 exceed thirty thousand dollars, of those items included in federal gross
23 income which consist of:

24 (i) earned income,

25 (ii) pension payments, including social security payments,

26 (iii) interest, and

27 (iv) dividends.

28 (B) For purposes of this paragraph, the term "earned income" shall
29 mean wages, salaries, tips and other employee compensation, and those
30 items of gross income which are includible in the computation of net
31 earnings from self-employment. For the purposes of this paragraph,
32 payments from the state's farmland protection program, administered by
33 the department of agriculture and markets, shall be included as federal
34 gross income from farming.

35 (3) Application of credit. If the amount of the credit allowed under
36 this subsection for any taxable year shall exceed the taxpayer's tax for
37 such year, the excess shall be treated as an overpayment of tax to be
38 credited or refunded in accordance with the provisions of section six
39 hundred eighty-six of this article, provided, however, that no interest
40 shall be paid thereon.

41 § 3. This act shall take effect immediately and shall apply to taxable
42 years beginning on and after January 1, 2018.