

STATE OF NEW YORK

4477--A

2017-2018 Regular Sessions

IN ASSEMBLY

February 2, 2017

Introduced by M. of A. MAGEE, BLANKENBUSH -- 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 the tax treatment of farm income of certain farm business taxpayers

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

1 Section 1. Paragraph 39 of subsection (c) of section 612 of the tax
2 law, as added by section 1 of part Y of chapter 59 of the laws of 2013,
3 is amended to read as follows:
4 (39) (A) In the case of a taxpayer who is a small business who has
5 business income [~~and/or farm income~~] as defined in the laws of the
6 United States, an amount equal to three percent of the net items of
7 income, gain, loss and deduction attributable to such business [~~or farm~~]
8 entering into federal adjusted gross income, but not less than zero, for
9 taxable years beginning after two thousand thirteen, an amount equal to
10 three and three-quarters percent of the net items of income, gain, loss
11 and deduction attributable to such business [~~or farm~~] entering into
12 federal adjusted gross income, but not less than zero, for taxable years
13 beginning after two thousand fourteen, and an amount equal to five
14 percent of the net items of income, gain, loss and deduction attribut-
15 able to such business [~~or farm~~] entering into federal adjusted gross
16 income, but not less than zero, for taxable years beginning after two
17 thousand fifteen. For the purposes of this paragraph, the term small
18 business shall mean a sole proprietor [~~or a farm business~~] who employs
19 one or more persons during the taxable year and who has net business
20 income [~~or net farm income~~] of less than two hundred fifty thousand
21 dollars.

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

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1 (B) In the case of a taxpayer who is a farm business or a taxpayer who
2 is a member, partner, or shareholder of a limited liability company,
3 partnership, or New York S corporation, respectively, that is a farm
4 business, who or which has farm income as defined by the laws of the
5 United States, an amount equal to twenty percent of the net items of
6 income, gain, loss and deduction attributable to such farm. For the
7 purposes of this paragraph, the term farm business shall mean a farm
8 business that has net farm income of less than three hundred fifty thou-
9 sand dollars.

10 § 2. This act shall take effect immediately and shall apply to taxable
11 years beginning on or after January 1, 2019.