STATE OF NEW YORK

2909--A

2017-2018 Regular Sessions

IN SENATE

January 18, 2017

Introduced by Sens. RITCHIE, O'MARA, SERINO -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- recommitted to the Committee on Investigations and Government Operations in accordance with Senate Rule 6, sec. 8 -- 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:

Section 1. Paragraph 39 of subsection (c) of section 612 of the tax law, as added by section 1 of part Y of chapter 59 of the laws of 2013, is amended to read as follows:

(39) **(A)** In the case of a taxpayer who is a small business who has business income [~~and/or farm income~~] as defined in the laws of the United States, an amount equal to three percent of the net items of income, gain, loss and deduction attributable to such business [~~or farm~~] entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand thirteen, an amount equal to three and three-quarters percent of the net items of income, gain, loss and deduction attributable to such business [~~or farm~~] entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand fourteen, and an amount equal to five percent of the net items of income, gain, loss and deduction attributable to such business [~~or farm~~] entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand fifteen. For the purposes of this paragraph, the term small business shall mean a sole proprietor [~~or a farm business~~] who employs one or more persons during the taxable year and who has net business income [~~or net farm income~~] of less than two hundred fifty thousand dollars.

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

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

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