

# STATE OF NEW YORK

4721--A

2017-2018 Regular Sessions

## IN SENATE

February 24, 2017

Introduced by Sens. RITCHIE, MARCHIONE -- 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 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:

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

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

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

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

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

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

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1 amount, any amount of credit thus not deductible in such taxable year  
2 shall be treated as an overpayment of tax to be credited or refunded in  
3 accordance with the provisions of section one thousand eighty-six of  
4 this chapter. Except as provided in subsection (c) of section one thou-  
5 sand eighty-eight of this chapter, no interest shall be paid thereon.

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

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

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

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

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

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

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

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

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

47 (d) Application of credit. The credit allowed under this subdivision  
48 for any taxable year shall not reduce the tax due for such year to less  
49 than the minimum tax fixed by this article. However, if the amount of  
50 credit allowed under this subdivision for any taxable year reduces the  
51 tax to such amount, any amount of credit thus not deductible in such  
52 taxable year shall be treated as an overpayment of tax to be credited or  
53 refunded in accordance with the provisions of section one thousand  
54 eighty-six of this chapter. Except as provided in subsection (c) of  
55 section one thousand eighty-eight of this chapter, no interest shall be  
56 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.