STATE OF NEW YORK

7201--A

IN SENATE

January 3, 2018

Introduced by Sens. GOLDEN, MURPHY -- 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 establishing a state and local taxes tax credit

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

Section 1. Section 606 of the tax law is amended by adding a new subsection (iii) to read as follows:

(iii) State and local taxes credit. (1) Allowance of credit. For taxable years beginning on and after January first, two thousand eighteen and before January first, two thousand twenty-six, a resident taxpayer who itemized his or her deductions on his or her federal income tax return shall be allowed a credit, to be computed as provided in paragraph three of this subsection, against the tax imposed by this article, for allowable state and local taxes.

(2) The term "allowable state and local taxes" shall mean the taxes imposed by a political subdivision of this state that would have been deductible pursuant to paragraphs one and three of subsection (a) of section one hundred sixty-four of the internal revenue code for the taxable year ending December thirty-first, two thousand seventeen less the limitation imposed by paragraph six of subsection (a) of section one hundred sixty-four of the same internal revenue code.

(3) Computation of credit. The amount of credit allowable pursuant to this subsection shall equal the allowable state and local taxes multiplied by the rate of tax imposed on the taxpayer's New York taxable income pursuant to section six hundred one of this article.

(4) Refundability. The credit under this subsection shall be allowed against the taxes imposed by this article for the taxable year reduced by the credits permitted by this article. If the credit exceeds the tax as so reduced, the taxpayer may receive, and the comptroller, subject to a certificate of the commissioner, shall pay as an overpayment, without interest, the amount of such excess.

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

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(5) Limitation. No credit shall be allowed under this subsection to a taxpayer who itemizes his or her deductions on his or her New York state personal income tax return and does not add back the amount of local property and income taxes deducted on his or her federal income tax return pursuant to paragraph ten of subsection (c) of section six hundred fifteen of this article.

§ 2. Subsection (c) of section 615 of the tax law is amended by adding a new paragraph 10 to read as follows:

(10) real property taxes and income taxes, as defined in paragraphs one and three of subsection (a) of section one hundred sixty-four of the internal revenue code for the taxable year ending December thirty-first, two thousand seventeen, imposed by a taxing jurisdiction other than the state to the extent such taxes were deducted as an itemized deduction on his or her federal income tax return.

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