STATE OF NEW YORK

7210--A

IN SENATE

January 3, 2018

Introduced by Sen. GOLDEN -- 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 and the administrative code of the city of New York, in relation to implementing a state and local taxes credit

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

Section 1. Section 1310 of the tax law is amended by adding a new subsection (g) to read as follows:

(g) 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 authorized 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.

(2) Allowable taxes. 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 taxable years ending before January first, two thousand eighteen less the limitation imposed by paragraph six of subsection (a) of section one hundred sixty-four of the 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 city taxable income pursuant to section thirteen hundred four of this article.

§ 2. Section 11-1706 of the administrative code of the city of New York is amended by adding a new subdivision (g) to read as follows:

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

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(g) 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 subdivision, against the tax authorized by this chapter for the taxable year reduced by the credits permitted by this chapter. 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.

(2) Allowable taxes. 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 taxable years ending before January first, two thousand eighteen less the limitation imposed by paragraph six of subsection (a) of section one hundred sixty-four of the internal revenue code.

(3) Computation of credit. The amount of credit allowable pursuant to this subdivision shall equal the allowable state and local taxes multiplied by the rate of tax imposed on the taxpayer's city taxable income pursuant to section 11-1701 of this subchapter.

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