

# STATE OF NEW YORK

7556

## IN SENATE

January 24, 2018

Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to implementing a union dues tax credit

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

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

3 (iii) Union dues tax credit. (1) Allowance of credit. For taxable  
4 years beginning on and after January first, two thousand eighteen and  
5 before January first, two thousand twenty-six, a resident taxpayer shall  
6 be allowed a credit, to be computed as provided in paragraph three of  
7 this subsection, against the tax imposed by this article for allowable  
8 union dues.

9 (2) Allowable dues. The term "allowable union dues" shall mean the  
10 full amount of agency shop fees and union dues paid by the taxpayer  
11 during the taxable year that would have been deductible in the taxable  
12 year ending December thirty-first, two thousand seventeen under section  
13 187 of the internal revenue code without regard to the limitation  
14 imposed by section 67 of the internal revenue code.

15 (3) Computation of credit. The amount of credit allowable pursuant to  
16 this subsection shall equal the allowable union dues multiplied by the  
17 rate of tax imposed on the taxpayer's New York taxable income pursuant  
18 to section six hundred one of this part.

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

25 § 2. Paragraph 5 of subsection (d) of section 615 of the tax law, as  
26 added by section 1 of part 000 of chapter 59 of the laws of 2017, is  
27 amended to read as follows:

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

LBD14102-03-8

(5) for taxable years beginning before January first, two thousand eighteen and after December thirty-first, two thousand twenty-six, the full amount of union dues paid during the taxable year if the taxpayer was not allowed federal miscellaneous itemized deductions by operation of section 67 of the internal revenue code. If any amount of union dues representing federal miscellaneous itemized deductions was allowed, then the amount allowed as a New York itemized deduction for union dues paid shall be a percentage of the union dues disallowed by the operation of section 67 of the internal revenue code computed as follows. The amount allowed as a New York itemized deduction shall be computed by multiplying the total union dues paid by the taxpayer during the taxable year by a percentage determined by subtracting from one, a fraction where the numerator is the amount of federal miscellaneous deductions allowed and the denominator is the aggregate federal miscellaneous itemized deductions before application of the two-percent floor under section 67 of the internal revenue code. For the purposes of this paragraph, union dues are those amounts that ~~are~~ would have been deductible as union dues and agency shop fees under section 162 of the internal revenue code, as it was in effect prior to the enactment of Public Law No. 115-97.

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