

STATE OF NEW YORK

4096

2019-2020 Regular Sessions

IN ASSEMBLY

February 1, 2019

Introduced by M. of A. KOLB, BARCLAY, McDONOUGH, RAIA -- Multi-Sponsored
by -- M. of A. GIGLIO, HAWLEY, THIELE -- read once and referred to the
Committee on Ways and Means

AN ACT to amend the tax law, in relation to establishing tax deductions
for the tax paid by the taxpayer in connection with the purchase of a
new automobile and for the interest paid by the taxpayer in connection
with an automobile loan

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

1 Section 1. Subdivision (d) of section 615 of the tax law, as amended
2 by chapter 921 of the laws of 1963, paragraph 1 as amended by chapter
3 1006 of the laws of 1970, paragraph 2 as amended by chapter 406 of the
4 laws of 1990, paragraph 4 as added by section 2 of part DD of chapter 63
5 of the laws of 2000 and paragraph 5 as added by section 1 of part 000 of
6 chapter 59 of the laws of 2017, is amended to read as follows:

7 (d) Modifications increasing federal itemized deductions. The total
8 amount of deductions from federal adjusted gross income shall be
9 increased by:

10 (1) an amount, not exceeding one hundred and fifty dollars in the
11 aggregate, for net premiums paid or incurred by a taxpayer during the
12 taxable year with respect to any life insurance or endowment policy upon
13 his life; provided, however, for taxable years beginning on or after
14 January first, nineteen hundred seventy-one, such amount shall not
15 exceed one hundred dollars in the aggregate; and for taxable years
16 beginning on or after January first, nineteen hundred seventy-two, such
17 amount shall not exceed fifty dollars in the aggregate; and for taxable
18 years beginning on or after January first, nineteen hundred seventy-
19 three, no such increase in the amount of deductions from federal
20 adjusted gross income shall be allowed;

21 (2) interest on indebtedness incurred or continued to purchase or
22 carry obligations or securities the interest on which is subject to tax

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

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1 under this article but exempt from federal income tax, to the extent
2 that such interest on indebtedness is not deductible for federal income
3 tax purposes and is not subtracted from federal adjusted gross income
4 pursuant to paragraph ~~[(9)]~~ nine of subsection (c) of section six
5 hundred twelve of this part; ~~[and]~~

6 (3) ordinary and necessary expenses paid or incurred during the taxa-
7 ble year for (i) the production or collection of income which is subject
8 to tax under this article but exempt from federal income tax, or (ii)
9 the management, conservation or maintenance of property held for the
10 production of such income, and the amortizable bond premium for the
11 taxable year on any bond the interest on which is subject to tax under
12 this article but exempt from federal income tax, to the extent that such
13 expenses and premiums are not deductible in determining federal adjusted
14 gross income and are not subtracted from federal adjusted gross income
15 pursuant to paragraph ~~[(10)]~~ ten of subsection (c) of section six
16 hundred twelve~~[-]~~ of this part;

17 (4) allowable college tuition expenses, as defined in paragraph two of
18 subsection (t) of section six hundred six of this article, multiplied by
19 the applicable percentage. Such applicable percentage shall be twenty-
20 five percent for taxable years beginning in two thousand one, fifty
21 percent for taxable years beginning in two thousand two, seventy-five
22 percent for taxable years beginning in two thousand three and one
23 hundred percent for taxable years beginning after two thousand three.
24 Provided, however, no deduction shall be allowed under this paragraph to
25 a taxpayer who claims the credit provided under subsection (t) of
26 section six hundred six of this article~~[-]~~;

27 (5) the full amount of union dues paid during the taxable year if the
28 taxpayer was not allowed federal miscellaneous itemized deductions by
29 operation of section 67 of the internal revenue code. If any amount of
30 union dues representing federal miscellaneous itemized deductions was
31 allowed, then the amount allowed as a New York itemized deduction for
32 union dues paid shall be a percentage of the union dues disallowed by
33 the operation of section 67 of the internal revenue code computed as
34 follows. The amount allowed as a New York itemized deduction shall be
35 computed by multiplying the total union dues paid by the taxpayer during
36 the taxable year by a percentage determined by subtracting from one, a
37 fraction where the numerator is the amount of federal miscellaneous
38 deductions allowed and the denominator is the aggregate federal miscel-
39 laneous itemized deductions before application of the two-percent floor
40 under section 67 of the internal revenue code. For the purposes of this
41 paragraph, union dues are those amounts that are deductible as union
42 dues and agency shop fees under section 162 of the internal revenue
43 code~~[-]~~;

44 (6) interest on indebtedness incurred to purchase an automobile from
45 an automobile dealer located within the state during the term of repay-
46 ment of the loan, provided: (A) the automobile is purchased for the
47 taxpayer's personal use; (B) the automobile is registered in the name of
48 the taxpayer; and (C) such deduction shall apply only to the amount of
49 interest attributable to the first forty-nine thousand five hundred
50 dollars of the automobile loan amount; and

51 (7) an amount not to exceed the sum of the state and local sales and
52 compensating use taxes paid by the taxpayer in connection with the
53 purchase of the automobile from an automobile dealer located within the
54 state provided: (A) the automobile is purchased for the taxpayer's
55 personal use; (B) the automobile is registered in the name of the
56 taxpayer; (C) such deduction is allowable once with respect to any auto-

1 mobile; and (D) such deduction shall apply only to the amount of tax
2 attributable to the first forty-nine thousand five hundred dollars of
3 the automobile purchase price.

4 § 2. This act shall take effect on the first of January next succeed-
5 ing the date on which it shall have become a law and shall apply to
6 taxable years beginning on or after such date.