

STATE OF NEW YORK

5529

2019-2020 Regular Sessions

IN ASSEMBLY

February 13, 2019

Introduced by M. of A. SALKA -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to creating a tax credit for companies that purchase New York-grown crops and use such crops in value added products

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. NY crops for value added products tax credit. (a) General. A
4 taxpayer subject to tax under article nine, nine-A or twenty-two of this
5 chapter shall be allowed a credit against such tax pursuant to the
6 provisions referenced in subdivision (e) of this section, however, the
7 unused portion of any tax credit claimed shall not be carried forward
8 and applied in another tax year. The tax credit allowed pursuant to this
9 section shall apply to taxable years beginning on or after January
10 first, two thousand twenty.

11 (b) Definitions. For the purposes of this section the following terms
12 shall have the following meanings:

13 (1) "crop" shall mean (i) fruits, including apples, peaches, grapes,
14 cherries and berries, (ii) vegetables, including tomatoes, snap beans,
15 cabbage, carrots, beets and onions, and (iii) field crops, including
16 corn, wheat, oats, rye, barley, hay, hops, potatoes and dry beans;

17 (2) "value added product" shall mean the increase in the fair market
18 value of a product resulting from the processing of such product;

19 (3) "net sales" shall mean the total sales of the business subject to
20 tax.

21 (4) "eligible taxpayer" means a corporation (including a New York S
22 corporation), a sole proprietorship, a limited liability company or a
23 partnership.

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

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1 (c) The amount of the credit shall be proscribed according to the
2 following schedule:

3 (1) for twenty percent of net sales attributed to value added products
4 that used a New York-grown crop, the credit shall be one thousand five
5 hundred dollars.

6 (2) for forty percent of net sales attributed to value added products
7 that used a New York-grown crop, the credit shall be three thousand
8 dollars.

9 (3) for sixty percent of net sales attributed to value added products
10 that used a New York-grown crop, the credit shall be six thousand
11 dollars.

12 (4) for eighty percent of net sales attributed to value added products
13 that used a New York-grown crop, the credit shall be twelve thousand
14 dollars.

15 (5) for one hundred percent of net sales attributed to value added
16 products that used a New York-grown crop, the credit shall be twenty-
17 five thousand dollars.

18 (d) (1) Businesses claiming the NY crops for value added products tax
19 credit shall submit a computer-generated report with tax returns that
20 claim a tax credit.

21 (2) Such report shall include the name of the producer and the phys-
22 ical place of business where the products are produced.

23 (3) The amount paid by the grocer or business to the producer and
24 amount of units purchased.

25 (e) Cross-references. For application of the credit provided for in
26 this section, see the following provisions of this chapter:

27 (1) Article 9: Section 187-g.

28 (2) Article 9-A: Section 210-B, subdivision 53.

29 (3) Article 22: Section 606, subsections (i) and (jjj).

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

32 53. NY crops for value added products tax credit. A taxpayer shall be
33 allowed a credit, to be computed as provided in section forty-four of
34 this chapter against the tax imposed by this article. The credit allowed
35 under this subdivision for any taxable year shall not reduce the tax due
36 for such year to less than the fixed dollar minimum amount prescribed in
37 paragraph (d) of subdivision one of section two hundred ten of this
38 article. However, if the amount of credit allowed under this subdivision
39 for any taxable year reduces the tax to such amount or if the taxpayer
40 otherwise pays tax based on the fixed dollar minimum amount, any amount
41 of credit thus not deductible in such taxable year shall be treated as
42 an overpayment of tax to be credited or refunded in accordance with the
43 provisions of section one thousand eighty-six of this chapter. Provided,
44 however, the provisions of subsection (c) of section one thousand eight-
45 y-eight of this chapter notwithstanding, no interest shall be paid ther-
46 eon. The tax credit allowed pursuant to this section shall apply to
47 taxable years beginning on or after January first, two thousand twenty.

48 § 3. Section 606 of the tax law is amended by adding a new subsection
49 (jjj) to read as follows:

50 (jjj) NY crops for value added products tax credit. A taxpayer shall
51 be allowed a credit to be computed as provided in section forty-four of
52 this chapter against the tax imposed by this article. If the amount of
53 the credit allowed under this subsection for any taxable year shall
54 exceed the taxpayer's tax for such year, the excess shall be treated as
55 an overpayment of tax to be credited or refunded in accordance with the
56 provisions of section six hundred eighty-six of this article, provided,

1 however, that no interest shall be paid thereon. The tax credit allowed
2 pursuant to this section shall apply to taxable years beginning on or
3 after January first, two thousand twenty.

4 § 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
5 of the tax law is amended by adding a new clause (xliv) to read as
6 follows:

7 <u>(xliv) NY crops for value added products</u>	<u>Amount of credit under</u>
8 <u>tax credit under subsection (jjj)</u>	<u>subdivision fifty-three of</u>
9	<u>section two hundred ten-B</u>

10 § 5. The tax law is amended by adding a new section 187-q to read as
11 follows:

12 § 187-q. NY crops for value added products tax credit. (a) Allowance
13 of credit. A taxpayer shall be allowed a credit, to be computed as
14 provided in section forty-four of this chapter against the tax imposed
15 by this article.

16 (b) Application of credit. The credit allowed under this subdivision
17 for any taxable year shall not reduce the tax due for such year to less
18 than the fixed dollar minimum amount prescribed in paragraph (d) of
19 subdivision one of section two hundred ten of this chapter. However, if
20 the amount of credit allowed under this subdivision for any taxable year
21 reduces the tax to such amount or if the taxpayer otherwise pays tax
22 based on the fixed dollar minimum amount, any amount of credit thus not
23 deductible in such taxable year shall be treated as an overpayment of
24 tax to be credited or refunded in accordance with the provisions of
25 section one thousand eighty-six of this chapter. Provided, however, the
26 provisions of subsection (c) of section one thousand eighty-eight of
27 this chapter notwithstanding, no interest shall be paid thereon. The tax
28 credit allowed pursuant to this section shall apply to taxable years
29 beginning on or after January first, two thousand twenty.

30 § 6. This act shall take effect immediately and shall apply to taxable
31 years beginning on or after January 1, 2020.