STATE OF NEW YORK

5790

2019-2020 Regular Sessions

IN ASSEMBLY

February 19, 2019

Introduced by M. of A. GIGLIO, BRABENEC, LAWRENCE, RAIA, DeSTEFANO, McDONOUGH, SAYEGH, HAWLEY, MORINELLO, TAGUE, KOLB, NORRIS, WALCZYK -- Multi-Sponsored by -- M. of A. BARCLAY, CROUCH -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to establishing business franchise and personal income tax credits for certain small businesses in a village or small city

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

Section 1. Section 210-B of the tax law is amended by adding a new subdivision 53 to read as follows:

53. Small business capital tax credit. (a) A taxpayer shall be allowed a credit, to be computed as provided in this subdivision, against the tax imposed by this article. Such credit shall be granted to any taxpayer which is a small business when the small business is located in a village or in a city with a population of less than thirty-five thousand as determined by the most recent federal decennial census. The amount of the credit shall be equal to twenty-five percent of the sum of qualified investments in such small business, as determined by the commissioner.

(b) For the purposes of this subdivision, the term "small business" means a business which employs less than fifteen employees.

(c) The credit and carryovers of such credit allowed under this subdivision for any taxable year shall not, in the aggregate, reduce the tax due for such year to less than the higher of the amounts prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit or carryovers of such credit, or both, allowed under this subdivision for any taxable year reduces the tax to such amount, any amount of credit or carryovers of such credit thus not deductible in such taxable year may be carried over to the following year or years and may be deducted from the tax for such year or years.

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

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

<u>(xliv) Small business capital tax credit under subsection (jjj)</u>	<u>Amount of credit under subdivision fifty-three of section two hundred ten-B</u>

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

<u>(jjj) Small business capital tax credit. (1) A taxpayer shall be allowed a credit, to be computed as provided in this subsection, against the tax imposed by this article. Such credit shall be granted to any taxpayer which is a small business when the small business is located in a village or in a city with a population of less than thirty-five thousand as determined by the most recent federal decennial census. The amount of the credit shall be equal to twenty-five percent of the sum of qualified investments in such small business, as determined by the commissioner.</u>

<u>(2) For the purposes of this subsection, the term "small business" means a business which employs less than fifteen employees.</u>

<u>(3) The credit and carryovers of such credit allowed under this subsection for any taxable year shall not, in the aggregate, reduce the tax due for such year to be less than the higher of the amounts prescribed in paragraph (d) of subdivision one of section two hundred ten of this chapter. However, if the amount of credit or carryovers of such credit, or both, allowed under this subsection for any taxable year reduces the tax to such amount, any amount of credit or carryovers of such credit thus not deductible in such taxable year may be carried over to the following year or years and may be deducted from the tax for such year or years.</u>

§ 4. This act shall take effect on the first of January next succeeding the date on which it shall have become a law and shall apply to taxable years commencing on or after such date.