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 Assembly, do enact as follows:

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

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

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

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

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

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

(5) 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 deductible as union dues and agency shop fees under section 162 of the internal revenue code[~~.~~];

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

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

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

§ 2. 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 beginning on or after such date.