STATE OF NEW YORK

5961--A

2019-2020 Regular Sessions

IN ASSEMBLY

February 20, 2019

Introduced by M. of A. SCHIMMINGER -- read once and referred to the Committee on Ways and Means -- recommitted to the Committee on Ways and Means in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law and the administrative code of the city of New York, in relation to exclusions of the entire net income

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

Section 1. Paragraph (b) of subdivision 9 of section 208 of the tax law is amended by adding two new subparagraphs 26 and 27 to read as follows:

(26) The amount disallowed as a deduction pursuant to paragraph one of subsection (j) of section 163 of the internal revenue code.

(27) Any amount deducted by reason of a carry forward of disallowed business interest pursuant to paragraph two of subsection (j) of section 163 of the internal revenue code.

§ 2. Subparagraph 21 of paragraph (b) of subdivision 8 of section 11-652 of the administrative code of the city of New York, as added by section 3-a of part KK of chapter 59 of the laws of 2018, is amended and two new subparagraphs 22 and 23 are added to read as follows:

(21) the amount of any federal deduction allowed pursuant to section 250(a)(1)(A) of the internal revenue code[~~.~~]**;**

(22) the amount disallowed as a deduction pursuant to paragraph one of subsection (j) of section 163 of the internal revenue code;

(23) any amount deducted by reason of a carry forward of disallowed business interest pursuant to paragraph two of subsection (j) of section 163 of the internal revenue code.

§ 3. Paragraph 1 of subdivision (b) of section 1503 of the tax law is amended by adding a new subparagraph (W) to read as follows:

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

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(W) the amount disallowed as a deduction pursuant to paragraph one of subsection (j) of section 163 of the internal revenue code.

§ 4. Paragraph 2 of subdivision (b) of section 1503 of the tax law is amended by adding a new subparagraph (Z) to read as follows:

(Z) any amount deducted by reason of a carry forward of disallowed business interest pursuant to paragraph two of subsection (j) of section 163 of the internal revenue code.

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