

STATE OF NEW YORK

7029

IN SENATE

(Prefiled)

January 8, 2020

Introduced by Sen. BENJAMIN -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

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:

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

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

6 (27) Any amount deducted by reason of a carry forward of disallowed
7 business interest pursuant to paragraph two of subsection (j) of section
8 163 of the internal revenue code.

9 § 2. Subparagraph 21 of paragraph (b) of subdivision 8 of section
10 11-652 of the administrative code of the city of New York, as added by
11 section 3-a of part KK of chapter 59 of the laws of 2018, is amended and
12 two new subparagraphs 22 and 23 are added to read as follows:

13 (21) the amount of any federal deduction allowed pursuant to section
14 250(a)(1)(A) of the internal revenue code~~[-]~~;

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

17 (23) any amount deducted by reason of a carry forward of disallowed
18 business interest pursuant to paragraph two of subsection (j) of section
19 163 of the internal revenue code.

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

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

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

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

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1 (Z) any amount deducted by reason of a carry forward of disallowed
2 business interest pursuant to paragraph two of subsection (j) of section
3 163 of the internal revenue code.

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