STATE OF NEW YORK

8225

2021-2022 Regular Sessions

IN ASSEMBLY

August 25, 2021

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

AN ACT to amend the tax law, in relation to authorizing the creation of small business tax-deferred savings accounts

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

Section 1. Paragraph (a) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 27 to read as follows:

(27) any deposit made by a small business as defined in section one hundred thirty-one of the economic development law into a small business tax-deferred savings account maintained by a banking organization as defined in subdivision eleven of section two of the banking law and established for the purposes of improving the facilities of such business or for procurement of machinery or equipment or any interest earned on any small business tax-deferred savings account.

§ 2. Subdivision 9 of section 208 of the tax law is amended by adding a new paragraph (c-4) to read as follows:

(c-4) Entire net income shall include any withdrawal exclusive of interest income made by a small business as defined in section one hundred thirty-one of the economic development law from a small business tax-deferred savings account maintained by a banking organization as defined in subdivision eleven of section two of the banking law and established for the purposes of improving the facilities of such business or for procurement of machinery or equipment and an additional ten percent of any withdrawals exclusive of interest income from the small business tax-deferred savings account not used for improving the facilities of such business or for procurement of machinery or equipment.

§ 3. Subsection (b) of section 612 of the tax law is amended by adding a new paragraph 43 to read as follows:

(43) Any withdrawal exclusive of interest income made by a small business as defined in section one hundred thirty-one of the economic devel-

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

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opment law from a small business tax-deferred savings account maintained by a banking organization as defined in subdivision eleven of section two of the banking law and established for the purposes of improving the facilities of such business or for procurement of machinery or equipment and an additional ten percent of any withdrawals exclusive of interest income from the small business tax-deferred savings account not used for improving the facilities of such business or for procurement of machinery or equipment.

§ 4. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 44 to read as follows:

(44) Any deposit made by a small business as defined in section one hundred thirty-one of the economic development law into a small business tax-deferred savings account maintained by a banking organization as defined in subdivision eleven of section two of the banking law and established for the purposes of improving the facilities of such business or for procurement of machinery or equipment or any interest earned on any small business tax-deferred savings account.

§ 5. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2022.