

# STATE OF NEW YORK

8336

2021-2022 Regular Sessions

## IN ASSEMBLY

October 20, 2021

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

AN ACT to amend the tax law, in relation to creating a tax credit for small businesses that sell a certain percentage of products produced in New York state

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 58 to read as follows:

58. Credit for small businesses that sell New York state produced products. (a) A small business shall be allowed a credit against the tax imposed by this article if such small business sells a certain percentage of qualified products. Such credit shall be computed according to the following schedule:

(i) Credit of one thousand dollars when five to nine percent of a qualifying small business' total sales are attributed to the sale of qualifying products.

(ii) Credit of two thousand dollars when ten to twenty-four percent of a qualifying small business' total sales are attributed to the sale of qualifying products.

(iii) Credit of five thousand dollars when twenty-five percent or more of a qualifying small business' total sales are attributed to the sale of qualifying products.

(b) For the purposes of this subdivision, the term:

(i) "Small business" shall mean a business which is an independently or privately-owned cafe, restaurant, eatery, bar, pub, brewery, distillery, orchard, food truck, retail store, farm stand, hotel, or motel.

(ii) "Qualified product" shall mean a product which is grown, brewed or distilled in New York state and such products shall include:

(A) beer, wine, spirits, and ciders;

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

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1 (B) agricultural ingredients, including but not limited to wheat,  
2 barley, hops, apples, pumpkins, corn, cabbage, berries, soybeans, maple,  
3 or any item used for menu items;

4 (C) dairy products, including but not limited to milk, cream, butter,  
5 and cheese; or

6 (D) meat products, including but not limited to beef, chicken, and  
7 pork.

8 (c) The credit allowed under this subdivision for the taxable year  
9 shall not reduce the tax due for such year to less than the amount  
10 prescribed in paragraph (d) of subdivision one of section two hundred  
11 ten of this article. However, if the amount of credit allowed under this  
12 subdivision for the taxable year reduces the tax to such amount or if  
13 the taxpayer otherwise pays tax based on the fixed dollar minimum  
14 amount, any amount of credit thus not deductible in such taxable year  
15 shall be treated as an overpayment of tax to be credited or refunded in  
16 accordance with the provisions of section one thousand eighty-six of  
17 this chapter. Provided, however, the provisions of subsection (c) of  
18 section one thousand eighty-eight of this chapter notwithstanding, no  
19 interest shall be paid thereon.

20 § 2. Section 606 of the tax law is amended by adding a new subsection  
21 (nnn) to read as follows:

22 (nnn) Credit for small businesses that sell New York state produced  
23 products. (1) A small business shall be allowed a credit against the tax  
24 imposed by this article if such small business sells a certain percent-  
25 age of qualified products. Such credit shall be computed according to  
26 the following schedule:

27 (A) Credit of one thousand dollars when five to nine percent of a  
28 qualifying small business' total sales are attributed to the sale of  
29 qualifying products.

30 (B) Credit of two thousand dollars when ten to twenty-four percent of  
31 a qualifying small business' total sales are attributed to the sale of  
32 qualifying products.

33 (C) Credit of five thousand dollars when twenty-five percent or more  
34 of a qualifying small business' total sales are attributed to the sale  
35 of qualifying products.

36 (2) For the purposes of this subsection, the term:

37 (A) "Small business" shall mean a business which is an independently  
38 or privately-owned cafe, restaurant, eatery, bar, pub, brewery, distil-  
39 lery, orchard, food truck, retail store, farm stand, hotel, or motel.

40 (B) "Qualified product" shall mean a product which is grown, brewed or  
41 distilled in New York state and such products shall include:

42 (i) beer, wine, spirits, and ciders;

43 (ii) agricultural ingredients, including but not limited to wheat,  
44 barley, hops, apples, pumpkins, corn, cabbage, berries, soybeans, maple,  
45 or any item used for menu items;

46 (iii) dairy products, including but not limited to milk, cream,  
47 butter, and cheese; or

48 (iv) meat products, including but not limited to beef, chicken, and  
49 pork.

50 (3) If the amount of the credit allowed under this subsection for any  
51 taxable year shall exceed the taxpayer's tax for such year, the excess  
52 shall be treated as an overpayment of tax to be credited or refunded in  
53 accordance with the provisions of section six hundred eighty-six of this  
54 article, provided, however, that no interest shall be paid thereon.

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

4 <u>(xlix) Credit for small businesses</u>	<u>Amount of credit under</u>
5 <u>that sell New York state produced</u>	<u>subdivision fifty-eight of</u>
6 <u>products under subsection (nnn)</u>	<u>section two hundred ten-B</u>

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