STATE OF NEW YORK

8808

IN ASSEMBLY

January 12, 2022

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

AN ACT to amend the tax law, in relation to permitting deductions for commercial cannabis activity; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. The tax law is amended by adding a new section 493-a to read as follows:

§ 493-a. Deductions. (a) For each taxable year beginning on or after January first, two thousand twenty-two, and before January first, two thousand twenty-five, the provisions of section 280E of the internal revenue code, relating to expenditures in connection with the illegal sale of drugs, shall not apply for the purposes of this chapter to the carrying on of any trade or business that is commercial cannabis activity by a licensee.

(b) For the purposes of this section, the following definitions shall apply:

(1)"Commercial cannabis activity" includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of cannabis and cannabis products, or acting as the holder of an adult-use on-site consumption license pursuant to article four of the cannabis law.

(2) "Licensee" shall have the same meaning as defined in section three of the cannabis law.

§ 2. This act shall take effect on the same date and in the same manner as section 39 of chapter 92 of the laws of 2021, takes effect, and shall expire January 1, 2025 when upon such date the provisions of this act shall be deemed repealed.

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

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