

STATE OF NEW YORK

540

2021-2022 Regular Sessions

IN SENATE

(Prefiled)

January 6, 2021

Introduced by Sen. KAPLAN -- 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, in relation to exempting from sales and compensating use taxes and establishing a tax credit for any equipment or product purchased by a small business that is used to comply with a COVID-19 health and safety plan

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

1 Section 1. Subdivision (a) of section 1115 of the tax law is amended
2 by adding a new paragraph 46 to read as follows:

3 (46) Any equipment or product, including materials used in the
4 construction of physical barriers, including but not limited to plastic
5 shielding walls, strip curtains, cubicle walls, plexiglass or similar
6 materials, or other impermeable dividers or partitions, purchased by a
7 small business doing business in this state that is directly used by
8 such small business to be in compliance with a COVID-19 health and safe-
9 ty plan. For purposes of this paragraph, the term "small business" shall
10 mean a business with one hundred or fewer employees.

11 § 2. Section 210-B of the tax law is amended by adding a new subdivi-
12 sion 55 to read as follows:

13 55. Sales tax paid on materials for COVID-19 health and safety plan
14 compliance. (1) For the period beginning May fifteenth, two thousand
15 twenty and ending on the effective date of this subdivision, a taxpayer
16 who owns a small business shall be allowed a credit for sales tax paid
17 for any equipment or product, including materials used in the
18 construction of physical barriers, including but not limited to plastic
19 shielding walls, strip curtains, cubicle walls, plexiglass or similar
20 materials, or other impermeable dividers or partitions, purchased by
21 such small business in order to be in compliance with a COVID-19 health
22 and safety plan.

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

LBD04910-01-1

1 (2) If the amount of the credit allowed under this subdivision for any
2 taxable year shall exceed the small business's tax for such year, the
3 excess shall be treated as an overpayment of tax to be credited or
4 refunded in accordance with the provisions of section six hundred eight-
5 y-six of this chapter, provided, however, that no interest shall be paid
6 thereon.

7 (3) For purposes of this subdivision, the term "small business" shall
8 mean a business with one hundred or fewer employees.

9 § 3. Section 606 of the tax law is amended by adding a new subsection
10 (kkk) to read as follows:

11 (kkk) Sales tax paid on materials for COVID-19 health and safety plan
12 compliance. (1) For the period beginning May fifteenth, two thousand
13 twenty and ending on the effective date of this subsection, a taxpayer
14 who owns a small business shall be allowed a credit for sales tax paid
15 for any equipment or product, including materials used in the
16 construction of physical barriers, including but not limited to plastic
17 shielding walls, strip curtains, cubicle walls, plexiglass or similar
18 materials, or other impermeable dividers or partitions, purchased by
19 such small business in order to be in compliance with a COVID-19 health
20 and safety plan.

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

26 (3) For purposes of this subsection, the term "small business" shall
27 mean a business with one hundred or fewer employees.

28 § 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
29 of the tax law is amended by adding a new clause (xlvi) to read as
30 follows:

31 <u>(xlvi) Sales tax paid on materials</u>	<u>Sales tax paid on</u>
32 <u>for COVID-19 health and safety</u>	<u>materials for</u>
33 <u>plan compliance under</u>	<u>COVID-19 health</u>
34 <u>subsection (kkk)</u>	<u>and safety plan</u>
35	<u>compliance under</u>
36	<u>subdivision fifty-five</u>
37	<u>of section two</u>
38	<u>hundred ten-B</u>

39 § 5. This act shall take effect on the first day of the sales tax
40 quarterly period commencing after this act shall have become a law, and
41 shall apply to sales made and uses occurring on and after such date in
42 accordance with applicable transitional provisions of sections 1106 and
43 1217 of the tax law; provided that the commissioner of taxation and
44 finance shall be authorized on and after the date this act shall have
45 become a law to take steps necessary to implement the provisions of this
46 act on its effective date.