

STATE OF NEW YORK

5483

2023-2024 Regular Sessions

IN ASSEMBLY

March 13, 2023

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

AN ACT to amend the tax law, in relation to creating a certified transitional tax credit; 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 48 to read as follows:

§ 48. Certified transitional tax credit. (a) Allowance of credit. A taxpayer, who is subject to tax under article nine, nine-A, or twenty-two of this chapter shall be allowed a refundable credit against such tax to be computed as provided in this section, for the tax imposed by this article for taxable years after January first, two thousand twenty-four.

(b) Value of credit. The amount of such credit shall be equal to twenty-five percent of the total pounds of goods sold under an eligible program under subdivision (c) of this section, multiplied by one-half.

(c) Eligible programs. Taxpayers that wish to claim this credit must demonstrate their agricultural products were sold during a period of transition into USDA organic certification, under the Whole Foods Market IP, L.P. "responsibly grown" labelling program, or under the QAI and Hesco, Inc. "certified transitional" label.

(d) Application of credit. The credit allowed under this section for any taxable year shall not reduce the tax due for such year to less than the minimum tax fixed by this article. However, if the amount of credit allowed under this section for any taxable year reduces the tax to such amount, any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of

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

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this chapter. Except as provided in subsection (c) of section one thousand eighty-eight of this chapter, no interest shall be paid thereon.

§ 2. The tax law is amended by adding a new section 187-r to read as follows:

§ 187-r. Certified transitional tax credit. (a) Allowance of credit. A taxpayer, who is subject to tax under this article, article nine-A or twenty-two of this chapter shall be allowed a refundable credit against such tax to be computed as provided in this section, for the tax imposed by this article for taxable years after January first, two thousand twenty-four.

(b) Value of credit. The amount of such credit shall be equal to twenty-five percent of the total pounds of goods sold under an eligible program under subdivision (c) of this section, multiplied by one-half.

(c) Eligible programs. Taxpayers that wish to claim this credit must demonstrate their agricultural products were sold during a period of transition into USDA organic certification, under the Whole Foods Market IP. L.P. "responsibly grown" labelling program, or under the QAI and Hesco, Inc. "certified transitional" label.

(d) Application of credit. The credit allowed under this section for any taxable year shall not reduce the tax due for such year to less than the minimum tax fixed by this article. However, if the amount of credit allowed under this section for any taxable year reduces the tax to such amount, any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Except as provided in subsection (c) of section one thousand eighty-eight of this chapter, no interest shall be paid thereon.

§ 3. Section 210-B of the tax law is amended by adding a new subdivision 59 to read as follows:

59. Certified transitional tax credit. (a) Allowance of credit. A taxpayer, who is subject to tax under article nine, nine-A, or twenty-two of this chapter shall be allowed a refundable credit against such tax to be computed as provided in this subdivision, for the tax imposed by this article for taxable years after January first, two thousand twenty-four.

(b) Value of credit. The amount of such credit shall be equal to twenty-five percent of the total pounds of goods sold under an eligible program under paragraph (c) of this subdivision, multiplied by one-half.

(c) Eligible programs. Taxpayers that wish to claim this credit must demonstrate their agricultural products were sold during a period of transition into USDA organic certification, under the Whole Foods Market IP. L.P. "responsibly grown" labelling program, or under the QAI and Hesco, Inc. "certified transitional" label.

(d) Application of credit. The credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the minimum tax fixed by this article. However, if the amount of credit allowed under this subdivision for any taxable year reduces the tax to such amount, any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Except as provided in subsection (c) of section one thousand eighty-eight of this chapter, no interest shall be paid thereon.

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

(1) Certified transitional Amount of credit under

tax credit under section
forty-eight

subdivision fifty-nine of
section two hundred ten-B

§ 5. This act shall take effect January 1, 2024, and shall apply to taxable years beginning on or after such date, and shall expire January 1, 2030 when upon such date the provisions of this act shall be deemed repealed. Effective immediately, the addition, amendment and/or repeal of any rule or regulation by the department of agriculture and markets, in conjunction with the department of taxation and finance that is necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.