STATE OF NEW YORK

7692

2023-2024 Regular Sessions

IN ASSEMBLY

June 6, 2023

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

AN ACT to amend the administrative code of the city of New York, in relation to permitting certain tax deductions related to the sale, production, or distribution of cannabis products

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

Section 1. Subdivision (c) of section 11-506 of the administrative code of the city of New York is amended by adding a new paragraph 13 to read as follows:

(13) For businesses authorized pursuant to the cannabis law to engage in the sale, production, or distribution of (A) adult-use cannabis products, as defined in article twenty-C of the tax law, or (B) medical cannabis, as defined in section three of the cannabis law, the amount of any federal deduction disallowed pursuant to section two hundred eighty-E of the internal revenue code related to the sale, production, or distribution of such adult-use cannabis products or such medical cannabis not used as the basis for any other tax deduction, exemption, or credit and not otherwise required to be added back by subdivision (b) of this section in computing entire net income.

§ 2. Paragraph (a) of subdivision 8 of section 11-602 of the administrative code of the city of New York is amended by adding a new subparagraph 17 to read as follows:

(17) for taxpayers authorized pursuant to the cannabis law to engage in the sale, production, or distribution of (i) adult-use cannabis products, as defined in article twenty-C of the tax law, or (ii) medical cannabis, as defined in section three of the cannabis law, the amount of any federal deduction disallowed pursuant to section two hundred eighty-E of the internal revenue code related to the sale, production, or distribution of such adult-use cannabis products or such medical cannabis not used as the basis for any other tax deduction, exemption, or

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

LBD11715-01-3

credit and not otherwise required to be added back by paragraph (b) of this subdivision in computing entire net income.

§ 3. Paragraph (a) of subdivision 8 of section 11-652 of the administrative code of the city of New York is amended by adding a new subparagraph 18 to read as follows:

(18) for taxpayers authorized pursuant to the cannabis law to engage in the sale, production, or distribution of (i) adult-use cannabis products, as defined in article twenty-six-C of the tax law, or (ii) medical cannabis, as defined in section three of the cannabis law, the amount of any federal deduction disallowed pursuant to section two hundred eighty-E of the internal revenue code related to the sale, production, or distribution of such adult-use cannabis products or such medical cannabis not used as the basis for any other tax deduction, exemption, or credit and not otherwise required to be added back by paragraph (b) of this subdivision in computing entire net income.

§ 4. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after January 1, 2022. This act shall apply to tax years beginning on or after January 1, 2022.