

STATE OF NEW YORK

1017

2023-2024 Regular Sessions

IN SENATE

January 9, 2023

Introduced by Sen. COONEY -- 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 certain property and services used in the cultivation of cannabis for adult-use from sales and compensating use taxes

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

Section 1. Paragraph 6 of subdivision (a) of section 1115 of the tax law, as amended by section 5 of part B of chapter 63 of the laws of 2000, is amended to read as follows:

(6) (A) Tangible personal property, whether or not incorporated in a building or structure, for use or consumption predominantly ~~either~~ in the production for sale of tangible personal property by farming ~~or~~, in a commercial horse boarding operation, or ~~in both~~ in the cultivation of cannabis for adult-use pursuant to an adult-use cultivator license, an adult-use cooperative license, or a microbusiness license pursuant to article four of the cannabis law.

(B) With respect to the exemption of motor vehicles under this paragraph, (i) use of a motor vehicle ~~either~~ in the production phase of farming ~~or~~, in a commercial horse boarding operation, or ~~in both~~ in the cultivation of cannabis for adult-use pursuant to an adult-use cultivator license, an adult-use cooperative license, or a microbusiness license pursuant to article four of the cannabis law shall be defined as any use of the motor vehicle on property ~~either~~ farmed ~~or~~, used in a commercial horse boarding operation, or ~~both~~ used in the cultivation of cannabis for adult-use pursuant to an adult-use cultivator license, an adult-use cooperative license, or a microbusiness license pursuant to article four of the cannabis law, by the motor vehicle purchaser or user or in direct and uninterrupted trips between properties farmed or used in such operation~~, or both,~~ or cultivation by the motor vehicle purchaser or user, and (ii) "predominantly" shall mean that more than

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

LBD02643-01-3

1 fifty percent of the motor vehicle's use is either in the production
2 phase of farming [~~or~~], in a commercial horse boarding operation, or in
3 [~~both~~] the cultivation of cannabis for adult-use pursuant to an adult-
4 use cultivator license, an adult-use cooperative license, or a micro-
5 business license pursuant to article four of the cannabis law. The
6 percentage of such vehicle's use [~~either~~] in the production phase of
7 farming [~~or~~], in a commercial horse boarding operation, or in [~~both~~] the
8 cultivation of cannabis for adult-use pursuant to an adult-use cultiva-
9 tor license, an adult-use cooperative license, or a microbusiness
10 license pursuant to article four of the cannabis law, may be computed
11 either on the basis of mileage or hours of use, at the discretion of the
12 motor vehicle purchaser or user. A person may purchase a motor vehicle
13 qualifying for exemption under this paragraph without payment of tax
14 imposed by section eleven hundred five or eleven hundred ten of this
15 article by furnishing the vendor a properly completed exemption certif-
16 icate promulgated by the commissioner; and such purchaser may register
17 such vehicle or apply for a certificate of title for such vehicle with
18 the commissioner of motor vehicles or a county clerk, without payment of
19 such taxes, by furnishing such a properly completed certificate to such
20 commissioner or clerk.

21 § 2. This act shall take effect immediately.