

STATE OF NEW YORK

7508

2023-2024 Regular Sessions

IN SENATE

June 2, 2023

Introduced by Sen. SEPULVEDA -- (at request of the NYC Finance) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

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:

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

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

14 § 2. Paragraph (a) of subdivision 8 of section 11-602 of the adminis-
15 trative code of the city of New York is amended by adding a new subpara-
16 graph 17 to read as follows:

17 (17) for taxpayers authorized pursuant to the cannabis law to engage
18 in the sale, production, or distribution of (i) adult-use cannabis
19 products, as defined in article twenty-C of the tax law, or (ii) medical
20 cannabis, as defined in section three of the cannabis law, the amount of
21 any federal deduction disallowed pursuant to section two hundred eight-
22 y-E of the internal revenue code related to the sale, production, or
23 distribution of such adult-use cannabis products or such medical canna-

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

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1 bis not used as the basis for any other tax deduction, exemption, or
2 credit and not otherwise required to be added back by paragraph (b) of
3 this subdivision in computing entire net income.

4 § 3. Paragraph (a) of subdivision 8 of section 11-652 of the adminis-
5 trative code of the city of New York is amended by adding a new subpara-
6 graph 18 to read as follows:

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

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