

STATE OF NEW YORK

4967

2025-2026 Regular Sessions

IN ASSEMBLY

February 10, 2025

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

AN ACT to amend the tax law, in relation to enacting the "microbusiness resiliency and growth act"

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "microbusiness resiliency and growth act".

3 § 2. Section 1105 of the tax law is amended by adding a new subdivi-
4 sion (g) to read as follows:

5 (g) For the purposes of this chapter, "microbusiness" shall be defined
6 as a business employing five or fewer persons, is resident in this
7 state, is independently owned and operated, is not dominant in its
8 field, and does not conduct its business transactions primarily over the
9 internet. When the goods or services are purchased from a microbusiness
10 within the first five years of the opening of such microbusiness or a
11 microbusiness with a gross profit of five hundred thousand dollars or
12 less in the prior tax year, tax paid on such sales for the first year
13 shall be zero percent and in the second year, such sales tax shall be
14 two percent provided, however that the profit generated on such first
15 and second year sales tax reduction is collected up until the difference
16 between the prior and current minimum wage pursuant to subdivision one
17 of section six hundred fifty-two of the labor law in concurrence with
18 quarterly sales tax periods as prescribed by the department. After the
19 end of the second year, sales taxes shall return to four percent. Tax
20 paid on sales after the profit difference between the prior minimum wage
21 and current minimum wage pursuant to subdivision one of section six
22 hundred fifty-two of the labor law is met shall return to four percent.
23 Microbusinesses that elect to use a segregated sales tax account for the
24 handling of transactions with the department, or are required to keep
25 such an account pursuant to section eleven hundred thirty-seven of this

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

LBD05097-01-5

1 article must deduct the aforementioned profit from the segregated sales
2 tax account within one week of deposit.

3 § 3. Section 1135 of the tax law is amended by adding a new subdivi-
4 sion (f-1) to read as follows:

5 (f-1) Every microbusiness owner shall keep records of the number of
6 employees, their wage, and the amount of the sales tax reduction on a
7 quarterly basis and in the manner prescribed by the commissioner pursu-
8 ant to rules and regulations.

9 § 4. This act shall take effect on the first day of the sales tax
10 quarterly period, as described in subdivision (b) of section 1136 of the
11 tax law, next commencing at least 90 days after this act shall have
12 become a law and shall apply in accordance with the applicable transi-
13 tional provisions of sections 1106 and 1217 of the tax law.