STATE OF NEW YORK

3141

2025-2026 Regular Sessions

IN SENATE

January 23, 2025

Introduced by Sens. COONEY, BAILEY -- 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

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

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purchaser or user, and (ii) "predominantly" shall mean that more than fifty percent of the motor vehicle's use is either in the production phase of farming [~~or~~]**,** in a commercial horse boarding operation, or in [~~both~~] **the cultivation of cannabis for adult-use pursuant to an adult-use cultivator license, an adult-use cooperative license, or a micro-business license pursuant to article four of the cannabis law**. The percentage of such vehicle's use [~~either~~] in the production phase of farming [~~or~~]**,** in a commercial horse boarding operation, or in [~~both~~] **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**, may be computed either on the basis of mileage or hours of use, at the discretion of the motor vehicle purchaser or user. A person may purchase a motor vehicle qualifying for exemption under this paragraph without payment of tax imposed by section eleven hundred five or eleven hundred ten of this article by furnishing the vendor a properly completed exemption certificate promulgated by the commissioner; and such purchaser may register such vehicle or apply for a certificate of title for such vehicle with the commissioner of motor vehicles or a county clerk, without payment of such taxes, by furnishing such a properly completed certificate to such commissioner or clerk.

§ 2. This act shall take effect immediately.