

STATE OF NEW YORK

7838

2025-2026 Regular Sessions

IN SENATE

May 9, 2025

Introduced by Sen. C. RYAN -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to establishing a cannabis processor tax credit

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

1 Section 1. The tax law is amended by adding a new section 496-f to
2 read as follows:

3 § 496-f. Cannabis processor credit. (a) Definitions. For the purposes
4 of this section, the following definitions shall apply:

5 (1) "licensed processor" shall mean a taxpayer subject to tax under
6 article nine-A or twenty-two of this chapter, that is registered pursu-
7 ant to this article, and that produced concentrated cannabis or cannabis
8 edible products sold to at least one licensed retailer during calendar
9 year two thousand twenty-three;

10 (2) "licensed retailer," shall have the same meaning as the term
11 "retailer" as defined in section three of the cannabis law; and

12 (3) "cannabis potency tax" shall mean the tax imposed by subdivision
13 (a) of section four hundred ninety-three of this article.

14 (b) Cannabis processor tax credit authorized. A licensed processor
15 shall be allowed a refundable credit against the cannabis potency tax in
16 the amount specified in subdivision (c) of this section.

17 (c) Calculation of tax credit. (1) The amount of the tax credit
18 authorized in subdivision (b) of this section per taxpayer shall be
19 equivalent to the licensed processor's cannabis potency tax liability
20 for the year two thousand twenty-three, multiplied by three, but shall
21 not exceed four hundred thousand dollars. If the licensed processor is a
22 partnership or New York S corporation, the aggregate credit allowed to
23 all partners or shareholders of such entity shall not exceed four
24 hundred thousand dollars.

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

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1 (2) No licensed processor shall receive this tax credit unless the
2 licensed processor files or has filed returns showing the amount of
3 cannabis potency tax due in calendar year two thousand twenty-three.

4 (3) Any outstanding cannabis potency tax owed by the licensed process-
5 or shall be deducted from the tax credit before application or disburse-
6 ment.

7 § 2. This act shall take effect immediately and shall apply to taxable
8 years beginning on or after January 1, 2025.