



October 2002

Summary of Tax Provisions in SFY 2002-03 Budget

(Including Multi-Year Revenue Impacts of Tax Actions)

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1995-96 Through 2001-02

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Overview of State Fiscal Year 2002-03 Budget Tax Actions

Chapters 83, 84, and 85 of the Laws of 2002, enacted as part of the 2002-03 State budget, continue the fiscal progress made in prior years and build upon several popular tax reduction initiatives. All of the tax cuts that were previously enacted will go forward, the Empire Zones program will be expanded with the addition of ten new zones, and the families of victims of the September 11th terrorist attacks will be given significant tax relief.

Listed below are synopses of the tax provisions contained in the legislation. The next two sections provide overviews of the revenue impacts and descriptions of tax reductions enacted since 1995. These sections are followed by a complete description of all of the tax provisions in the 2002-03 legislation. Finally, the report concludes with two appendices. Appendix A provides a guide to the tax provisions in the budget bills, listing each provision and its bill section, page, description, and effective date. Appendix B gives a brief summary of tax actions from State fiscal year 1995-96 through 2001-02.

Victims' Relief and Lower Manhattan Business Development

The budget provides a State, New York City, and Yonkers personal income tax exemption for tax years 2000 and 2001 (and 2002 for deaths occurring in 2002) for persons dying as a result of the terrorist actions of September 11, 2001. It also conforms the estate tax to the federal Victims of Terrorism Tax Relief Act of 2001, which provides for an increased exemption and tax reductions for estates above \$2.9 million.

The legislation also makes special provisions regarding the investment tax credit (ITC) that will benefit Lower Manhattan businesses. In particular, it:

- Allows different treatment regarding ITC recapture for property damaged or destroyed on September 11, 2001; and

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- Extends the sunset date of the financial services ITC by five years.

Finally, to promote consumer activity and tourism in Lower Manhattan, the budget legislation designated specific three-day periods in June, July, and August 2002 when certain sales of tangible personal property, restaurant meals, hotel occupancy, and cabaret/roof garden charges in a designated area of Lower Manhattan will be exempt from the State and Metropolitan Commuter Transportation District (MCTD) sales and use taxes. New York City has exercised its option to provide the exemption from its local sales tax, so such sales will be completely sales tax-free.

Tax Amnesty

Taxpayers with unpaid liabilities under the personal income tax, sales and compensating use tax, corporate franchise taxes (other than the bank and insurance taxes), estate tax, and various excise taxes may be eligible to participate in a tax amnesty program covering unpaid liabilities for certain periods depending upon the type of tax. Amnesty participants can receive a waiver of certain penalties and a 2 percent reduction in the applicable interest rate relating to unpaid liabilities. After the amnesty period concludes, the interest rate applicable to all underpayments will increase by 2 percent.

Personal Income Tax

Personal income tax provisions in the budget will:

- Reduce the threshold for mandatory remittance of withholding tax via electronic funds transfer (EFT);
- Clarify the dollar limitation on tuition expenses for purposes of the college tuition tax credit and itemized deduction, attribute tuition paid by a dependent student to the parent, and include New York City personal income tax conforming amendments; and
- Amend the residential petroleum tank replacement credit.

Business Taxes

Other provisions in the State budget relating to business taxes will:

- Modify the definition of brokers or dealers in securities for New York income allocation rules to include those marketing over-the-counter derivatives;

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- Change the order in which tax credits must be taken under Tax Law Articles 9, 9-A, 32 and 33;
 - Increase the amount of the first quarterly installment of estimated tax for certain taxpayers;
 - Increase the aggregate limit for the low income housing tax credit;
 - Permit gas pipeline companies with contracts in effect when New York's energy taxes were restructured and reduced to continue to recover tax costs as those contracts intended;
 - Add community development loans or investments to the assets that may be used in qualifying as a "thrift" banking corporation;
 - Make clarifications to the Empire Zones program; and
 - Authorize ten new Empire Zones and establish criteria regarding zone boundaries.

Sales and Use Tax

The sales and compensating use tax provisions in the budget legislation will:

- Amend the State and local sales taxes and the telecommunications excise tax to respond to the federal Mobile Telecommunications Sourcing Act, and include certain technical corrections with respect to the sales and use taxation of prepaid telephone calling cards;
- Lower the threshold for mandatory electronic funds transfer (EFT) participation for sales tax vendors;
- Provide a new index to adjust the base retail price, for purposes of calculating the prepaid sales tax on cigarettes, and make clear that the tax required to be prepaid per package of cigarettes is to be rounded to the nearest whole cent; and
- Allow energy service companies that operate in an area where use of a single retailer model has been approved by the Public Service Commission to qualify for the reduced sales tax rate on certain charges for the transmission and distribution of gas and electricity.

STAR

A separate budget bill will provide for a cost-of-living adjustment to the maximum income allowed under the enhanced School Tax Relief (STAR) exemption for persons age 65 and over.

Other Taxes

Provisions addressing other taxes will:

- Extend the lower New York State real estate transfer tax and New York City real property transfer tax rates for qualifying transfers to existing real estate investment trusts (REITs);
- Extend the enhanced alcoholic beverage tax enforcement provisions until October 31, 2007; and
- Raise the excise tax rate on tobacco products and impose a floor tax on all tobacco products possessed in the State as of a certain date.

Multi-Year Revenue Impacts of Tax Actions

Table 1: New York State Tax Reduction Program Enacted in FY 1994-95
(\$ in Millions)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Personal Income Tax	\$439.0	\$472.0	\$472.0	\$483.0	\$498.0
User Taxes and Fees	150.0	154.0	158.0	160.0	164.0
Sales and Use Tax	28.0	29.0	31.0	32.0	34.0
Motor Fuel Tax	0.0	0.0	0.0	0.0	0.0
Alcoholic Beverage Tax	1.0	1.0	1.0	1.0	1.0
Hotel/Motel Taxes	84.0	86.0	86.0	86.0	86.0
Container Taxes	0.0	0.0	0.0	0.0	0.0
Highway Use Tax	37.0	38.0	40.0	41.0	43.0
Business Taxes	1,107.0	1,129.0	1,129.0	1,129.0	1,129.0
Corporation Franchise Tax	445.0	458.0	458.0	458.0	458.0
Corporation & Utilities Tax	244.0	250.0	250.0	250.0	250.0
Insurance Tax	128.0	130.0	130.0	130.0	130.0
Bank Tax	106.0	107.0	107.0	107.0	107.0
Petroleum Business Taxes	184.0	184.0	184.0	184.0	184.0
Other Taxes	83.0	83.0	83.0	83.0	83.0
Estate and Gift Taxes	60.0	60.0	60.0	60.0	60.0
Real Property Gains Tax	19.0	19.0	19.0	19.0	19.0
Real Estate Transfer Tax	0.0	0.0	0.0	0.0	0.0
Pari-Mutuel Tax	4.0	4.0	4.0	4.0	4.0
Taxes Subtotal	\$1,779.0	\$1,838.0	\$1,842.0	\$1,855.0	\$1,874.0

Table 2: New York State Tax Reduction Program Enacted in FY 1995-96
(\$ in Millions)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Personal Income Tax	\$4,735.0	\$5,081.0	\$5,211.0	\$5,438.0	\$5,954.0
User Taxes and Fees	64.0	64.0	67.0	67.0	67.0
Sales and Use Tax	2.0	2.0	4.0	4.0	4.0
Motor Fuel Tax	18.0	18.0	19.0	19.0	19.0
Alcoholic Beverage Tax	15.0	15.0	15.0	15.0	15.0
Hotel/Motel Taxes	0.0	0.0	0.0	0.0	0.0
Container Taxes	26.0	26.0	26.0	26.0	26.0
Highway Use Tax	3.0	3.0	3.0	3.0	3.0
Business Taxes	62.0	62.0	62.0	62.0	62.0
Corporation Franchise Tax	0.0	0.0	0.0	0.0	0.0
Corporation & Utilities Tax	42.0	42.0	42.0	42.0	42.0
Insurance Tax	0.0	0.0	0.0	0.0	0.0
Bank Tax	0.0	0.0	0.0	0.0	0.0
Petroleum Business Taxes	20.0	20.0	20.0	20.0	20.0
Other Taxes	76.0	77.0	77.0	77.0	78.0
Estate and Gift Taxes	71.0	72.0	72.0	73.0	74.0
Real Property Gains Tax	0.0	0.0	0.0	0.0	0.0
Real Estate Transfer Tax	0.0	0.0	0.0	0.0	0.0
Pari-Mutuel Tax	5.0	5.0	5.0	4.0	4.0
Taxes Subtotal	\$4,937.0	\$5,284.0	\$5,417.0	\$5,644.0	\$6,161.0

Table 3: New York State Tax Reduction Program Enacted in FY 1996-97
(\$ in Millions)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Personal Income Tax	\$13.0	\$13.0	\$13.0	\$13.0	\$13.0
User Taxes and Fees	34.0	35.0	36.0	39.0	40.0
Sales and Use Tax	34.0	35.0	36.0	39.0	40.0
Motor Fuel Tax	0.0	0.0	0.0	0.0	0.0
Alcoholic Beverage Tax	0.0	0.0	0.0	0.0	0.0
Hotel/Motel Taxes	0.0	0.0	0.0	0.0	0.0
Container Taxes	0.0	0.0	0.0	0.0	0.0
Highway Use Tax	0.0	0.0	0.0	0.0	0.0
Business Taxes	50.0	50.0	50.0	50.0	50.0
Corporation Franchise Tax	0.0	0.0	0.0	0.0	0.0
Corporation & Utilities Tax	13.0	13.0	13.0	13.0	13.0
Insurance Tax	0.0	0.0	0.0	0.0	0.0
Bank Tax	0.0	0.0	0.0	0.0	0.0
Petroleum Business Taxes	37.0	37.0	37.0	37.0	37.0
Other Taxes	137.0	137.0	137.0	151.0	151.0
Estate and Gift Taxes	0.0	0.0	0.0	0.0	0.0
Real Property Gains Tax	137.0	137.0	137.0	151.0	151.0
Real Estate Transfer Tax	0.0	0.0	0.0	0.0	0.0
Pari-Mutuel Tax	0.0	0.0	0.0	0.0	0.0
Taxes Subtotal	\$234.0	\$235.0	\$236.0	\$253.0	\$254.0

Table 4: New York State Tax Reduction Program Enacted in FY 1997-98
(\$ in Millions)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Personal Income Tax	\$57.0	\$62.0	\$65.0	\$65.0	\$65.0
User Taxes and Fees	585.0	611.0	638.0	667.0	696.0
Sales and Use Tax	559.0	585.0	612.0	641.0	670.0
Motor Fuel Tax	0.0	0.0	0.0	0.0	0.0
Alcoholic Beverage Tax	0.0	0.0	0.0	0.0	0.0
Hotel/Motel Taxes	0.0	0.0	0.0	0.0	0.0
Container Taxes	26.0	26.0	26.0	26.0	26.0
Highway Use Tax	0.0	0.0	0.0	0.0	0.0
Business Taxes	426.0	464.0	472.0	487.0	487.0
Corporation Franchise Tax	24.0	24.0	24.0	24.0	24.0
Corporation & Utilities Tax	391.0	422.0	422.0	422.0	422.0
Insurance Tax	4.0	5.0	5.0	5.0	5.0
Bank Tax	7.0	13.0	21.0	36.0	36.0
Petroleum Business Taxes	0.0	0.0	0.0	0.0	0.0
STAR*	2,620.0	2,725.0	2,835.0	2,845.0	2,855.0
Other Taxes	512.0	539.0	586.0	624.0	648.0
Estate and Gift Taxes	512.0	539.0	586.0	624.0	648.0
Real Property Gains Tax	0.0	0.0	0.0	0.0	0.0
Real Estate Transfer Tax	0.0	0.0	0.0	0.0	0.0
Pari-Mutuel Tax	0.0	0.0	0.0	0.0	0.0
Taxes Subtotal	\$4,200.0	\$4,401.0	\$4,596.0	\$4,688.0	\$4,751.0

* Includes reductions in local school property taxes and reductions in NYC personal income tax. Accounts for acceleration legislation enacted in 1998-99.

Table 5: New York State Tax Reduction Program Enacted in FY 1998-99*
(\$ in Millions)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Personal Income Tax	\$33.0	\$33.0	\$33.0	\$33.0	\$33.0
User Taxes and Fees	220.0	229.0	240.0	249.0	261.0
Sales and Use Tax	172.0	180.0	189.0	197.0	207.0
Motor Fuel Tax	0.0	0.0	0.0	0.0	0.0
Alcoholic Beverage Tax	8.0	8.0	8.0	8.0	8.0
Hotel/Motel Taxes	0.0	0.0	0.0	0.0	0.0
Container Taxes	0.0	0.0	0.0	0.0	0.0
Highway Use Tax	40.0	41.0	43.0	44.0	46.0
Business Taxes	497.0	497.0	497.0	497.0	497.0
Corporation Franchise Tax	486.0	486.0	486.0	486.0	486.0
Corporation & Utilities Tax	0.0	0.0	0.0	0.0	0.0
Insurance Tax	0.0	0.0	0.0	0.0	0.0
Bank Tax	11.0	11.0	11.0	11.0	11.0
Petroleum Business Taxes	0.0	0.0	0.0	0.0	0.0
STAR	10.0	10.0	10.0	10.0	10.0
Other Taxes	6.0	6.0	6.0	6.0	6.0
Estate and Gift Taxes	4.0	4.0	4.0	4.0	4.0
Real Property Gains Tax	0.0	0.0	0.0	0.0	0.0
Real Estate Transfer Tax	0.0	0.0	0.0	0.0	0.0
Pari-Mutuel Tax	2.0	2.0	2.0	2.0	2.0
Taxes Subtotal	\$766.0	\$775.0	\$786.0	\$795.0	\$807.0

* Excludes medical provider assessment phase out, and motor vehicle fee reductions.

Table 6: New York State Tax Reduction Program Enacted in FY 1999-00*
(\$ in Millions)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Personal Income Tax	\$123.0	\$129.0	\$135.0	\$135.0	\$135.0
User Taxes and Fees	17.0	17.0	17.0	18.0	18.0
Sales and Use Tax	13.0	13.0	13.0	14.0	14.0
Motor Fuel Tax	0.0	0.0	0.0	0.0	0.0
Alcoholic Beverage Tax	4.0	4.0	4.0	4.0	4.0
Hotel/Motel Taxes	0.0	0.0	0.0	0.0	0.0
Container Taxes	0.0	0.0	0.0	0.0	0.0
Highway Use Tax	0.0	0.0	0.0	0.0	0.0
Business Taxes	174.0	214.0	214.0	214.0	214.0
Corporation Franchise Tax	50.0	50.0	50.0	50.0	50.0
Corporation & Utilities Tax	5.0	5.0	5.0	5.0	5.0
Insurance Tax	38.0	53.0	53.0	53.0	53.0
Bank Tax	75.0	100.0	100.0	100.0	100.0
Petroleum Business Taxes	6.0	6.0	6.0	6.0	6.0
STAR	0.0	0.0	0.0	0.0	0.0
Other Taxes	10.0	9.0	9.0	8.0	8.0
Estate and Gift Taxes	1.0	1.0	1.0	1.0	1.0
Real Property Gains Tax	0.0	0.0	0.0	0.0	0.0
Real Estate Transfer Tax	1.0	0.0	0.0	0.0	0.0
Pari-Mutuel Tax	8.0	8.0	8.0	7.0	7.0
Taxes Subtotal	\$324.0	\$369.0	\$375.0	\$375.0	\$375.0

* Excludes medical provider assessment phase out.

Table 7: New York State Tax Reduction Program Enacted in FY 2000-01
(\$ in Millions)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Personal Income Tax	\$183.0	\$378.0	\$509.0	\$559.0	\$564.0
User Taxes and Fees	181.0	233.0	268.0	284.0	298.0
Sales and Use Tax	173.0	223.0	254.0	270.0	284.0
Motor Fuel Tax	0.0	0.0	0.0	0.0	0.0
Alcoholic Beverage Tax	0.0	2.0	5.0	5.0	5.0
Hotel/Motel Taxes	0.0	0.0	0.0	0.0	0.0
Container Taxes	0.0	0.0	0.0	0.0	0.0
Highway Use Tax	8.0	8.0	9.0	9.0	9.0
Business Taxes	402.0	564.0	651.0	645.0	634.0
Corporation Franchise Tax	176.0	205.0	206.0	197.0	197.0
Corporation & Utilities Tax*	199.0	323.0	409.0	412.0	401.0
Insurance Tax	23.0	28.0	28.0	28.0	28.0
Bank Tax	0.0	0.0	0.0	0.0	0.0
Petroleum Business Taxes	4.0	8.0	8.0	8.0	8.0
STAR	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0
Estate and Gift Taxes	0.0	0.0	0.0	0.0	0.0
Real Property Gains Tax	0.0	0.0	0.0	0.0	0.0
Real Estate Transfer Tax	0.0	0.0	0.0	0.0	0.0
Pari-Mutuel Tax	0.0	0.0	0.0	0.0	0.0
Taxes Subtotal	\$766.0	\$1,175.0	\$1,428.0	\$1,488.0	\$1,496.0

* Reflects net impact of utility restructuring legislation and Power for Jobs expansion.

Table 8: New York State Tax Reduction Program Enacted in FY 2001-02
(\$ in Millions)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Personal Income Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
User Taxes and Fees	7.0	7.0	8.0	9.0	9.0
Sales and Use Tax	7.0	7.0	8.0	9.0	9.0
Motor Fuel Tax	0.0	0.0	0.0	0.0	0.0
Alcoholic Beverage Tax	0.0	0.0	0.0	0.0	0.0
Hotel/Motel Taxes	0.0	0.0	0.0	0.0	0.0
Container Taxes	0.0	0.0	0.0	0.0	0.0
Highway Use Tax	0.0	0.0	0.0	0.0	0.0
Business Taxes	7.0	9.0	10.0	11.0	11.0
Corporation Franchise Tax	7.0	9.0	10.0	11.0	11.0
Corporation & Utilities Tax	0.0	0.0	0.0	0.0	0.0
Insurance Tax	0.0	0.0	0.0	0.0	0.0
Bank Tax	0.0	0.0	0.0	0.0	0.0
Petroleum Business Taxes	0.0	0.0	0.0	0.0	0.0
STAR	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0
Estate and Gift Taxes	0.0	0.0	0.0	0.0	0.0
Real Property Gains Tax	0.0	0.0	0.0	0.0	0.0
Real Estate Transfer Tax	0.0	0.0	0.0	0.0	0.0
Pari-Mutuel Tax	0.0	0.0	0.0	0.0	0.0
Taxes Subtotal	\$14.0	\$16.0	\$18.0	\$20.0	\$20.0

Table 9: New York State Tax Reduction Program Enacted in FY 2002-03
(\$ in Millions)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Personal Income Tax	\$25.0	\$0.0	\$0.0	\$0.0	\$0.0
User Taxes and Fees	10.0	5.0	5.0	6.0	7.0
Sales and Use Tax	10.0	5.0	5.0	6.0	7.0
Motor Fuel Tax	0.0	0.0	0.0	0.0	0.0
Alcoholic Beverage Tax	0.0	0.0	0.0	0.0	0.0
Hotel/Motel Taxes	0.0	0.0	0.0	0.0	0.0
Container Taxes	0.0	0.0	0.0	0.0	0.0
Highway Use Tax	0.0	0.0	0.0	0.0	0.0
Business Taxes	2.0	19.0	19.0	18.0	17.0
Corporation Franchise Tax	2.0	19.0	19.0	18.0	17.0
Corporation & Utilities Tax	0.0	0.0	0.0	0.0	0.0
Insurance Tax	0.0	0.0	0.0	0.0	0.0
Bank Tax	0.0	0.0	0.0	0.0	0.0
Petroleum Business Taxes	0.0	0.0	0.0	0.0	0.0
STAR	0.0	16.0	26.0	36.0	46.0
Other Taxes	0.0	1.0	1.0	1.0	1.0
Estate and Gift Taxes	0.0	0.0	0.0	0.0	0.0
Real Property Gains Tax	0.0	0.0	0.0	0.0	0.0
Real Estate Transfer Tax	0.0	1.0	1.0	1.0	1.0
Pari-Mutuel Tax	0.0	0.0	0.0	0.0	0.0
Taxes Subtotal	\$37.0	\$41.0	\$51.0	\$61.0	\$71.0

Table 10: Impact of Total Tax Reduction Program
(\$ in Millions)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Personal Income Tax	\$5,608.0	\$6,168.0	\$6,438.0	\$6,726.0	\$7,262.0
User Taxes and Fees	1,268.0	1,355.0	1,437.0	1,499.0	1,560.0
Sales and Use Tax	998.0	1,079.0	1,152.0	1,212.0	1,269.0
Motor Fuel Tax	18.0	18.0	19.0	19.0	19.0
Alcoholic Beverage Tax	28.0	30.0	33.0	33.0	33.0
Hotel/Motel Taxes	84.0	86.0	86.0	86.0	86.0
Container Taxes	52.0	52.0	52.0	52.0	52.0
Highway Use Tax	88.0	90.0	95.0	97.0	101.0
Business Taxes	2,727.0	3,008.0	3,104.0	3,113.0	3,101.0
Corporation Franchise Tax	1,190.0	1,251.0	1,253.0	1,244.0	1,243.0
Corporation & Utilities Tax	894.0	1,055.0	1,141.0	1,144.0	1,133.0
Insurance Tax	193.0	216.0	216.0	216.0	216.0
Bank Tax	199.0	231.0	239.0	254.0	254.0
Petroleum Business Taxes	251.0	255.0	255.0	255.0	255.0
STAR	2,630.0	2,751.0	2,871.0	2,891.0	2,911.0
Other Taxes	824.0	852.0	899.0	950.0	975.0
Estate and Gift Taxes	648.0	676.0	723.0	762.0	787.0
Real Property Gains Tax	156.0	156.0	156.0	170.0	170.0
Real Estate Transfer Tax	1.0	1.0	1.0	1.0	1.0
Pari-Mutuel Tax	19.0	19.0	19.0	17.0	17.0
Taxes Total	\$13,057.0	\$14,134.0	\$14,749.0	\$15,179.0	\$15,809.0

Highlights of Prior-Year Budget Tax Legislation

The tax reductions and initiatives included in this year's budget legislation build upon an array of tax cuts and programs enacted over the previous seven fiscal years. Listed below are some highlights of tax legislation enacted since 1995. Appendix B provides greater detail on these and other provisions.

Fiscal Year 1995-96

- Enacted a three-year personal income tax reduction program totaling over \$4 billion per year when fully effective in 1997. Major provisions included reducing the top rate from 7.875 to 6.85 percent, and increasing standard deduction amounts from \$9,500 to \$13,000 for married couples, \$6,000 to \$7,500 for individuals.
- Enacted a new estate tax deduction equal to a maximum of \$250,000 equity in decedents' principal residences.
- Reduced the beer tax from 21 to 16 cents per gallon, the diesel motor fuel tax from 10 to 8 cents per gallon, and the container tax from 2 to 1 cents per container.
- Reduced certain petroleum business tax and pari-mutuel tax rates.

Fiscal Year 1996-97

- Repealed the real property gains tax.
- Created a new tax credit for farmers' school property taxes, and expanded the child care credit.
- Enacted a temporary exemption from sales tax for clothing and footwear costing less than \$500.
- Enacted a variety of rate reductions and exemption/credit enhancements in the petroleum business tax.

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- Reduced the rate of tax on the additional franchise tax for transportation and transmission companies, and allowed trucking and railroad companies the option of being taxed under the general corporate franchise tax.

Fiscal Year 1997-98

- Created the School Tax Relief (“STAR”) program, which when fully effective provides State homeowners a minimum \$30,000 full value exemption against school property taxes. The minimum exemption for homeowners age 65 and over is \$50,000, and New York City residents also receive a personal income tax credit.
- Replaced the estate tax with a “pickup tax” equal to the maximum federal credit for state death taxes, effective February 1, 2000, and repealed the gift tax, effective January 1, 2000.
- Enhanced the farmers school property tax and child care credits under the personal income tax, and created a new deduction under the “New York State College Choice Tuition Savings Program.”
- Created new temporary sales tax exemptions for clothing costing less than \$100, with the exemption becoming permanent on December 1, 1999.
- Created new corporate tax credits for certain utility costs (“Power for Jobs Program”), and reduced utility tax rates for electricity, gas, and telephone services.
- Reduced insurance taxes and allowed banks to claim net operating loss deductions.
- Eliminated the beverage container tax and the tax on motor vehicle damage insurance awards.

Fiscal Year 1998-99

- Accelerated the STAR program enacted with the 1997-98 budget. This included providing the higher exemption and New York City resident income tax credit amounts to elderly residents, previously scheduled to be phased in by the 2001-02 school year, and 2001 tax year, in the 1998-99 school year and 1998 tax year, respectively.

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- Reduced tax rates, including the alternative minimum tax rate and the fixed dollar minimum tax, under the corporate franchise tax.
 - Created an investment tax credit for brokers/dealers in the financial services sector.
 - Expanded the permanent sales tax exemption for clothing to include footwear, and raised the threshold amount from \$100 to \$110.
 - Enacted a sales tax exemption for textbooks purchased by college students.
 - Enriched the child care credit under the personal income tax.
 - Conformed to federal tax relief for family owned businesses under the estate tax.
 - Reduced the truck mileage tax by 25 percent.

Fiscal Year 1999-00

- Increased the earned income credit under the personal income tax from 20 percent to 25 percent of the federal credit.
- Reduced the bank tax rate from 9 percent to 7.5 percent.
- Reduced the insurance tax rate from 9 percent to 7.5 percent, and the premiums cap rate for non-life companies from 2.6 percent to 2.0 percent.
- Added two additional sales tax-free weeks for clothing costing less than \$500.
- Reduced the corporate franchise tax alternative minimum tax rate from 3 percent to 2.5 percent.
- Provided a wide array of new business and sales tax credits and exemptions.

Fiscal Year 2000-01

- Eliminated the corporate utility gross receipts tax on companies providing energy services, instead taxing these businesses under the corporate franchise tax.

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- Repealed the sales tax on separately purchased electricity and gas.
 - Added a fourth phase of the Power for Jobs Program.
 - Reduced the corporate franchise tax rate on small businesses from 7.5 percent to 6.85 percent, and reduced the S corporation differential tax rate by 45 percent.
 - Created a new “Empire Zones Program Act.”
 - Created a new refundable credit or itemized deduction under the personal income tax for college tuition expenses.
 - Increased the standard deduction for married couples from \$13,000 to \$14,600 over three years.
 - Enriched and expanded the earned income and child care credits.
 - Enhanced the sales tax exemption for property and services used to provide telecommunications, Internet access, and digital cable television services.
 - Created a new sales tax exemption for certain equipment and services used by radio and TV broadcasters.

Fiscal Year 2001-02

- Added eight new Empire Zones.

Summary of SFY 2002-03 Tax Provisions

Victims' Relief and Lower Manhattan Business Development

This budget enacts several measures to help Lower Manhattan recover from the devastation suffered on September 11, 2001. These provisions will provide relief for the victims, give incentives for commerce to return to the area, and encourage redevelopment and reinvestment in New York City.

Victims' Relief

The budget provides for a State, New York City, and Yonkers personal income tax exemption for tax years 2000 and 2001 (and 2002 for deaths occurring in 2002) for persons dying as a result of the terrorist actions of September 11, 2001. It also conforms the estate tax to the federal Victims of Terrorism Tax Relief Act of 2001, which provides for an increased exemption (from \$675,000 to approximately \$2.9 million) and tax reductions for estates above this amount. The income tax exemptions and estate tax relief do not apply to persons identified by the United States Attorney General as participants or conspirators in the terrorist actions.

Sales Tax Holidays in Lower Manhattan

The legislation created several sales tax holidays in the Liberty and Resurgence Zones in Lower Manhattan. These temporary exemptions occurred from June 9-11, July 9-11, and August 20-22, 2002. All sales of tangible personal property (except motor vehicles, gasoline, diesel motor fuel, cigarettes, tobacco products, alcoholic beverages, and building materials), prepaid telephone calling card services, restaurant food and drink, hotel occupancy, and cabaret/roof garden charges will be exempt from the State 4 percent sales tax and the one-quarter of one percent Metropolitan Commuter Transportation District sales tax, provided the purchase price is less than \$500. New York City also elected to exempt such sales from its local 4 percent sales tax so these sales will be completely sales tax-free.

The boundaries of the Liberty and Resurgence Zones were defined in legislation passed in 2001. Together, they generally comprise the area of Manhattan south of the centerline of Houston Street.

Investment Tax Credit Provisions

Special provisions are made for dealing with property that was damaged or destroyed in the September 11th terrorist attacks. Ordinarily, a taxpayer would be required to recapture the investment tax credit (ITC) in the year in which such property ceases to be in qualified use, but in this instance, such recapture may be deferred to the next taxable year. If, in that year, a taxpayer retains a significant number of employees, no recapture is required. Also, no recapture is required if a taxpayer lost more than 50 percent of its employees. If a taxpayer elects not to defer recapture and purchases replacement property, the ITC base is determined without regard to the normal required basis reduction.

The sunset date for the ITC for financial services is also extended from October 1, 2003 to October 1, 2008. This provision applies to property placed in service on or after January 1, 2002 and before October 1, 2008.

Tax Amnesty

Taxpayers with outstanding liabilities will be given a limited opportunity to settle those liabilities without penalties and with a reduction in the appropriate rate of interest. The tax amnesty will apply to the personal income tax, sales and compensating use tax, corporate franchise taxes other than the bank and insurance taxes, and various excise taxes. The amnesty will apply to taxable periods ending on or before December 31, 2000 or, in the case of the sales tax or excise taxes with quarterly returns, periods ending on or before February 28, 2001. Under the estate tax, amnesty applies to estates of decedents dying on or before February 1, 2000. Amnesty participants can receive a waiver of certain penalties and a two percent reduction in the applicable interest rate relating to unpaid liabilities. Beginning April 1, 2003, the interest rate applicable to all liabilities will increase by two percent for all taxpayers. Amnesty will not be granted to taxpayers under criminal investigation, taxpayers who have been convicted of a tax-related crime, taxpayers who are parties to administrative proceedings with the Tax Department, or taxpayers with more than 500 employees. The amnesty period will occur this State fiscal year. The Tax Department web site will provide information on relevant dates, forms, and procedures.

Personal Income Tax

Electronic Funds Transfer for Withholding Tax

The legislation reduces the threshold for mandatory remittance of withholding tax via electronic funds transfer (EFT) from \$400,000 to \$100,000 of annual tax. It requires the Tax Department to notify employers of their new requirement to pay via EFT by September 1, 2002. The change is effective for program periods beginning on or after July 1, 2002, with the first affected payments to begin in January 2003.

College Tuition Technical Amendments

Previously enacted legislation provided that, beginning in tax year 2001, taxpayers could choose between a refundable credit and an itemized deduction for allowable undergraduate college tuition expenses paid by taxpayers on behalf of the taxpayer, the taxpayer's spouse, or dependents. The tax benefits are phased-in ratably over four years. The budget bill clarifies the dollar limitation on tuition expenses for purposes of the credit and itemized deduction to be \$10,000 per year for each student. Also, as found under similar federal law, any tuition paid by a dependent student would be attributed to the parent and used by the parent to claim the credit or deduction. The bill also includes New York City personal income tax conforming amendments. These changes are effective for taxable years beginning on or after January 1, 2001.

Residential Petroleum Tank Replacement Credit

The residential petroleum tank replacement credit is amended by requiring that the oil tank be removed or permanently closed and replaced with a new oil tank in order to receive a credit of up to \$500 for related costs. The credit is also extended an additional year through December 31, 2003. The pre-existing separate credits of up to \$250 in costs for tank removal, up to \$250 for costs of permanent tank closure, and up to \$250 for purchase and installation costs of a new tank, are no longer allowed. The amendments apply to the 2002 and 2003 tax years, but only for existing tanks removed or closed after March 31, 2002.

Business Taxes

OTC Financial Services Apportionment

This section modifies the definition of brokers or dealers in securities for New York income allocation rules to include those brokers or dealers marketing over-the-counter (OTC) derivatives. Changes enacted with the 2000-01 budget provided for a market state approach for the

apportionment of certain receipts of registered securities or commodities brokers or dealers. This treatment of customer service commissions and fees will also now apply to these receipts in the OTC derivatives market. This provision is effective for taxable years beginning on or after January 1, 2003.

Tax Credit Ordering for
Corporate Taxes

This section provides for an ordering of corporate tax credits that follows the ordering of credits taken under the State personal income tax. Taxpayers under section 187-f, Article 9-A, Article 32, and Article 33 will take any applicable tax credits in the following order: non-carryover, non-refundable credits first; carryovers of limited duration next, followed by carryovers of unlimited duration; and refundable credits taken last.

This order maximizes the values of the credits for the taxpayer. It allows taxpayers to reduce their tax liability with credits that expire if not taken, saving excess credit amounts by first allowing carryovers to be brought forward for future use, then allowing a full refund of the amount of refundable credit not used. This provision is effective for tax years beginning on or after January 1, 2000, except the provision regarding the Empire Zone (EZ) wage tax credit and EZ capital credit under Article 33, which is effective for tax years beginning on or after January 1, 2002.

Estimated Payments

This provision increases the first quarterly payment of estimated tax for certain corporate taxpayers from 25 percent to 30 percent of the prior year's liability. Taxpayers whose prior year's liability exceeds \$100,000 are affected. This provision affects all such taxpayers under Articles 9-A and 32. Within Article 9, only taxpayers under sections 182, 182-a, 184, 186-a, and 186-e are affected. Non-life insurance companies under Article 33 are also included. Life insurance companies, which currently pay a first quarterly payment of 40 percent, are not affected. Taxpayers whose prior year's liability is between \$1,000 and \$100,000 would continue to make a first quarterly payment of 25 percent of the prior year's liability. This provision applies to taxable years beginning on or after January 1, 2003. However, it will not apply to taxable years beginning on or after January 1, 2006, and will expire January 1, 2007.

Low Income Housing Tax
Credit

The budget doubles the Statewide, aggregate credit limit for the low income housing tax credit from \$2 million to \$4 million. The New York State low income housing tax credit program is based on the existing

federal program and requires an agreement between the taxpayer and the Commissioner of the New York State Division of Housing and Community Renewal for a long-term commitment to low income housing. The amount of the credit depends on the applicable percentage of the qualified basis of each low income building. The credit amount allocated is allowed as a credit against tax for ten tax years. Unused credits may be carried forward indefinitely. The total amount of credit available is \$4 million each year. The credit program applies to corporate franchise taxpayers, personal income taxpayers, bank, and insurance taxpayers.

Qualified Gas
Transportation Contracts

This section permits gas pipeline companies with contracts in effect when New York's energy taxes were restructured and reduced to continue to recover tax costs as those contracts intended. This provision is effective for taxable years beginning on or after January 1, 2000, and sunsets for taxable years beginning on or after January 1, 2015.

Bank Franchise Tax
Bad Debt Reduction

This provision adds community development loans or investments to the assets that may be used in qualifying as a "thrift" banking corporation. A "thrift" banking corporation is a bank primarily involved in home mortgage, rather than commercial, lending. The provision permits such assets to be part of a thrift's bad debt reserve. Assets which would satisfy the thrift banking corporation asset test would include certain kinds of loans indirectly secured by residential real property, certain loans to small business and small farms located in low income or moderate income census tracts, and community development loans and investments. This provision is effective for taxable years beginning on or after January 1, 2002.

Empire Zones Technical
Correction

The Empire Zones program is amended to clarify certain provisions and implement new components for several credit calculations. The changes fall into three main categories:

New Business Definition

The five-year new business period concept is clarified and simplified for the purpose of claiming refunds of credits under both the corporate franchise and personal income taxes. Also, restrictions on claiming such refunds under the personal income tax which are not present under the

corporation tax are eliminated. Finally, the new language clarifies that a new business can receive an ITC refund in each of its first five years.

Qualified Empire Zone Enterprise (QEZE) Technical Corrections

Technical issues are addressed regarding: the interplay of the effective date of the QEZE program with the General Municipal Law statutory provisions; the real property tax credit calculation; the treatment of payments in lieu of taxes; the employment test; the definition of “employment number,” and; the sales and use tax exemption related to receipts from the retail sale of certain tangible personal property used in or on motor vehicles.

Empire Zone Wage Tax Credit Amendments

The new language will specify that, in order for a related business to claim a wage tax credit, the employee for which the credit is being claimed must not have been employed by the related business within the preceding 60 months. This requirement can be waived if the individual had never previously generated a wage tax credit. This section also clarifies the wage tax credit allowance period is five years from the date of original certification.

Empire Zones Expansion

A separate budget bill, Chapter 84 of the Laws of 2002, includes an expansion of the Empire Zones program by authorizing a total of ten new Empire Zones, bringing the total number of Empire Zones across the State to 72. Four zones were previously approved but not designated, while of the six new zones, four will contain two square miles, and two will contain one square mile. Also, this provision requires that 75 percent of all unused zone acreage designated after January 1, 2003 must be limited to three primary non-contiguous areas. The remaining 25 percent of “floater” acreage can only be designated outside of three primary areas if certain specific job creation criteria are met. The provisions are effective immediately.

Sales and Use Tax

Mobile
Telecommunications
Sourcing

The budget legislation amends the State and local sales taxes and the telecommunications excise tax to respond to the federal Mobile Telecommunications Sourcing Act (the Federal Act), Public Law

106-252, and to conform to the situsing provisions of the Federal Act. The situsing provisions of the Federal Act provide that, for State and local tax purposes, all charges for mobile telephone service (regardless of where the calls are actually made) are sourced to only one location – the customer’s place of primary use. This must be either a residential or business street address.

The budget legislation also provides statutory rules applicable to bundled service transactions. A bundled service transaction is a transaction in which taxable mobile telecommunications services and other services or property are sold together for a single price (e.g., wireless voice service sold together with wireless Internet access). Under these rules, the charges for certain components of the bundle, such as Internet access service, may be broken out by the service provider, even when Internet access is not separately stated from the other wireless services. If the broken-out charge would be exempt from tax if it were separately stated, the provider could treat that portion of the receipt as if it had been separately stated.

The legislation provides that in order to break out the components of a bundled charge, a home service provider must be able to identify the charges for each component using an objective, reasonable, and verifiable standard. The standard for identifying the amount of the charge is described in the bill. If the home service provider separately sells the services or property, then the breakout amount is the price for which the home service provider sells the items. If the home service provider does not separately sell the services or property, then the charge will be based upon the prevailing retail price of comparable property or service sold separately by other home service providers. In all cases, even if based on a home service provider’s own prices, the charges for each service or property must be proportionate and reasonable in relation to one another and in relation to the entire charge for such services or property.

These two changes are effective August 2, 2002, with certain transitional provisions related to existing contracts for mobile telecommunications customers.

The legislation also contains certain technical corrections with respect to the sales and use taxation of prepaid telephone calling cards. For sales

tax purposes, prepaid telephone calling cards are taxed at the point-of-sale, like most other goods and services. The technical correction clarifies that prepaid telephone calling cards are subject to the general city and county sales taxes but would not be subject to the selective local sales taxes on utility services. This technical amendment is effective retroactively to March 1, 2000.

Electronic Funds Transfer
Threshold

The budget legislation decreases the threshold for persons required to register with the Tax Department to pay their monthly sales and use tax liability by electronic funds transfer (EFT) or by certified check. With this change, the threshold will be decreased from \$1 million in sales and use tax liability to \$500,000 in sales and use tax liability. This legislation also conforms the Tax Law section which allows taxpayers to opt out of mandatory EFT or certified check payment under certain circumstances to this new threshold. These changes take effect September 1, 2002.

Indexing of Prepaid Sales
Tax on Cigarettes

The budget legislation provides an index of the prepaid sales tax on cigarettes. The index will be adjusted to reflect the current retail sales price and will be re-indexed on an annual basis every September 1. The re-indexing will be based on a fraction, calculated from the change in the current manufacturer's list price plus the State excise tax, compared to the previous year, for a carton of standard brand cigarettes.

Sales Tax on
Transmission and
Distribution of Electricity
and Gas

This provision makes available the reduced rate of sales tax for certain vendors who sell gas and electric services, and who also provide transmission and distribution of such services. Any vendor not subject to the supervision of the Public Service Commission, who operates in an area where use of a single retailer model has been approved by the Commission can take advantage of the reduced rates. Receipts from the sale of the transmission and distribution of gas or electricity will qualify for the reduced rates of sales tax on such services. This provision is effective retroactively to September 1, 2000.

STAR

A separate budget bill, Chapter 83 of the Laws of 2002, provides for a cost-of-living adjustment to the maximum income allowed under the enhanced School Tax Relief (STAR) exemption for persons age 65 and over. The current maximum income of \$60,000 will be indexed annually based on the rate of inflation used to index Social Security benefits. Individuals will be allowed to authorize their assessors to have the Tax

Department verify their incomes for purposes of qualifying for enhanced STAR. The Department will be required to prepare a report for the Office of Real Property Services that determines eligibility for enhanced STAR based on income tax return information. These changes are effective for school years and assessment periods beginning in 2003 and thereafter.

Other Tax Provisions

Real Estate Investment Trust (REIT) Extension

The budget bill extends for three years the lower New York State real estate transfer tax and New York City real property transfer tax rates for qualifying transfers to existing real estate investment trusts (REITs). Tax rates are reduced by 50 percent for qualifying transfers. The bill also makes related minor technical corrections to the New York City real property transfer tax. These rate reductions were previously scheduled to expire on September 1, 2002, and are now extended through September 1, 2005.

Alcoholic Beverage Tax Enforcement Extender

This legislation extends the current alcoholic beverage tax (ABT) enhanced tax enforcement provisions, enacted as part of Chapter 508 of the Laws of 1993, until October 31, 2007. These provisions include registration, invoice and manifest requirements for the importation and movement of liquor in the State. The provisions also include seizure and forfeiture authority for untaxed liquor as well as added inspection authority for the Tax Department's enforcement agents. These provisions were previously scheduled to sunset on October 31, 2002.

Tobacco Products Tax Increase

The budget bill raises the excise tax rate on tobacco products from 20 percent to 37 percent of the wholesale price. It also imposes a floor tax on all tobacco products possessed in the State on or before the effective date. The tax increase is effective July 2, 2002.

Appendix A: Summary of SFY 2002-03 Tax Provisions

Summary of Tax Provisions in SFY 2002-03 Budget (Con't)

Section(s)	Page(s)	Subject	Description	Effective Date
Chapter 85 of the Laws of 2002				
Part B	4	Sales Tax on Transmission and Distribution of Electricity and Gas	Makes available the reduced rate of sales tax for vendors not subject to the Public Service Commission who operate under a single retailer model, as approved by the Commission. Receipts from the sale of the transmission and distribution of gas or electricity would qualify for the reduced rates of sales tax on such services.	Immediately; retroactive to 9/1/00.
Part C	4-5	Residential Petroleum Tank Replacement Credit	Amends the residential petroleum tank replacement credit to require that the oil tank be removed or permanently closed and replaced to receive the credit; extends the credit an additional year.	Taxable years beginning in 2002 and 2003 and only for tanks removed or closed after 3/31/02.
Part E	7-8	Indexing of Prepaid Sales Tax on Cigarettes	Provides a new index to adjust the base retail price, for purposes of calculating the prepaid sales tax on cigarettes, and requires that the tax be rounded to the nearest whole cent.	Immediately; applied to determinations for periods on or after 9/1/02.
Part F	8-9	Alcoholic Beverage Tax Enforcement Extender	Extends the alcoholic beverage tax enforcement provisions for five years to October 31, 2007; expands premises inspection authority of the Tax Department's enforcement agents.	Immediately
Part G	9	Over-the-Counter Financial Services Apportionment	Modifies the definition of brokers or dealers in securities for New York income allocation rules to include those marketing over-the-counter (OTC) derivatives.	TYBOA 1/1/03
Part H	9-11	Electronic Funds Transfer for Withholding Tax	Reduces the threshold for mandatory remittance of withholding tax via electronic funds transfer (EFT) from \$400,000 to \$100,000 of annual tax.	Effective for program periods beginning on or after 7/1/02, with the first affected payments to begin in January 2003.
Part I	11	Sales Tax Electronic Funds Transfer Threshold	Lowers the threshold for mandatory EFT participation for sales tax vendors from \$1 million in annual State and local sales and use tax to \$500,000 in annual State and local sales and use tax.	9/1/02
Part J	11-13	Tax Credit Ordering for Corporate Taxes	Requires that tax credits under Articles 9, 9-A, 32 and 33 must be taken in the following order: non-carryover, non-refundable credits first; carryovers of limited duration next, followed by carryovers of unlimited duration; and refundable credits taken last.	TYBOA 1/1/02
Part K	13-15	Real Estate Investment Trust (REIT) Extension	Extends the lower New York State real estate transfer tax and New York City real property transfer tax rates for qualifying transfers to existing real estate investment trusts (REITs).	Immediately
Part L	15-17	Estimated Payments	Increases the required amount for the first quarterly payment of estimated tax from 25 percent to 30 percent of the preceding year's liability for corporate taxpayers whose liability exceeds \$100,000; applies to all corporate taxpayers, except life insurance companies and taxpayers under sections 182, 182-a, 184, 186-a, and 186-e of Article 9.	TYBOA 1/1/03; sunsets 1/1/06; expires 1/1/07
Part M	17	Low Income Housing Tax Credit	Doubles the aggregate limit for the low income housing tax credit from \$2 million to \$4 million.	Immediately
Part N	17-18	College Tuition Technical Amendments	Clarifies the dollar limitation on tuition expenses for purposes of the college tuition tax credit and itemized deduction, attributes tuition paid by a dependent student to the parent, and includes New York City personal income tax conforming amendments.	TYBOA 1/1/01

Summary of Tax Provisions in SFY 2002-03 Budget (Con't)

Section(s)	Page(s)	Subject	Description	Effective Date
Part O	18-19	Qualified Gas Transportation Contracts	Permits gas pipeline companies with contracts in effect when New York's energy taxes were restructured and reduced to continue to recover tax costs as those contracts intended.	TYBOA 1/1/00; sunsets, TYBOA 1/1/15
Part Q	20-21	Victims' Relief	Grants a State, New York City, and Yonkers personal income tax exemption for tax years 2000 and 2001 (and 2002 for deaths occurring in 2002) for persons dying as a result of the terrorist actions of September 11, 2001; conforms the estate tax to the federal Victims of Terrorism Tax Relief Act of 2001.	Immediately
Part R	21-35	Tax Amnesty	Allows taxpayers to settle outstanding tax liabilities; the State will forgive any outstanding penalty assessments, waive prosecution, and grant a two percent interest rate reduction on any tax balances previously due.	Immediately, with the sections regarding overpayment and underpayment interest rates effective 4/1/03.
Part S	35-42	Mobile Telecommunications Sourcing	Amends the sales and use tax and the telecommunications excise tax to respond to the federal Mobile Telecommunications Sourcing Act.	8/2/02
Part T	42-43	Tobacco Products Tax Increase	Raises the excise tax rate on tobacco products and imposes a floor tax on all tobacco products possessed in the State as of a certain date.	7/2/02
Part U	43-47	Bank Franchise Tax Bad Debt Reduction	Adds community development loans or investments to the assets that may be used in qualifying as a "thrift" banking corporation; such assets can now be included as part of a thrift's bad debt reserve.	TYBOA 1/1/02
Part V	47-52	Investment Tax Credit Recapture and Extension	Makes special provisions for recapture treatment of property damaged or destroyed on September 11, 2001 and extends the sunset date of the financial services ITC.	Immediately for recapture provisions; financial services ITC for Art. 9-A, 22, and 32 effective for property placed in service on or after 10/1/98 and before 10/1/08, for Art. 33, effective for property placed in service on or after 1/1/02 and before 10/1/08.
Part Y	55-57	Sales Tax Holidays in Lower Manhattan	Provides for three sales tax holidays for sales of certain property, restaurant meals, hotel occupancy, and cabaret charges in a designated area of Lower Manhattan.	Immediately
Part CC	71-87	Empire Zones Technical Correction	Makes clarifications to the Empire Zones program.	Various

Chapter 84 of the Laws of 2002

Part Q	21-24	Empire Zones Expansion	Authorizes ten new Empire Zones and establishes criteria regarding zone boundaries.	Immediately
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Summary of Tax Provisions in SFY 2002-03 Budget (Con't)

Section(s)	Page(s)	Subject	Description	Effective Date
Chapter 83 of the Laws of 2002				
Part E	20-28	STAR Cost-of-Living Adjustment	Provides for a cost-of-living adjustment to the maximum income allowed under the enhanced School Tax Relief (STAR) exemption for persons age 65 and over.	School years and assessment periods beginning in 2003 and thereafter.

TYBA – Taxable years beginning after

TYBOA – Taxable years beginning on or after

TMBOA – Taxable months beginning on or after

TYEOA – Taxable years ending on or after

Appendix B: Summary of Tax Actions in Fiscal Years 1995-96 Through 2001-02

Fiscal Year 1995-96

Tax Actions

Personal Income Tax

- Reduced the top tax rate, from 7.875 percent in 1994 to 6.85 percent.
- Raised the standard deduction as currently scheduled from \$9,500 to \$13,000 for married couples and from \$6,000 to \$7,500 for individuals.
- Expanded the income threshold where the top rate becomes effective from \$26,000 to \$40,000 for married filers.
- Retained the household credit and created a new excess deductions credit for 1995 to offset potential tax increases that the enacted tax rate schedule could cause for low and middle income taxpayers.

Further Tax Reductions

- Reduced the alcoholic beverage tax on beer by 5 cents per gallon.
- Cut the container tax in half from 2 cents per container to one penny.
- Enacted a new estate tax deduction equal to a maximum of \$250,000 of the equity in the decedent's principal residence.
- Reduced the diesel motor fuel excise tax from 10 cents to 8 cents per gallon.
- Provided an up-front exemption from the petroleum business tax for sales of heating fuel to not-for-profit organizations.
- Reduced the petroleum business tax on aviation fuels to 5.2 cents per gallon (before surcharge). The monthly minimum petroleum

business tax was reduced from \$25 to \$2, and aviation businesses that are not airlines were allowed to file annually rather than monthly.

- Provided an up-front exemption from the motor fuel excise tax for retail sales of aviation gasoline
- Extended the qualifying periods for the real property transfer gains tax builders' exemption.
- Reduced pari-mutuel tax rates for NYRA races and extended provisions for simulcasting.

Extenders

The temporary Metropolitan Commuter Transportation District business tax surcharge was extended for two years. Certain provisions of the bank tax also were extended for two years.

Other Significant Provisions

Aside from tax reductions, the most significant State tax law change enacted with the budget was the restructuring of New York's franchise and excise taxes on telecommunications to conclude the litigation between the State and interstate telecommunications providers. Other significant provisions:

- Froze the S corporation entity tax at the difference between the corporate franchise tax rate and 7.875 percent;
- Decreased the tax liability threshold for sales tax vendors filing by electronic funds transfer from \$4 million to \$1 million annually; and
- Enacted a sales tax prepayment system for sales of cigarettes to enhance compliance.

Fiscal Year 1996-97
Tax Actions

Real Property Gains Tax

The budget eliminated the real property gains tax enacted in 1983, which imposed a 10 percent levy on the gain derived from non-residential property transfers over \$1 million. The repeal was effective June 15, 1996.

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- Personal Income Tax
- Enacted a school property tax credit for farmers beginning in 1997 for taxpayers that derive at least two-thirds of their total income from farming (also available under the corporate franchise tax).
 - Enacted a tax credit for the costs of rehabilitating historic barns in the State (also available under the corporate franchise tax).
 - Enhanced the child and dependent care credit for taxpayers with adjusted gross income below \$14,000 and established the credit as refundable for residents beginning in 1996.
- Sales and Use Tax
- Exempted clothing and footwear costing less than \$500 from the 4 percent State sales tax and the 0.25 percent tax imposed in the Metropolitan Commuter Transportation District (MCTD) for the period January 18, 1997 to January 24, 1997, and provided localities (including New York City) with the option to enact the exemption for the same period.
 - Expanded the exemption for printed promotional materials and related services, including storage services, when the promotional materials are mailed or shipped to customers.
 - Exempted municipal parking services from the State sales tax, local sales tax outside New York City, and the 6 percent parking tax imposed in New York City.
 - Simplified the sales tax exemption for shopping papers.
 - Expanded the exemption for commercial vessels and aircraft.
- Petroleum Business Tax
- Reduced the PBT rate on diesel motor fuel used by railroads by 7 cents per gallon on January 1, 1997.
 - Exempted from the PBT residual petroleum product and non-automotive diesel gallonage used for manufacturing purposes beginning January 1, 1998.
 - Exempted residual petroleum and non-automotive diesel gallonage used for commercial purposes from the PBT supplemental tax effective March 1, 1997.

Further Tax Reductions

- Reduced the supplemental PBT rate on automotive diesel product by 0.75 cents per gallon effective January 1, 1998, and by an additional 1 cent per gallon on April 1, 1999.
- Increased the credit allowed against the PBT on residual petroleum product and non-automotive diesel product used to generate electricity by 0.5 cents per gallon effective April 1, 1999.
- Reduced the section 184 gross receipts tax rate as it applies to truckers and railroads from 0.75 percent to 0.6 percent beginning in 1997.
- Allowed trucking and railroad companies currently taxed based on gross receipts (Article 9) the option of converting to an income based tax (Article 9-A) beginning in 1998.

Other Significant Provisions

- Established a tax amnesty program for the personal income tax, the Article 9-A corporate franchise tax, certain taxes imposed under Article 9, and the sales and use tax during the period November 1, 1996 to January 31, 1997.
- Extended the time period to claim a fuel use tax or carrier tax refund for fuel purchased within the State but consumed outside the State, and to claim a refund for erroneous payments under the highway use tax from two to four years.
- Made permanent existing provisions contained in both the State and New York City real estate transfer taxes concerning newly formed real estate investment trusts (REITs), and provided temporary additional tax relief for property transferred into existing REITs.
- Changed the rate used in the S corporation differential tax from 7.59375 to 7.875 in 1995 for small S corporations to correct for an unintended tax increase.
- Expanded the electronic funds transfer (EFT) hardship provisions for certain building suppliers.
- Delayed the implementation of the tax on motor vehicle damage insurance awards from September 1, 1996 to July 1, 1997.

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- Provided for reimbursements of petroleum business taxes on aviation fuels.
 - Corrected unintended tax increases for certain taxpayers under estate and gift taxes which resulted from a 1994 law change.
 - Expanded the electronic funds transfer program to the alcoholic beverage tax for filers with a tax liability threshold of \$5 million.

Fiscal Year 1997-98 Tax Actions

STAR

The budget created a new program that reduced residential school property taxes. The State School TAX Relief (“STAR”) program took effect for taxes levied in fiscal years beginning on July 1, 1998 for the 1998-99 school year. As passed, STAR would provide, when fully effective during the 2001-2002 school year, exemptions against school property taxes, resulting in at least a \$30,000 full value exemption for homeowners under the age of 65, and at least a \$50,000 full value exemption for homeowners age 65 and over with incomes at or below \$60,000.

As part of the property tax relief program, the budget also provided residents of New York City with reductions in the resident City personal income tax. Similar to the property tax relief program, the State will reimburse New York City for its reduced personal income tax revenues.

Estate & Gift Tax

- The unified credit against the estate tax was increased from \$2,950 to \$10,000, thereby increasing the exemption equivalent from \$115,000 to \$300,000, beginning on or after October 1, 1998.
- The unified credit for gift taxes was increased for gifts up to \$300,000 made on or after January 1, 1999.
- The gift tax was repealed for gifts made on or after January 1, 2000.
- The estate tax was replaced with a “pickup” of the tax equal to the maximum federal credit for State death taxes, increasing the exemption level for estates to the current federal level beginning

February 1, 2000, with a cap on the exemption equivalent of the pickup of \$1 million.

Personal Income Tax

- Enhanced the Farm School Property tax credit by exempting up to the first \$30,000 of nonfarm federal gross income in the determination of eligibility for the credit. It also provided for subtracting principal payments on farm debt when calculating the income limit for the phase-out of the credit.
- Increased the child and dependent care credit to 100 percent of the federal child care credit for taxpayers with adjusted gross income of \$17,000 or less.
- Extended the Employment Incentive Credit and Economic Development Zone Employment Incentive Credit to businesses whose owners are taxable under the personal income tax.
- Established a new solar credit for residential investment in solar electric generating equipment.
- Provided an exemption from State and local taxation for the pension income of retired Manhattan and Bronx Surface Transit Operating Authority employees, similar to that allowed other public employees.
- Created the New York State College Choice Tuition Savings Program. New York State residents and nonresidents can establish savings accounts to pay for qualified higher education expenses.

Sales and Use Tax

- Exempted clothing, excluding footwear, costing less than \$100 from the four percent State sales tax and the 0.25 percent tax imposed in the twelve-county Metropolitan Commuter Transportation District (MCTD), for the periods September 1, 1997 through September 7, 1997 and September 1, 1998 through September 7, 1998. Provided that the exemption for such clothing becomes permanent on December 1, 1999, with local option.
- Provided relief to various businesses and consumers selling and purchasing goods and services through coin-operated devices.

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- Increased the vendor allowance to three and one-half percent of the State sales tax collected and raised the cap from \$100 to \$150 per quarter.
 - Exempted sales of and services to buses used to provide passenger transportation service, including charter and tour services.
 - Exempted members of homeowners' associations, including condominium owners and co-op shareholders, from the four percent State, and 0.25 percent MCTD taxes on parking services. Also exempted local sales tax on these services outside the City of New York.

Business Taxes

- Created a new tax credit, through the Power for Jobs program, against the tax on furnishing of utility services imposed under the corporation and utility tax.
- Reduced corporation and utility tax rates for electricity, gas and telephone services.
- Extended the investment tax credit carryforward period from 10 to 15 years under the corporation franchise tax.
- Allowed credits for electric vehicles, clean fuel vehicles using natural gas, methanol and other alternative fuels, and clean fuel refueling facility property.
- Created a new tax credit for employers who employ individuals with disabilities.
- Reduced the premiums tax rate and limitation on tax liability for life insurers subject to the corporation franchise tax on insurance companies.
- Allowed insurers subject to the corporation franchise tax on insurance companies to claim a credit for investments in certified capital companies;
- Allowed the formation of captive insurance companies and providing these insurers with preferential tax treatment under the corporation franchise tax on insurance companies.

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- Provided a prospective net operating loss deduction for banking corporations for losses incurred on or after January 1, 2001.
 - Conformed the treatment of New York S corporations to the treatment of federal Subchapter S corporations and allowed certain banks to elect New York S corporation status.
 - Extended, for four years through 2000, certain provisions of the bank tax that apply to commercial banks.
 - Extended, for four years through 2000, the 17 percent Metropolitan Transportation Business Tax Surcharge for taxpayers conducting business in the Metropolitan Commuter Transportation District.
 - Created the “Taxpayer Bill of Rights Act of 1997.”
 - Eliminated the one cent non-refillable beverage container tax (Article 18-A) starting October 1, 1998.
 - Extended until October 31, 2002, the alcoholic beverage tax enhanced enforcement provisions enacted as part of Chapter 508 of the Laws of 1993.
 - Clarified the operation of the petroleum business tax (PBT) and granted refunds and credits under the PBT and motor fuel excise tax.
 - Repealed the tax on motor vehicle damage insurance awards (Article 15).

Other Significant Provisions

Fiscal Year 1998-99
Tax Actions

STAR

The budget accelerated the STAR program enacted with the 1997-98 budget. It provided a minimum \$50,000 exemption in the 1998-99 school year for senior citizens age 65 and over with incomes of \$60,000 or less. This exemption level was previously \$12,500, with the \$50,000 amount scheduled to phase in during the 2001-02 school year. The legislation also simplified the income definition used to determine the higher senior exemption, and removed income from individual retirement arrangements from the definition.

The legislation also accelerated the higher credit for all senior citizens against the New York City resident personal income tax. These individuals will receive a credit of \$125 (married) or \$62.50 (all others) beginning in the 1998 tax year. Previously, they would have received a \$12 credit, with the higher amounts not applying until the 2001 tax year.

Business Taxes

- Reduced the corporation franchise tax rate for large and small businesses.
- Reduced the alternative minimum tax for corporation franchise taxpayers.
- Reduced the fixed dollar minimum tax for small business taxpayers.
- Reduced the Article 22 equivalent rate for determining the S corporation differential tax.
- Established the “New York State Emerging Industry Jobs Act” to provide an emerging technology employment tax credit and an emerging technology capital credit.
- Provided an investment tax credit for brokers/dealers in the financial services sector.

The budget legislation also required that the MTA Surcharge be calculated as if the Article 9-A corporate franchise tax rate had not changed. The change maintained the same amount of MTA Surcharge revenue that would have prevailed in the absence of the Article 9-A rate reduction.

Sales and Use Tax

- Expanded the existing temporary clothing exemption scheduled for September 1-7, 1998 to include footwear and increased the threshold at which an article of clothing becomes taxable to \$500.
- Provided for a new temporary exemption period for articles of clothing and footwear selling for less than \$500 during the week from January 17th through January 24th, 1999.
- Expanded the permanent exemption scheduled to begin on December 1, 1999 to include footwear and raised the threshold at

which items of clothing and footwear become taxable from \$100 to \$110.

- Increased the sales tax exemption threshold for coin-telephone calls from 10 cents or less to 25 cents or less.
- Expanded the exemption for telephone central office equipment.
- Exempted textbooks purchased by full time or part time college students.
- Exempted computer system hardware used in designing and developing computer software for sale.

Personal Income Tax

- Increased the income level at which the maximum child care credit of 100 percent of the federal credit applies. Beginning in tax year 1999, this level increased from \$17,000 to \$35,000 of New York adjusted gross income. In addition, the income level at which the credit equals 20 percent of the federal credit increased from \$30,000 to \$50,000.
- Increased the maximum acreage limitation under the farmer's school property tax credit from 175 to 250 for the 1998 tax year. The maximum 250 acres was previously scheduled to apply beginning in the 1999 tax year. This change also applied under the corporation franchise tax.
- Created a new subtraction modification for gain from the sale of qualified emerging technology investments, as defined in the "New York State Emerging Industries Jobs Act." Taxpayers must add the gain to income when they sell the investments, resulting in a deferral of tax for the period they hold the investments. This tax benefit also applied under the corporation franchise tax, the bank tax and the insurance tax.
- Created a new exclusion for reparation payments and items of income from stolen assets or insurance payments for victims of Nazi persecution.

Other Provisions

- Conformed the estate and gift tax to the most recent federal amendments, including the exclusion for family-owned business assets.
- Reduced the alcoholic beverage tax on beer from 16 cents to 13.5 cents per gallon.
- Reduced the supplemental tax portion of the truck mileage tax by 50 percent.

Fiscal Year 1999-00

Tax Actions

Earned Income Tax Credit

The budget legislation increased the earned income tax credit under the personal income tax from 20 percent of the federal credit to 22.5 percent in 2000 and 25 percent for tax years beginning after 2000. The increase is contingent upon the federal government's approving the increase as maintenance of effort toward the Temporary Assistance to Needy Families program.

Bank Tax

The legislation decreased the bank tax rate from 9 percent to 7.5 percent over a three-year period.

Insurance Tax

The legislation also reduced the insurance tax rate on entire net income from 9 percent to 7.5 percent over a three-year period. In addition, it reduced the cap rate on premiums for non-life insurance companies from 2.6 percent to 2.0 percent over the three-year period.

Sales Tax Clothing Exemption

The budget legislation delayed implementation of the permanent exemption for clothing and footwear priced under \$110 from December 1, 1999 to March 1, 2000. However, it added two additional tax-free weeks for clothing costing less than \$500. These weeks occurred September 1-7, 1999 and January 15-21, 2000.

The legislation also provided localities with the flexibility to opt in or out of the permanent exemption effective in March of each year.

Personal Income Tax

- Enriched the farmers school tax credit by expanding the definition of qualified property to include certain set-aside land, and increased base acreage by certain conservation acreage.

Business Taxes

- Extended the “qualified emerging technology company” employment and capital credits from the corporation franchise tax to the personal income tax.
- Streamlined innocent spouse relief by conforming to federal provisions.
- Extended the credits for “qualifying emerging technology companies” to remanufacturers of certain commodities that would otherwise enter the solid waste stream (applied also to personal income tax).
- Created a new credit of \$500 per automated external defibrillator purchased by all business taxpayers (including the personal income tax).
- Reduced the corporation franchise tax alternative minimum tax rate from 3 percent to 2.5 percent.
- Repealed provisions relating to mergers, acquisitions, and consolidations.
- Provided reductions in the subsidiary capital tax base in the corporation franchise tax for bank and insurance subsidiaries, and for gas and electric subsidiaries.
- Expanded the CAPCO program to provide an additional \$30 million to be invested in certified capital companies.
- Doubled economic development zone and zone equivalent area (ZEA) wage credits, and for ZEAs, increased claim period from two to five years.
- Expanded alternative fuel tax credits to certain vehicles leased to government entities, provided the company produces the vehicles in New York and creates at least 25 full-time jobs in manufacturing the vehicles.
- Permitted air freight forwarders to file combined returns with their affiliated airlines, and to allocate their income by the specialized airline industry allocation factors.

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- Reduced the corporate tax on airlines by changing the formula used to apportion income to New York.
 - Ensured that natural gas used to produce electricity for ultimate consumption is not subject to the gas import tax.
 - Eliminated the excess dividends tax for telecommunications companies which provide local telephone service with fewer than one million access lines.

Sales and Use Tax

- Expanded exemptions for farming activities.
- Provided an exemption for machinery, equipment and apparatus used to upgrade cable television systems to provide telecommunications services for sale. Also exempted machinery and equipment purchased by telecommunications companies for transmission of Internet access services.
- Extended exemption for hardware used in designing and developing computer software to include hardware used in Internet web site design and development.
- Exempted certain theatrical property and services from tax.
- Exempted repair and maintenance services to manufacturing equipment from non-New York City local sales taxes.
- Reduced the use tax on self-manufactured items which manufacturers use in their businesses.
- Extended the exemption for hot drinks and certain food items sold from vending machines to include vending machines which accept credit and debit cards.
- Extended special record keeping and on-site inspection provisions applicable to parking garages located in Manhattan.

Further Tax Reductions

- Provided a 20 percent petroleum business tax rate reduction for diesel and residual oils used for non-residential heating, and a full reimbursement when these fuels are used in mining or extracting.

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- Reduced the beer excise tax by 1 cent per gallon, and expanded the small brewers exemption.
 - Exempted from all taxes qualified settlement funds and grantor trusts established for victims or targets of Nazi persecution and amounts received by victims from such funds or trusts.
 - Conformed the estate and gift tax to federal law, enriching the deduction for family owned businesses and other provisions.
 - Extended lower State and New York City real estate transfer tax rates for transfers to existing real estate investment trusts.
 - Reduced the tax applicable to on-track wagering at New York Racing Association racetracks.
 - Reduced the boxing and wrestling tax.

Fiscal Year 2000-01 Tax Actions

Energy Tax

The Article 9 corporate utility franchise tax on gross receipts was amended to no longer apply to companies providing energy services. Effective January 1, 2000 companies providing energy services, including gas and electric providers and pipelines, became taxable under Article 9-A. The other Article 9 gross receipts taxes were substantially reduced over a five-year period. The tax on energy as a commodity and the natural gas import tax will be eliminated by 2005. In addition, a refundable tax credit was provided for any of the gross receipts taxes and the gas import tax on manufacturing uses of energy paid on or after January 1, 2000.

Because it is possible to purchase the commodity of gas or electricity outside of New York, a compensating use tax on electricity and natural gas was imposed by the legislation, effective June 1, 2000.

In addition, effective September 1, 2000 the sales tax on charges for separately purchased transmission and distribution of electricity and gas was phased down and will be eliminated by September 1, 2003.

Power for Jobs

A fourth phase of the Power for Jobs program was added providing 300 megawatts of lower cost power to employers. Allocations began during the Fall of 2000 and three-year contracts for the reduced cost power began on or after January 1, 2001.

Personal Income Tax

The legislation created a new refundable credit or an itemized deduction for allowable college tuition expenses paid by resident taxpayers on behalf of the taxpayer, the taxpayer's spouse, or dependents to enroll or attend qualifying in- or out-of-state institutions of higher education. The credit and deduction are available only for undergraduate study. The maximum amount of allowable college tuition expenses is \$10,000 phased in equally over a four-year period beginning in tax year 2001.

The legislation also:

- Increased the standard deduction for married couples filing a joint tax return from \$13,000 to \$13,400 in tax year 2001, \$14,200 in tax year 2002, and \$14,600 thereafter;
- Increased the earned income tax credit (EITC) for low and moderate-income working families from 25 percent of the federal credit in 2001 to 27.5 percent in 2002, and to 30 percent of the federal credit after 2002; and
- Increased the child and dependent care credit from 100 percent of the federal to 110 percent for taxpayers with incomes under \$25,000, and applied the 100 percent credit to incomes up to \$50,000, up from \$35,000. The income level at which the credit equals 20 percent of the federal also increased, from \$50,000 to \$65,000.

Finally, the legislation created new credits for:

- Twenty percent of the cost of installing fuel cell electric generating equipment in the taxpayer's principal residence, up to a maximum credit amount of \$1,500;
- Up to \$250 of costs associated with each of the following: 1) removing existing residential fuel oil storage tanks, 2) permanently closing existing residential fuel oil storage tanks, and 3) purchasing and installing new replacement tanks; and

Business Taxes

- Ten percent of the cost of purchasing qualifying long-term care insurance.
- Reduced the corporate franchise tax rate for small businesses from 7.5 percent to 6.85 percent for businesses with entire net income of \$200,000 or less. For small businesses with entire net income between \$200,000 and \$290,000, the rate ranges from 6.85 percent to 7.5 percent.
- Reduced the S corporation differential tax rate by 45 percent.
- Created an “Empire Zones Program Act” to encourage the development of businesses in economic development zones (renamed Empire Zones) throughout the State.
- Provided an array of tax credits to encourage the construction of environmentally sensitive or “green” buildings.
- Allowed the use of the economic development zone employment incentive credit against the alternative minimum tax.
- Exempted qualified homeowners associations, which have no homeowners’ taxable income, from payment of the fixed dollar minimum tax under the corporate franchise tax.
- Allowed the acquiring corporation a certain portion of the investment tax credit (ITC) associated with assets transferred by the transferor corporation in certain transactions.
- Prevented the elimination of investment tax credits for companies involved in mergers and acquisitions.
- Provided a new tax credit for qualified transportation improvement contributions.
- Special provisions under Article 9-A relating to the sale or lease of electric vehicles or clean fuel vehicle property installed in motor vehicles to governmental entities, scheduled to sunset in 2001, were extended to 2003.

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- Created a new credit program entitled the “New York State Low Income Housing Tax Credit Program.”
 - Allowed securities brokers/dealers to allocate receipts based on the location of their customers, rather than under an approach based on where they perform their services.
 - Created transitional provisions relating to the enactment and implementation of the federal Gramm-Leach-Bliley Act of 1999 to allow certain corporations that were taxed under the corporate franchise tax or bank tax in 1999 to maintain that taxable status in 2000. Also permitted certain corporations that are owned by financial holding companies or are financial subsidiaries of banks to elect to be taxed under either the corporate franchise tax or bank tax for the 2000 taxable year.
 - Established a third Certified Capital Company (CAPCO) program under which insurance taxpayers can claim a credit for 100 percent of the amount invested in CAPCOs.
 - Allowed bank taxpayers to situs receipts from management, administrative, or distribution services to regulated investment companies based on the location of the customer. This conformed the situsing method for banks to the method allowed for general business corporations.
 - Extended the ITC available to corporations, banks, and personal income taxpayers that are broker/dealers in securities to insurance taxpayers.

Sales and Use Tax

- Expanded the existing farm production exemption for tangible personal property, building materials, utility services, and services provided to farm real property. Granted commercial horse boarding operations with the same exemptions provided to farms.
- Provided companies developing and operating Internet data centers in New York an exemption for most property and services used in their web site hosting facilities.
- Exempted food and drink sold through vending machines when such items cost 75 cents or less.

Other Tax Reductions

- Modernized and enhanced the exemption for property and services used to provide telecommunications services and Internet access services for sale. Exempted certain purchases for conversion to digital cable television service.
- Provided radio and television broadcasters an exemption for machinery and equipment and certain services used in the production and transmission of live or recorded programs.
- Exempted manufacturing and industrial pollution control equipment and machinery.
- Eliminated the pari-mutuel tax on all races taking place at New York Racing Association (NYRA) race tracks during the three days surrounding a Breeders' Cup Event held at a NYRA track.
- Provided for a 33 percent petroleum business tax (PBT) rate reduction for both diesel motor fuel and residual oil used for non-residential heating purposes.
- Repealed two PBT minimum taxes.
- Reduced the beer tax from 12.5 cents to 11 cents per gallon.
- Accelerated the effective date for the expansion of the small brewers exemption under the beer tax retroactively to January 1, 2000 from the original effective date of March 1, 2001.
- Reduced the supplemental tax portion of the truck mileage tax by 20 percent.

Fiscal Year 2001-02 Tax Actions

- The major action of the 2001-02 budget was an increase in the size of the Empire Zones program through the addition of eight new zones.

For more information concerning the data provided in this publication, please contact:

**New York State Department of Taxation and Finance
Office of Tax Policy Analysis
W.A. Harriman State Campus Office
Albany, New York 12227
Phone: (518) 457-3187
Web Site: www.tax.state.ny.us/statistics**

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