

1983 Legislation
Amendments to Articles 32 and 33 of the Tax Law
regarding the Federal Accelerated Cost Recovery System (ACRS)

Sections 99, 100, 101 and 102 of Chapter 15 of the Laws of 1983 amended Article 32 by adding paragraph (10) to Section 1453(b), adding paragraph (8) to Section 1453(e), amending Section 1453(b)(9) and amending Section 1453(e)(7). Sections 109, 110 and 111 of Chapter 15 of the Laws of 1983 amended Article 33 by adding subparagraphs (H) and (I) to Section 1503(b)(1), adding subparagraph (N) to Section 1503(b)(2) and amending subparagraphs (M) of Section 1503(b)(2).

The effect of these law changes is to require either an addback to or deduction from Federal Taxable Income in arriving at entire net income upon the disposition of property for which an accelerated cost recovery system deduction was allowed. The net effect is to equalize the depreciation deduction allowed for New York State tax purposes with the accelerated cost recovery system deduction allowed for federal tax purposes.

The required addition is as follows:

1. Upon the disposition of recovery property for which an accelerated cost recovery system deduction was allowed, the amount by which the total amount allowed for depreciation under Section 167 of the Internal Revenue Code (ADR) for New York State tax purposes exceeds the total accelerated cost recovery system deduction allowed under Section 168 of the Internal Revenue Code (ACRS) for Federal tax purposes.

The required deduction is as follows:

1. Upon the disposition of recovery property for which an accelerated cost recovery system deduction was allowed, the amount by which the total accelerated cost recovery system deduction under Section 168 of the Internal Revenue Code (ACRS) for Federal tax purposes exceeds the total amount allowed for depreciation under Section 167 of the Internal Revenue Code (ADR) for New York State tax purposes.

The adjustments will be made on Schedules B and C of Form CT-399 (8/83).

The law change also required that the uncoupling of the Federal accelerated cost recovery system be extended to taxable periods beginning in 1984. Chapter 55 of the Laws of 1982 had previously made the uncoupling of the Federal accelerated cost recovery system effective for taxable periods beginning in 1982 and 1983. For additional information see TSB-M-82(16)C, Uncoupling the Effects of the Federal Accelerated Cost Recovery System (ACRS) from the Computation of New York State Taxable Income.