



Credit for Taxicabs and Livery Service Vehicles Accessible to Persons with Disabilities

Chapter 604 of the Laws of 2011 was signed into law on January 3, 2012. This new legislation provides a credit for taxpayers who provide taxicab and livery services to individuals with disabilities.

Chapter 604 of the Laws of 2011 added sections 210.44 and 606(tt) to the Tax Law¹. The new sections concern the credit for taxicabs and livery service vehicles accessible to persons with disabilities. The new sections allow a tax credit for:

- the incremental cost of upgrading a vehicle used in providing a taxicab or livery service so that it is accessible to persons with disabilities²; and
- the purchase of certain new vehicles that are accessible to persons with disabilities.

The credit allowed under these new sections apply to purchases of new vehicles and to incremental costs incurred for taxable years beginning on or after January 1, 2011, but expire for purchases or costs incurred after December 31, 2016. The new sections are not subject to the temporary deferral of certain tax credits under sections 33 and 34 of the Tax Law.

Who is eligible

This credit may be claimed by:

- Resident and nonresident individuals, estates, and trusts who are taxable under Article 22 of the Tax Law (personal income tax). This includes an individual, estate, or trust that is a partner in a partnership (including a member of a limited liability company (LLC) that is treated as a partnership for federal income tax purposes), a shareholder of a New York S corporation, or a beneficiary of an estate or trust.
- Corporations that are taxable under Article 9-A of the Tax Law (franchise tax on business corporations). This includes a corporation that is a partner in a partnership (or a member of an LLC that is treated as a partnership for federal income tax purposes).

The taxpayer must provide a taxicab or livery service in New York State in accordance with required licenses or permits issued by a local authority and the New York State Department of Motor Vehicles.

¹ The credits for the Empire State Jobs Retention Program and the New York Youth Works Tax Credit Program are also under sections 210.44 and 606(tt) of the Tax Law.

² This portion of the credit is similar to the credit previously allowed under sections 210.40 and 606(oo) of the Tax Law

Definitions

Taxicab means every motor vehicle, other than a bus, used in the business of transporting passengers for compensation, and operated in the business under a license or permit issued by a local authority. However, it does not include vehicles that are rented or leased without a driver.

Livery means every motor vehicle, other than a taxicab or bus, used in the business of transporting passengers for compensation. However, it does not include vehicles that are rented or leased without a driver.

Bus means every motor vehicle that has a seating capacity of fifteen or more passengers in addition to the driver and is used for the transportation of persons.

Motor vehicle means every vehicle operated or driven on a public highway that is propelled by any power other than muscular power. The term *motor vehicle* does not include electrically driven mobility assistance devices operated or driven by a person with a disability, vehicles that run only on rails or tracks, snowmobiles, or all-terrain vehicles.

Local authority means every county, municipal or other local board, body or officer, county park commission, parkway authority, bridge authority, bridge and tunnel authority, the Office of Parks and Recreation, the New York State Thruway Authority or similar body or person having authority to enact laws or regulations relating to traffic under the constitution and laws of this state.

Providing a taxicab or livery service means the operation of a taxicab or livery in New York State in accordance with required licenses, permits, or registrations issued by a local authority and the New York State Department of Motor Vehicles.

Incremental cost means the amount by which the purchase price of a vehicle accessible to persons with disabilities exceeds the price of the same make and model without the equipment necessary to convert it to a vehicle accessible to persons with disabilities. In the case of a conversion of a motor vehicle, it includes the equipment and installation costs necessary to convert it to a vehicle accessible to persons with disabilities.

Vehicle accessible to persons with disabilities means a motor vehicle, less than 22 feet in length, that complies with federal regulations applicable to vans under 22 feet in length promulgated pursuant to the Americans with Disabilities Act by the federal Department of Transportation (49 CFR Parts 37, 38) and the federal Architecture and Transportation Barriers Compliance Board (36 CFR 1192.23), and with the federal Motor Vehicle Safety Standards (49 CFR Part 571).

Amount of credit

The credit is equal to:

- the *incremental cost* (the cost associated with upgrading a vehicle used in providing a taxicab or livery service so that it is accessible to persons with disabilities), up to \$10,000 per vehicle; or
- \$10,000 per vehicle for the purchase of new vehicles that are initially manufactured to be accessible to persons with disabilities and for which there is no comparable make and model that does not include the equipment necessary to provide accessibility to persons with disabilities.

The credit may only be claimed once per vehicle.

How to claim the credit allowed under new sections 210.44 and 606(tt) of the Tax Law

Article 9-A business corporation taxpayers claim this credit by filing Form CT-236, *Credit for Taxicabs and Livery Service Vehicles Accessible to Persons with Disabilities*, with their franchise tax return. Personal income taxpayers claim this credit by filing Form IT-236, *Credit for Taxicabs and Livery Service Vehicles Accessible to Persons with Disabilities*, with their personal income tax return.

For both corporate franchise tax and personal income tax taxpayers, the amount of the credit deducted for the tax year may reduce the tax to zero. The credit is not refundable. However, any amount of credit not deductible in the current tax year may be carried forward to subsequent years. Also, the credit and any carry forward of the credit allowed under sections 210.44 and 606(tt) of the Tax Law are not subject to the temporary deferral of certain tax credits under sections 33 and 34 of the Tax Law.

How to claim any remaining carry forward of the credit that was previously allowed under sections 210.40 and 606(oo) of the Tax Law

Taxpayers that have a carry forward of the credit under section 210.40 or 606(oo) of the Tax Law must claim the carry forward on Form CT-239, *Claim for Credit for Taxicabs and Livery Services Vehicles Accessible to Persons with Disabilities* or Form IT-239, *Claim for Credit for Taxicabs and Livery Service Vehicles Accessible to Persons with Disabilities*. The credit and any carry forward of the credit allowed under sections 210.40 and 606(oo) of the Tax Law is also subject to the temporary deferral of certain tax credits under sections 33 and 34 of the Tax Law.

(Tax Law sections 210.44, 606(tt), and 606(i)(1)(B))

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.