

1982 Legislation
Uncoupling the Effects of the Federal Accelerated
Cost Recovery System (ACRS) from the Computation
of New York State Taxable Income

Sections 2 and 3 of Chapter 55 of the Laws of 1982 amended Article 9-A of the Tax Law by adding subparagraph 10 to Section 208.9(b) and paragraph (j) to Section 208.9. Sections 33, 34, 36 and 37 of Chapter 55 of the Laws of 1982 amended both Articles 32 and 33 of the Tax Law by adding paragraph 9 to Section 1453(b), paragraph 7 to Section 1453(e), subparagraph (M) to Section 1503(b)(2) and paragraph (10) to Section 1503(b). These amendments require an addition to and a deduction from Federal taxable income, with regards to depreciation, when computing entire net income for New York State tax purposes. The effect of these amendments is to uncouple from New York entire net income the deduction claimed by the taxpayer under the Federal Accelerated Cost Recovery System (ACRS) and instead to allow the taxpayer a deduction for depreciation equal to the deduction which would have been allowed under Section 167 of the Internal Revenue Code (ADR) which was in effect on July 31, 1981.

The required addition is as follows:

- (1) the amount allowable as a deduction under section 168 of the Internal Revenue Code.

The required deduction is as follows:

- (1) the depreciation deduction allowable under section 167 of the Internal Revenue Code as such section was in full force and effect on July 31, 1981.

The required depreciation deduction must be computed as if the property had always been depreciated pursuant to Section 167 of the Internal Revenue Code.

These amendments apply to taxable periods beginning in 1982 and 1983. These amendments will not be required in taxable periods beginning in 1981 or 1984 and subsequent years.