



Department of Taxation and Finance

Important:

The New York State and New York City minimum income taxes were repealed, effective for tax years beginning on or after January 1, 2014.

As a result, this TSB-M is obsolete and cannot be relied upon for tax years on or after that date insofar as the TSB-M addresses matters relating to the minimum income tax.

[See, Part J of Chapter 59 of the Laws of 2014]

The TSB-M begins on page 2 below.

1983 Legislation

Minimum Income Tax

Item of Tax Preference for Accelerated Cost Recovery Deduction

Chapter 15 of the Laws of 1983 amended section 622(b)(6) of Article 22 of the Tax Law to provide that for property placed in service before January 1, 1985, the federal tax preference item resulting from an accelerated cost recovery deduction is to be excluded from New York tax preference items.

Prior to amendment section 622(b)(6) provided that in the case of a "safe harbor" leasing arrangement the lessee, not the lessor, would have the tax preference item for the accelerated cost recovery deduction. This provision has been deleted. Therefore, the lessee would not include this in his New York tax preference items.

The above amendments apply to taxable years beginning after December 31, 1981. Taxpayers who included the accelerated cost recovery tax preference item in their 1982 New York minimum income tax return should amend it accordingly.

Section T46-122.0(b)(6) of the Administrative Code of the City of New York has been correspondingly amended to conform with the amendments made to section 622(b)(6) of Article 22 of the Tax Law.