

Credit for Handicapped-Accessible Taxicabs and Livery Service Vehicles
(Articles 9-A and 22)

On August 16, 2006, Governor George Pataki signed into Law Chapter 522 of the Laws of 2006. This legislation adds sections 210.40 and 606(oo) to the Tax Law to provide a tax credit to corporations and individuals that provide a taxicab or livery service equal to the incremental cost associated with the purchase of a handicapped-accessible vehicle or the conversion of a motor vehicle to a handicapped-accessible vehicle that is used in providing the taxicab or livery service. The credit applies to the incremental costs incurred on or after January 1, 2006, but before January 1, 2009.

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 (the 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 (the 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.

Definitions

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

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

Motor vehicle means every vehicle operated or driven upon a public highway which is propelled by any power other than muscular power, except electrically driven mobility assistance devices operated or driven by a person with a disability, vehicles run only upon rails or tracks, snowmobiles, and 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 expenses specifically associated with the excess purchase price of a handicapped-accessible vehicle over the purchase price of a motor vehicle that is the same make and model except for the equipment necessary to convert it to a handicapped-accessible vehicle. In the case of a conversion of an existing motor vehicle, it includes the equipment and installation costs necessary to convert it to a handicapped-accessible vehicle.

Handicapped-accessible vehicle 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 incurred for each handicapped-accessible vehicle used in providing a taxicab or livery service. The credit may only be claimed once per vehicle. The maximum credit is \$10,000 per vehicle.

How to claim the credit

Article 9-A business corporation taxpayers claim this credit by filing Form CT-239, *Claim for Handicapped-Accessible Taxicabs and Livery Service Vehicles Credit*, with their franchise tax return. Personal income taxpayers claim this credit by filing Form IT-239, *Claim for Handicapped-Accessible Taxicabs and Livery Service Vehicles Credit*, 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.

Claims for credit or refund for fiscal year filers

The credit for handicapped-accessible taxicab and livery service vehicles is allowable for incremental costs incurred on or after January 1, 2006. Therefore, fiscal year taxpayers that incurred incremental costs on or after January 1, 2006, but prior to the end of their fiscal year ending in 2006 and who filed a return that did not claim the credit may file a claim for refund. Article 9-A corporate taxpayers may file claims for refund by filing Form CT-8, *Claim for Credit or Refund of Corporation Tax Paid*. The Department will be issuing an Important Notice for Article 22 filers on how to claim the credit and request a refund for personal income tax paid for their fiscal year ending in 2006.