

**New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau**

TSB-M-87
(10) Corporation Tax
(7) Income Tax
June 15, 1987

Special Additional Mortgage Recording Tax Credit
Disallowed on Certain Real Property Located in Erie County

Chapter 59 of the Laws of 1987 (signed April 22, 1987) created the Niagara Frontier Transportation Authority Light Rail Rapid Transit Special Assistance Fund for payment of the operating or capital costs of the Authority's light rail system. Payment is to be made from special additional mortgage recording taxes on property containing one to six residential units located in Erie County.

Chapter 59 amends the Tax Law to provide that NO tax credit will be allowed for payment of the special additional mortgage recording tax credit with respect to a mortgage of real property (principally improved or to be improved by one or more structures containing in the aggregate not more than six residential dwelling units, each unit having its own separate cooking facilities) where the real property on which the credit is being claimed is located in Erie County and the mortgage is recorded on or after May 1, 1987.

In cases where the special additional mortgage recording tax credit is disallowed pursuant to Chapter 59, it is no longer necessary to add back any such tax paid in computing both entire net income (for corporation tax purposes) and New York adjusted gross income (for personal income tax purposes).