

STATE OF NEW YORK  
DEPARTMENT OF TAXATION AND FINANCE  
COMMISSIONER OF TAXATION AND FINANCE  
ALBANY, NEW YORK

Pursuant to the authority contained in subdivision (a) of section 26, subdivision First of section 171, subsection (a) of section 697, and subdivision (a) of section 1096 of the Tax Law, the First Deputy Commissioner of Taxation and Finance, being duly authorized to act due to the vacancy in the office of the Commissioner of Taxation and Finance, hereby proposes to make and adopt the following amendments to the Business Corporation Franchise Tax regulations, as published in Subchapter A of Chapter I of Title 20 of the Official Compilation of Codes, Rules and Regulations of the State of New York, the Franchise Tax on Banking Corporations regulations, as published in Subchapter B of Chapter I of such Title, and the Personal Income Tax regulations, as published in Subchapter A of Chapter II of such Title, such amendments to read as follows:

Section 1. A new Subpart 5-4 is added to such regulations to read as follows:

SUBPART 5-4

SECURITY TRAINING TAX CREDIT

(Statutory authority: Tax Law, §§26, 210(37) )

Sec.

- 5-4.1 General
- 5-4.2 Definitions for purposes of the security training tax credit
- 5-4.3 Prorating the security training tax credit for security officers employed for less than a full year

Section 5-4.1 General.

A taxpayer that is a qualified building owner, as defined under section 26(b)(1) of the Tax Law, and that has been issued a certificate of tax credit by the State Office of Homeland Security is allowed to claim a credit

against the tax imposed by article 9-A of the Tax Law. The amount of the credit allowed is three thousand dollars for each qualified security officer, as defined under section 26(b)(4) of the Tax Law, who is directly or indirectly employed to provide protection to the taxpayer's building or buildings for a full year. However, the amount of the credit may be reduced due to the limitation placed on the total amount of all tax credits issued by the State Office of Homeland Security in any calendar year (See L 2005, Ch 537, §9). In the case of a qualified security officer who is employed for less than a full year, the amount of the credit is prorated to reflect the length of such employment pursuant to sections 5-4.2 and 5-4.3 of this Subpart. Sections 5-4.2 and 5-4.3 prescribe the method of proration, which applies for purposes of the security training tax credit against the tax imposed by Article 9-A as well as the taxes imposed by Articles 9, 22, 32 and 33.

Section 5-4.2 Definitions for purposes of the security training tax credit.

- (a) "Full year" means 1,750 qualified hours worked during the calendar year.
- (b) "Qualified hours" means hours worked, directly or indirectly, as a qualified security officer for the qualified building owner.

Section 5-4.3 Prorating the security training tax credit for security officers employed for less than a full year.

- (a) In the case of a qualified security officer who is employed for less than a full year, as such term is defined in subdivision (a) of section 5-4.2 of this Subpart, the amount of the security training tax credit is prorated.
- (b) The prorated amount of the credit for a qualified security officer employed for less than a full year is computed as follows:
  - 1. ascertain the number of qualified hours worked by the qualified security officer during the calendar year (limited to 1,750 hours);
  - 2. divide the number of hours by 1,750; and
  - 3. multiply the result by three thousand dollars.

Section 2. A new Subpart 20-7 is added to such regulations to read as follows:

SUBPART 20-7

SECURITY TRAINING TAX CREDIT

(Statutory authority: Tax Law, §§26, 1456(t) )

Sec.

20-7.1 General

Section 20-7.1 General.

A taxpayer that is a qualified building owner, as defined under section 26(b)(1) of the Tax Law, and that has been issued a certificate of tax credit by the State Office of Homeland Security is allowed to claim a security training tax credit against the tax imposed by article 32 of the Tax Law. The provisions of Subpart 5-4 of this Title addressing the security training tax credit against the tax imposed by article 9-A are applicable to the security training tax credit allowed by section 1456(t) of the Tax Law.

Section 3. A new section 106.3 is added to such regulations to read as follows:

Section 106.3 Security Training Tax Credit. (Tax Law, Sec. 26 and 606(ii))

A taxpayer that is a qualified building owner, as defined under section 26(b)(1) of the Tax Law, and that has been issued a certificate of tax credit by the State Office of Homeland Security is allowed to claim a security training tax credit against the tax imposed by article 22 of the Tax Law. The provisions of Subpart 5-4 of this Title addressing the security training tax credit against the tax imposed by article 9-A are applicable to the security training tax credit allowed by section 606(ii) of the Tax Law.

Dated: Albany, New York  
December 12, 2006

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Barbara G. Billet  
Acting Commissioner and Executive Deputy  
Commissioner of Taxation and Finance