

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

Pursuant to the authority contained in subdivision First of section 171 and subsection (a) of section 697, subdivision (a) of section 1096 of the Tax Law, and Section 4 of Chapter 522 of the Laws of 2006, 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, and the New York State Personal Income Tax Regulations under Article 22 of the Tax Law, as published in Subchapter A of Chapter II of such Title, such amendments to read as follows:

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

SUBPART 5-5

HANDICAPPED-ACCESSIBLE TAXICABS AND LIVERY SERVICE VEHICLES CREDIT

(Statutory authority: Tax Law §210(40))

Sec.

5-5.1 General

5-5.2 Meaning of terms

5-5.3 Computation of the Handicapped-Accessible Taxicabs and Livery Service Vehicles Credit

5-5.4 Limitations and carryover

Section 5-5.1 General.

As provided in section 210.40 of the Tax Law and this Subpart, a taxpayer providing a taxicab or livery service that incurred an 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 such service is allowed to claim a handicapped-accessible taxicabs and livery service vehicle credit against the tax imposed by article 9-A of the Tax Law. Chapter 522 of the Laws of 2006, which added the credit, provided that it would remain in effect until December 31, 2008, at which time it would be deemed to be repealed.

Section 5-5.2 Meaning of terms.

In addition to the terms defined in section 210.40 of the Tax Law, the following terms, as used in this Subpart, have these meanings:

(a) The term “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.

(b) The term “taxicab” shall have the same meaning as such term is defined in section 148-a of the New York State Vehicle and Traffic Law.

(c) The term “livery” shall have the same meaning as such term is defined in section 121-e of the New York State Vehicle and Traffic Law.

(d) The term “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.

Section 5-5.3 Computation of the Handicapped-Accessible Taxicabs and Livery Service Vehicles Credit.

The amount of the credit that a taxpayer is allowed is equal to the incremental cost incurred for each handicapped-accessible vehicle used in providing a taxicab or livery service.

Section 5-5.4 Limitations and carryover.

(a) The credit may not exceed \$10,000 per vehicle and may only be claimed once per vehicle.

(b) The credit and carryover of such credit allowed for any taxable year, in the aggregate, may reduce the tax due to zero.

(c) If the taxpayer has an excess credit after reducing the tax due to zero, the excess may be carried over to the following year or years and may be deducted from the taxpayer's tax for that year or years.

Section 2. A new section 106.5 is added to such regulations to read as follows:

Section 106.5 Handicapped-Accessible Taxicabs and Livery Service Vehicles Credit. (Tax Law § 606(oo))

(a) General. As provided in section 606(oo) of the Tax Law, a taxpayer that provides 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 that incurred an 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 such service is allowed to claim a handicapped-accessible taxicabs and livery service vehicles credit against the tax imposed by article 22 of the Tax Law. The provisions of Subpart 5-5 of this Title addressing the handicapped-accessible taxicabs and livery service vehicles credit against the tax imposed by article 9-A are applicable to the handicapped-accessible taxicabs and livery service vehicles credit allowed by section 606(oo) of the Tax Law.

Dated: Albany, New York
November 13, 2007

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