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AN ACT to amend the tax law in relation to  
the imposition of an Unincorporated  
Business Tax

The People of the State of New York, represented in Senate and Assembly,  
do enact as follows:

1 Section 1. The tax law is amended by adding a new article 24-A, to read as  
2 follows:

3 Article 24-A

4 Unincorporated Business Tax

5 Section

6 860 Definitions

7 861 Imposition and rate of tax

8 862 Unincorporated business credit provisions

9  
10 863 Payment of estimated tax

11 864 Filing of return and payment of tax

12 865 Accounting periods and methods

13 866 Procedural provisions

14  
15 § 860. Definitions. For purposes of this article:

16 (a) Affected partnership. Affected partnership means any partnership as  
17 provided in section 7701(a)(2) of the Internal Revenue Code. An affected  
18 partnership includes any limited liability company treated as a partnership for  
19 federal income tax purposes.

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1 (b) Lower-tier partnership. A lower-tier partnership means any partnership  
2 in which an affected partnership has a direct ownership interest.

3 (c) Unincorporated business tax. Unincorporated business tax means the  
4 total tax imposed by this article without regard to the unincorporated business  
5 credit calculated under subdivision (a) of section eight hundred sixty-two of  
6 this article.

7 (d) Unincorporated business credit. Unincorporated business credit means  
8 the total credit calculated under subdivision (a) of section eight hundred  
9 sixty-two of this article without regard to any limitation imposed by paragraph  
10 (3) of that subdivision.

11 (e) Ownership percentage. Ownership percentage means a fraction, the  
12 numerator of which is the net total of the partner's distributive share of  
13 income, gain, loss and deductions of, and guaranteed payments from, the affected  
14 partnership for such taxable year, and the denominator of which is the sum, for  
15 such taxable year, of the net total distributive shares of income, gain, loss  
16 and deductions of, and guaranteed payments to, all partners in the affected  
17 partnership for whom or which such net total (as separately determined for each  
18 partner) is greater than zero.

19 (f) Unincorporated business net income. Unincorporated business net income  
20 means the sum of (1) **federal ordinary business income**, as described in section  
21 702(a) (8) of the Internal Revenue Code and as applied to the partnership by  
22 section 703 of the Internal Revenue Code, of the affected partnership; and (2)  
23 taxes paid or incurred during the taxable year under this article by the  
24 affected partnership to the extent deducted in computing federal ordinary  
25 income; and (3) guaranteed payments paid by the affected partnership to its  
26 partners as described in section 707(c) of the Internal Revenue Code.

27 (g) Unincorporated business taxable income. Unincorporated business  
28 taxable income of an affected partnership means the sum of (1) the affected  
29 partnership's unincorporated business net income or loss (excluding the affected

The Department welcomes input on the tax base to which the UBT should apply.

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1 partnerships' distributive share of any such amounts from a lower-tier  
2 partnership included in subparagraph (2)), allocated to New York State pursuant  
3 to subdivision (b) of section eight hundred sixty-one of this article; and (2)  
4 any unincorporated business net income of a lower-tier partnership to the extent  
5 it was sourced to New York by such lower-tier partnership pursuant to the  
6 principles of subdivision (b) of section eight hundred sixty-one of this  
7 article.

8 § 861. Imposition and rate of tax.

9 (a) **General**. A tax is hereby imposed for each taxable year on the  
10 unincorporated business taxable income of **every** affected **partnership** doing  
11 business within this state. This tax shall be in addition to any other taxes  
12 imposed and shall be at the **rate of five percent** for each taxable year beginning  
13 on or after January first, two thousand nineteen.

14 (b) Allocation to New York. In determining the amount of unincorporated  
15 business taxable income, the unincorporated business net income or loss of the  
16 affected partnership shall be allocated to this state by multiplying the  
17 unincorporated business net income or loss of the affected partnership by the  
18 average of the following three percentages:

19 (1) Property percentage. The property percentage is computed by dividing  
20 (A) the average of the values, at the beginning and end of the taxable year, of  
21 real and tangible personal property owned and rented by the affected partnership  
22 and located within this state, by (B) the average of the values, at the  
23 beginning and end of the taxable year, of all real and tangible personal  
24 property owned or rented by the affected partnership and located both within and  
25 without New York State.

26 (2) Payroll percentage. The payroll percentage is computed by dividing  
27 (A) the total wages, salaries and other personal service compensation paid or  
28 incurred during the taxable year to employees of the affected partnership, in  
29 connection with the business carried on within this state, by (B) the total of

As alternative, the UBT could be structured as a franchise tax with two or three alternative bases, such as a capital base or a fixed dollar minimum base.

The tax in this discussion draft is imposed on all partnerships doing business in New York. The Department would appreciate feedback on whether the tax should instead be made optional, which would have implications for the structure and administrative complexity of the proposal.

The tax could also exempt smaller partnerships, for example, by exempting unincorporated business taxable income below a specified threshold.

The tax applies only to partnerships. The Department welcomes input on whether to apply the tax to New York S corporations, which would have implications for the structure and calculation of the tax. Consideration might also be given to applying the tax to sole proprietorships and single member limited liability companies that are owned by individuals.

The tax is set at a rate of five percent. The Department would welcome perspectives on whether the rate should be set higher or lower, which would affect the economic impact of the proposal on various taxpayer tranches.

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1 all wages, salaries and other personal service compensation paid or incurred  
2 during the taxable year to employees of the affected partnership in connection  
3 with the business carried on both within and without New York State.

4 (3) Gross income percentage. The gross income percentage is computed by  
5 dividing (A) the gross sales or charges for services performed by or through an  
6 office, branch or agency of the affected partnership located within New York  
7 State, by (B) the total of all gross sales or charges for services performed  
8 within and without New York State. The sales or charges to be allocated to New  
9 York State include all sales negotiated or consummated, and charges for services  
10 performed, by an employee, agent, agency or independent contractor chiefly  
11 situated at, connected by contract or otherwise with, or sent out from, offices,  
12 branches of the affected partnership, or other agencies, situated within New  
13 York State.

14 § 862. Tax credits.

15 (a) Unincorporated business credit. An affected partnership that is a  
16 partner in a lower-tier partnership shall be allowed a credit against the tax  
17 imposed under this article as computed under paragraphs one through three of  
18 this subdivision.

19 (1) Calculation of credit. The unincorporated business credit shall be  
20 calculated by multiplying the affected partnership's ownership percentage of a  
21 lower-tier partnership by the larger of:

22 (A) the unincorporated business tax of the lower-tier partnership; or

23 (B) the unincorporated business credit calculated by the lower-tier  
24 partnership

25 (2) Credit from multiple lower-tier entities. If an affected partnership  
26 has a direct ownership interest in more than one lower-tier partnership, the  
27 unincorporated business credit shall be the sum of the credits calculated under  
28 paragraph one of this subdivision with regard to each lower-tier partnership in  
29 which the affected partnership has a direct ownership interest.

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1 (3) Limitation on credit. If the unincorporated business credit calculated  
2 under this subdivision for any taxable year exceeds the amount of tax due under  
3 this article for such year, such credit shall be used to reduce the tax due to  
4 zero and any excess shall not be carried forward.

5 (b) Personal income tax credit. A taxpayer subject to tax under article  
6 twenty-two of this chapter that is a partner in an affected partnership subject  
7 to tax under this article shall be allowed a credit against the tax imposed  
8 under article twenty-two of this chapter, computed pursuant to the provisions of  
9 subsection (bbbb) of section six hundred-six of this chapter.

10 (c) Corporation franchise tax credit. A taxpayer subject to tax under  
11 article nine-A of this chapter that is a corporate partner in an affected  
12 partnership subject to tax under this article shall be allowed a credit against  
13 the tax imposed under article nine-A of this chapter, computed pursuant to the  
14 provisions of subdivision fifty-three of section two hundred ten-B of this  
15 chapter.

16 § 863. Payment of estimated tax.

17 (a) Definition of estimated tax. Estimated tax means the amount that an  
18 affected partnership estimates to be the tax imposed by section eight hundred  
19 sixty-one of this article for the current taxable year, less the amount that it  
20 estimates to be the sum of any credits allowable against the tax.

21 (b) General. The estimated tax shall be paid as follows for an affected  
22 partnership that reports on a calendar year basis:

23 (1) If such estimated tax can reasonably be expected to exceed one  
24 thousand dollars on or before March fifteenth of the taxable year, the estimated  
25 tax shall be paid in four equal installments on March fifteenth, June fifteenth,  
26 September fifteenth and December fifteenth.

27 (2) If such estimated tax can reasonably be expected to exceed one  
28 thousand dollars after March fifteenth and not after June fifteenth of the

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1 taxable year, the estimated tax shall be paid in three equal installments on  
2 June fifteenth, September fifteenth and December fifteenth.

3 (3) If such estimated tax can reasonably be expected to exceed one  
4 thousand dollars after June fifteenth and not after September fifteenth of the  
5 taxable year, the estimated tax shall be paid in two equal installments on  
6 September fifteenth and December fifteenth.

7 (4) If such estimated tax can reasonably be expected to exceed one  
8 thousand dollars after September fifteenth of the taxable year, the estimated  
9 tax shall be paid on December fifteenth.

10 (c) Application to short taxable year. This section shall apply to a  
11 taxable year of less than twelve months in accordance with procedures  
12 established by the commissioner.

13 (d) Fiscal year. This section shall apply to a taxable year other than a  
14 calendar year by the substitution of the months of such fiscal year for the  
15 corresponding months specified in this section.

16 (e) Installments paid in advance. An affected partnership may elect to pay  
17 any installment of its estimated tax prior to the date prescribed for the  
18 payment thereof.

19 § 864. Filing of return and payment of tax.

20 (a) General. On or before the fifteenth day of the third month following  
21 the close of the taxable year, each affected partnership required to file a  
22 return under paragraph one of subdivision (c) of section six hundred fifty-eight  
23 of this chapter, shall also be required to report the information required under  
24 this article on such return.

25 (b) Information on return. Each affected partnership shall report any tax  
26 due under this article on the face of such return and such other pertinent  
27 information as the commissioner may by regulations and instructions prescribe.  
28 The balance of any tax shown on the face of such return, not previously paid as  
29 installments of estimated tax, shall be paid with such return.

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1 (c) Information provided to partners. Each affected partnership subject to  
2 tax under this article shall report to each partner its distributive share of:

3 (1) the unincorporated business net income of the affected partnership;

4 (2) the unincorporated business taxable income of the affected  
5 partnership;

6 (3) the unincorporated business tax imposed on the affected partnership;  
7 and

8 (4) the total unincorporated business credit calculated by the affected  
9 partnership under subdivision (a) of section eight hundred sixty-two of this  
10 article, before application of the limitation on such credit under paragraph (3)  
11 of such subdivision.

12 § 865. Accounting periods and methods.

13 (a) Accounting periods. An affected partnership's taxable year under this  
14 article shall be the same as the affected partnership's taxable year for federal  
15 income tax purposes.

16 (b) Accounting methods. An affected partnership's method of accounting  
17 under this article shall be the same as the affected partnership's method of  
18 accounting for federal income tax purposes.

19 (c) Change of accounting period or method.

20 (1) If an affected partnership's taxable year or method of accounting is  
21 changed for federal income tax purposes, the taxable year or method of  
22 accounting for purposes of this article shall be similarly changed.

23 (2) If an affected partnership's method of accounting is changed, any  
24 additional tax that results from adjustments determined to be necessary solely  
25 by reason of such change shall not be greater than if such adjustments were  
26 ratably allocated and included for the taxable year of the change and the  
27 preceding taxable years, not in excess of two, during which the affected  
28 partnership used the method of accounting from which the change is made.

29 § 866. Procedural provisions.

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1 (a) General. All provisions of article twenty-two of this chapter will  
2 apply to the provisions of this article in the same manner and with the same  
3 force and effect as if the language of article twenty-two of this chapter had  
4 been incorporated in full into this article and had been specifically adjusted  
5 for and expressly referred to the tax imposed by this article, except to the  
6 extent that any provision is either inconsistent with a provision of this  
7 article or is not relevant to this article.

8 (b) Liability for tax. Only the affected partnership shall be liable for  
9 the tax under this article, and no partner shall be personally liable for such  
10 tax.

11 (c) Deposit and disposition of revenue. All taxes, interest, penalties,  
12 and fees collected or received by the commissioner under this article shall be  
13 deposited and disposed of pursuant to the provisions of section one hundred  
14 seventy-one-a of this chapter.

15 (d) Secrecy provision. All the provisions of subsection (a) of section six  
16 hundred ninety-seven of this chapter will be applied to the provisions of this  
17 article. Notwithstanding any provisions of this chapter to the contrary, the  
18 commissioner may disclose information and returns regarding the calculation and  
19 payment of the tax imposed by this article and any credit calculated on taxes  
20 paid directly or indirectly under this article to an affected partnership, its  
21 lower-tiered entity or entities and to any taxpayer under article nine-A or  
22 twenty-two of this chapter that owns, in whole or in part, directly or  
23 indirectly, such affected partnership.

24 § 2. Section 606 of the tax law is amended by adding new subsection (bbbb)  
25 to read as follows:

26 (bbbb) Credit for unincorporated business tax for partners.

27 (1) A taxpayer partner of an affected partnership subject to tax under  
28 article twenty-four-A of this chapter shall be entitled to a credit against the  
29 tax imposed by this article as provided in this subsection. For purposes of



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1 this subsection, the terms "affected partnership," "ownership percentage",  
2 "unincorporated business tax," and "unincorporated business credit" shall have  
3 the same meanings as under article twenty-four-A of this chapter.

4 (2) The credit shall be equal to the product of:

5 (i) the taxpayer's ownership percentage of the affected partnership;

6 (ii) ninety-three percent;

7 (iii) and the greater of:

8 (A) the unincorporated business tax of the affected partnership; or

9 (B) the unincorporated business credit of the affected partnership.

10 (3) If a taxpayer has a direct ownership of a partnership interest in  
11 multiple affected partnerships subject to tax under article twenty-four-A of  
12 this chapter, the taxpayer's credit shall be the sum of such credits calculated  
13 under paragraph two of this subsection with regard to each partnership in which  
14 the taxpayer has a direct ownership interest.

15 (4) If the amount of the credit allowable under this subsection for any  
16 taxable year shall exceed the taxpayer's tax for such year, the excess allowed  
17 for the taxable year may be carried over to the following year or years and may  
18 be deducted from the taxpayer's tax for such year or years.

19 § 3. Subparagraph (B) of paragraph (1) of subsection (i) of section 606 of  
20 the tax law is amended by adding a new clause (xliv) to read as follows:

21 (xliv) <u>Credit for unincorporated business</u>	<u>Amount of credit under</u>
22 <u>tax for partners under subsection (bbbb)</u>	<u>subdivision fifty-three of</u>
	23 <u>section two hundred ten-B</u>

24 § 4. Section 210-B of the tax law is amended by adding a new subdivision  
25 (53) to read as follows:

26 53. Credit for unincorporated business tax for partners.

27 (a) A corporate partner of an affected partnership subject to tax under  
28 article twenty-four-A of this chapter shall be entitled to a credit against the  
29 tax imposed by this article as provided in this subdivision. For purposes of

This discount factor is designed to ensure revenue neutrality for the State. Instead of using a fixed discount percentage, consideration could be given to adjusting the discount factor based on each individual payer's effective tax rate. The Department would welcome comment on the appropriate approach.

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1 this subdivision, the terms "affected partnership," "ownership percentage",  
2 "unincorporated business tax," and "unincorporated business credit" shall have  
3 the same meanings as under article twenty-four-A of this chapter.

4 (b) The credit shall be equal to the product of:

5 (i) the taxpayer's ownership percentage of the affected partnership;

6 (ii) ninety-three percent; and

7 (iii) the greater of:

8 (A) the unincorporated business tax of the affected partnership; or

9 (B) the unincorporated business credit of the affected partnership.

10 (c) If a corporation has a direct ownership interest in multiple affected  
11 partnerships subject to tax under article twenty-four-A of this chapter, the  
12 corporation's credit under this subdivision shall be the sum of such credits  
13 calculated under paragraph two of this subdivision with regard to each  
14 partnership in which the corporation has a direct ownership interest.

15 (d) The credit allowed under this subdivision for any taxable year will  
16 not reduce the tax for such year to less than the amount prescribed in paragraph  
17 (d) of subdivision one of section two hundred ten of this article. However, if  
18 the amount of credit allowed under this subdivision for any taxable year reduces  
19 the tax to such amount or if the taxpayer otherwise pays tax based on the fixed  
20 dollar minimum amount, any amount of credit thus not deductible in such taxable  
21 year may be carried over to the following year or years and may be deducted from  
22 the taxpayer's tax for such year or years.

23 § 5. Subdivision 1 of section 171-a of the tax law, as amended by section  
24 15 of part AAA of chapter 59 of the laws of 2017, is amended to read as follows:

25 (1) All taxes, interest, penalties and fees collected or received by the  
26 commissioner or the commissioner's duly authorized agent under articles nine  
27 (except section one hundred eighty-two-a thereof and except as otherwise  
28 provided in section two hundred five thereof), nine-A, twelve-A (except as  
29 otherwise provided in section two hundred eighty-four-d thereof), thirteen,

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1 thirteen-A (except as otherwise provided in section three hundred twelve  
2 thereof), eighteen, nineteen, twenty (except as otherwise provided in section  
3 four hundred eighty-two thereof), twenty-B, twenty-one, twenty-two, ~~twenty-four-~~  
4 A, twenty-six, twenty-eight (except as otherwise provided in section eleven  
5 hundred two or eleven hundred three thereof), twenty-eight-A, twenty-nine-B,  
6 thirty-one (except as otherwise provided in section fourteen hundred twenty-one  
7 thereof), thirty-three and thirty-three-A of this chapter shall be deposited  
8 daily in one account with such responsible banks, banking houses or trust  
9 companies as may be designated by the comptroller, to the credit of the  
10 comptroller. Such an account may be established in one or more of such  
11 depositories. Such deposits shall be kept separate and apart from all other  
12 money in the possession of the comptroller. The comptroller shall require  
13 adequate security from all such depositories. Of the total revenue collected or  
14 received under such articles of this chapter, the comptroller shall retain in  
15 the comptroller's hands such amount as the commissioner may determine to be  
16 necessary for refunds or reimbursements under such articles of this chapter out  
17 of which amount the comptroller shall pay any refunds or reimbursements to which  
18 taxpayers shall be entitled under the provisions of such articles of this  
19 chapter. The commissioner and the comptroller shall maintain a system of  
20 accounts showing the amount of revenue collected or received from each of the  
21 taxes imposed by such articles. The comptroller, after reserving the amount to  
22 pay such refunds or reimbursements, shall, on or before the tenth day of each  
23 month, pay into the state treasury to the credit of the general fund all revenue  
24 deposited under this section during the preceding calendar month and remaining  
25 to the comptroller's credit on the last day of such preceding month, (i) except  
26 that the comptroller shall pay to the state department of social services that  
27 amount of overpayments of tax imposed by article twenty-two of this chapter and  
28 the interest on such amount which is certified to the comptroller by the  
29 commissioner as the amount to be credited against past-due support pursuant to

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1 subdivision six of section one hundred seventy-one-c of this article, (ii) and  
2 except that the comptroller shall pay to the New York state higher education  
3 services corporation and the state university of New York or the city university  
4 of New York respectively that amount of overpayments of tax imposed by article  
5 twenty-two of this chapter and the interest on such amount which is certified to  
6 the comptroller by the commissioner as the amount to be credited against the  
7 amount of defaults in repayment of guaranteed student loans and state university  
8 loans or city university loans pursuant to subdivision five of section one  
9 hundred seventy-one-d and subdivision six of section one hundred seventy-one-e  
10 of this article, (iii) and except further that, notwithstanding any law, the  
11 comptroller shall credit to the revenue arrearage account, pursuant to section  
12 ninety-one-a of the state finance law, that amount of overpayment of tax imposed  
13 by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three  
14 of this chapter, and any interest thereon, which is certified to the comptroller  
15 by the commissioner as the amount to be credited against a past-due legally  
16 enforceable debt owed to a state agency pursuant to paragraph (a) of subdivision  
17 six of section one hundred seventy-one-f of this article, provided, however, he  
18 shall credit to the special offset fiduciary account, pursuant to section  
19 ninety-one-c of the state finance law, any such amount creditable as a liability  
20 as set forth in paragraph (b) of subdivision six of section one hundred seventy-  
21 one-f of this article, (iv) and except further that the comptroller shall pay to  
22 the city of New York that amount of overpayment of tax imposed by article nine,  
23 nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter  
24 and any interest thereon that is certified to the comptroller by the  
25 commissioner as the amount to be credited against city of New York tax warrant  
26 judgment debt pursuant to section one hundred seventy-one-l of this article, (v)  
27 and except further that the comptroller shall pay to a non-obligated spouse that  
28 amount of overpayment of tax imposed by article twenty-two of this chapter and  
29 the interest on such amount which has been credited pursuant to section one

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1 hundred seventy-one-c, one hundred seventy-one-d, one hundred seventy-one-e, one  
2 hundred seventy-one-f or one hundred seventy-one-l of this article and which is  
3 certified to the comptroller by the commissioner as the amount due such non-  
4 obligated spouse pursuant to paragraph six of subsection (b) of section six  
5 hundred fifty-one of this chapter; and (vi) the comptroller shall deduct a like  
6 amount which the comptroller shall pay into the treasury to the credit of the  
7 general fund from amounts subsequently payable to the department of social  
8 services, the state university of New York, the city university of New York, or  
9 the higher education services corporation, or the revenue arrearage account or  
10 special offset fiduciary account pursuant to section ninety-one-a or ninety-one-  
11 c of the state finance law, as the case may be, whichever had been credited the  
12 amount originally withheld from such overpayment, and (vii) with respect to  
13 amounts originally withheld from such overpayment pursuant to section one  
14 hundred seventy-one-l of this article and paid to the city of New York, the  
15 comptroller shall collect a like amount from the city of New York.

16 § 6. Subdivision 1 of section 171-a of the tax law, as amended by section  
17 16 of part AAA of chapter 59 of the laws of 2017, is amended to read as follows:

18 (1) All taxes, interest, penalties and fees collected or received by the  
19 commissioner or the commissioner's duly authorized agent under articles nine  
20 (except section one hundred eighty-two-a thereof and except as otherwise  
21 provided in section two hundred five thereof), nine-A, twelve-A (except as  
22 otherwise provided in section two hundred eighty-four-d thereof), thirteen,  
23 thirteen-A (except as otherwise provided in section three hundred twelve  
24 thereof), eighteen, nineteen, twenty (except as otherwise provided in section  
25 four hundred eighty-two thereof), twenty-one, twenty-two, twenty-four-A, twenty-  
26 six, twenty-eight (except as otherwise provided in section eleven hundred two or  
27 eleven hundred three thereof), twenty-eight-A, twenty-nine-B, thirty-one (except  
28 as otherwise provided in section fourteen hundred twenty-one thereof), thirty-  
29 three and thirty-three-A of this chapter shall be deposited daily in one account

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1 with such responsible banks, banking houses or trust companies as may be  
2 designated by the comptroller, to the credit of the comptroller. Such an account  
3 may be established in one or more of such depositories. Such deposits shall be  
4 kept separate and apart from all other money in the possession of the  
5 comptroller. The comptroller shall require adequate security from all such  
6 depositories. Of the total revenue collected or received under such articles of  
7 this chapter, the comptroller shall retain in the comptroller's hands such  
8 amount as the commissioner may determine to be necessary for refunds or  
9 reimbursements under such articles of this chapter out of which amount the  
10 comptroller shall pay any refunds or reimbursements to which taxpayers shall be  
11 entitled under the provisions of such articles of this chapter. The commissioner  
12 and the comptroller shall maintain a system of accounts showing the amount of  
13 revenue collected or received from each of the taxes imposed by such articles.  
14 The comptroller, after reserving the amount to pay such refunds or  
15 reimbursements, shall, on or before the tenth day of each month, pay into the  
16 state treasury to the credit of the general fund all revenue deposited under  
17 this section during the preceding calendar month and remaining to the  
18 comptroller's credit on the last day of such preceding month, (i) except that  
19 the comptroller shall pay to the state department of social services that amount  
20 of overpayments of tax imposed by article twenty-two of this chapter and the  
21 interest on such amount which is certified to the comptroller by the  
22 commissioner as the amount to be credited against past-due support pursuant to  
23 subdivision six of section one hundred seventy-one-c of this article, (ii) and  
24 except that the comptroller shall pay to the New York state higher education  
25 services corporation and the state university of New York or the city university  
26 of New York respectively that amount of overpayments of tax imposed by article  
27 twenty-two of this chapter and the interest on such amount which is certified to  
28 the comptroller by the commissioner as the amount to be credited against the  
29 amount of defaults in repayment of guaranteed student loans and state university

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1 loans or city university loans pursuant to subdivision five of section one  
2 hundred seventy-one-d and subdivision six of section one hundred seventy-one-e  
3 of this article, (iii) and except further that, notwithstanding any law, the  
4 comptroller shall credit to the revenue arrearage account, pursuant to section  
5 ninety-one-a of the state finance law, that amount of overpayment of tax imposed  
6 by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three  
7 of this chapter, and any interest thereon, which is certified to the comptroller  
8 by the commissioner as the amount to be credited against a past-due legally  
9 enforceable debt owed to a state agency pursuant to paragraph (a) of subdivision  
10 six of section one hundred seventy-one-f of this article, provided, however, he  
11 shall credit to the special offset fiduciary account, pursuant to section  
12 ninety-one-c of the state finance law, any such amount creditable as a liability  
13 as set forth in paragraph (b) of subdivision six of section one hundred seventy-  
14 one-f of this article, (iv) and except further that the comptroller shall pay to  
15 the city of New York that amount of overpayment of tax imposed by article nine,  
16 nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter  
17 and any interest thereon that is certified to the comptroller by the  
18 commissioner as the amount to be credited against city of New York tax warrant  
19 judgment debt pursuant to section one hundred seventy-one-l of this article, (v)  
20 and except further that the comptroller shall pay to a non-obligated spouse that  
21 amount of overpayment of tax imposed by article twenty-two of this chapter and  
22 the interest on such amount which has been credited pursuant to section one  
23 hundred seventy-one-c, one hundred seventy-one-d, one hundred seventy-one-e, one  
24 hundred seventy-one-f or one hundred seventy-one-l of this article and which is  
25 certified to the comptroller by the commissioner as the amount due such non-  
26 obligated spouse pursuant to paragraph six of subsection (b) of section six  
27 hundred fifty-one of this chapter; and (vi) the comptroller shall deduct a like  
28 amount which the comptroller shall pay into the treasury to the credit of the  
29 general fund from amounts subsequently payable to the department of social

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1 services, the state university of New York, the city university of New York, or  
2 the higher education services corporation, or the revenue arrearage account or  
3 special offset fiduciary account pursuant to section ninety-one-a or ninety-one-  
4 c of the state finance law, as the case may be, whichever had been credited the  
5 amount originally withheld from such overpayment, and (vii) with respect to  
6 amounts originally withheld from such overpayment pursuant to section one  
7 hundred seventy-one-1 of this article and paid to the city of New York, the  
8 comptroller shall collect a like amount from the city of New York.

9 § 7. This act shall take effect for taxable years beginning on or after  
10 January first, two thousand nineteen; provided however that the amendments to  
11 subdivision 1 of section 171-a of the tax law made by section five of this act  
12 shall not affect the expiration of such subdivision and shall expire therewith,  
13 when upon such date as the provisions of section six of this act shall take  
14 effect.