

1978 Legislation

Eligible Business Facility Tax Credit and Investment Tax Credit Changes

Chapter 790 of the Laws of 1978 amended the provisions for the eligible business facility tax credit for insurance corporations to conform with the provisions for the eligible business facility tax credit for banking corporations (Article 32, Section 1456(b)) and for business corporations (Article 9-A, Section 210.11).

Section 1511(d)(2)(A) of Article 33 of the Tax Law was amended to exclude the phrase "at the beginning and end of the taxable year" from the following:

(A) ascertaining the percentage which the total of eligible property values during the taxable year, as defined in paragraph four of this subdivision and as certified by the New York State job incentive board, bears to the average value, at the beginning and end of the taxable year, of all real and tangible personal property connected with the insurance corporation and located within the state, during such year. (Underlined emphasis added to highlight words eliminated.)

Section 1511(d)(2)(B) of Article 33 was amended to provide for an exception for general executive officers as follows:

(B) ascertaining the percentage which the total wages, salaries and other personal service compensation during the taxable year to employees, except general executive officers, serving in jobs created or retained in an eligible area by such business facility, as certified by the New York State job incentive board, bears to the total wages, salaries and other personal service compensation during such taxable year of such insurance corporation's employees within the state, except general executive officers. (Underlined emphasis added to highlight words added.)

THE ABOVE TWO CHANGES WERE MADE RETROACTIVE AND APPLY TO TAXABLE YEARS COMMENCING AFTER DECEMBER 31, 1977.

Chapter 790 also removes the expiration date for the eligible business facility tax credit for insurance corporations. This change should be cross-referenced to TSB-M-78(14)C, page 2, which indicates an expiration date of December 31, 1980.

In addition, this act amends Section 210.12(f) of Article 9-A of the Tax Law to allow air or water pollution control process facilities to qualify for the investment tax credit. This amendment applies to all taxable periods beginning on or after January 1, 1978.