

INVESTMENT TAX CREDIT

In a recent decision the New York State Tax Commission allowed the Investment Tax Credit provided for in Sections 606(a) and 701(d) of the New York Tax Law to a Custom Farmer for farm machinery which was purchased and utilized to provide a variety of services to farmers such as the plowing and planting of their fields (see TSB-H-80-(48)-I).

Accordingly, the Investment Tax Credit will be allowed for equipment purchased and principally utilized by a business in providing a service to another business if the purchase of the equipment by the other business would have qualified for the credit.

This allowance of credit does not change our policy which prohibits the allowance of credit to a taxpayer leasing property to any other person or corporation.