

2008-09 Executive Budget
21-Day AMENDMENTS
February 12, 2008

**Amendments to Senate 6810; Assembly 9810
(Revenue Article VII Bill)**

Part C, relating to taxing flavored malt beverages at the lower liquor rate is amended to:

- Clarify the application of the tax when measured in fractions of liters.

Part G, relating to requiring a tax stamp on illegal drugs is amended to:

- Make technical corrections.

Part H, relating to the consolidation and reforming of the state and local taxes on automotive and non-automotive fuels is amended to:

- Make technical corrections regarding local excise taxes.
- Make a technical change regarding a partial reimbursement for automotive fuel used by taxicabs and omnibuses and a full reimbursement for fuel used by the United Nations.
- Make a technical correction to the indexing effective date.
- Amend the reimbursement language to include nonresidential heating.
- Move the motor fuel deposit and distribution methods from the Tax Law to the Vehicle and Traffic Law.

Part S, relating to a maintenance fee on foreign corporations, the limited liability company filing fees, partnership fees, and the fixed dollar minimum tax; and to repeal certain provisions of such law relating thereto is amended to:

- Change the effective date regarding the repeal of Article 9 fees under section 180 and section 181.1 to January 1, 2009.

Part T, relating to requiring nonresidents to include the gain or loss from the sale of a partnership, limited liability corporation, S corporation or a non-publicly traded C corporation, with one hundred or fewer shareholders, to the extent that the gain or loss includes gain or loss from real property located in New York is amended to:

- Include "exchanges" as well as sales in the calculation of gains or losses.

Part U, relating to the taxation of captive real estate investment trusts and captive regulated investment companies is amended to:

- Clarify that captive REIT and RICs are not subject to tax under Article 9-A if they are required to combine under Article 33.
- Move language to eliminate ambiguity and correct erroneous references.

Part W, relating to the empire state film production credit is amended to:

- Clarify that the amendments to the tax credit apply prospectively.

Part Z, relating to enactment of the tax enforcement and compliance initiatives is amended to:

- Make technical changes to avoid imposing double penalties on tax preparers.
- Add references to Tax Law Articles 32 and 33 for the purpose of making adjustments to Federal taxable income.
- Clarify language in the tobacco enforcement provisions.
- Clarify which tax preparers' penalties apply before and after enactment.