

DRAFT LBDC

A BUDGET BILL submitted by the Governor
in accordance with Article VII of the Constitution

AN ACT to amend the tax law, in relation to updating the farming exemption in the highway use tax to reflect current industry practice

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

1 Section 1. Subdivision 3 of section 504 of the tax law, as amended by
2 chapter 194 of the laws of 1963, is amended to read as follows:

3 3. [Owned and operated] (a) Operated by a farmer or by a person that
4 bears the relationship to such farmer described in paragraph (b) of this
5 subdivision and used exclusively by such farmer or such person in trans-
6 porting [his] such farmer's own agricultural commodities and products,
7 pulpwood or livestock, including the packed, processed, or manufactured
8 products thereof, that were originally grown or raised on [his] such
9 farmer's farm, lands or orchard, or when used to transport supplies and
10 equipment to [his] such farmer's farm or orchard that are consumed and
11 used thereon or when operated by [a] such farmer or such person in
12 transporting farm products from a farm contiguous to [his own] such
13 farmer's farm.

14 (b) The relationship to such farmer as referenced in paragraph (a) of
15 this subdivision, shall include:

16 (i) members of a family, including spouses, ancestors, lineal descend-
17 ants, brothers and sisters (whether by the whole or half blood), and
18 entities related to such a family member as described in subparagraphs
19 (ii) through (iv) of this paragraph;

1 (ii) a shareholder and a corporation more than fifty percent of the
2 value of the outstanding stock of which is owned or controlled directly
3 or indirectly by such shareholder;

4 (iii) a partner and a partnership more than fifty percent of the capi-
5 tal or profits interest in which is owned or controlled directly or
6 indirectly by such partner;

7 (iv) a beneficiary and a trust more than fifty percent of the benefi-
8 cial interest in which is owned or controlled directly or indirectly by
9 such beneficiary;

10 (v) two or more corporations, partnerships, associations, or trusts,
11 or any combination thereof, which are owned or controlled, either
12 directly or indirectly, by the same person, corporation or other entity,
13 or interests; and

14 (vi) a grantor of a trust and such trust.

15 § 2. This act shall take effect on the first day of the first month
16 next occurring 60 days after this act shall have become a law.