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 indus-
try practice.

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

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

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

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

(i) members of a family, including spouses, ancestors, lineal descend-
ants, brothers and sisters (whether by the whole or half blood), and
entities related to such a family member as described in subparagraphs
(ii) through (iv) of this paragraph:
(ii) a shareholder and a corporation more than fifty percent of the value of the outstanding stock of which is owned or controlled directly or indirectly by such shareholder;

(iii) a partner and a partnership more than fifty percent of the capital or profits interest in which is owned or controlled directly or indirectly by such partner;

(iv) a beneficiary and a trust more than fifty percent of the beneficial interest in which is owned or controlled directly or indirectly by such beneficiary;

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

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

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