



MEMO OF SUPPORT

[S2557 \(Hoylman-Sigal\) / A1464 \(Carroll\)](#)

Ends luxury yacht tax break

March 20, 2024

TITLE OF BILL

An act to repeal subdivision (jj) of section 1115 of the tax law relating to sales and compensating use taxes imposed with respect to vessels; and to repeal subdivision 13 of section 1118 of the tax law relating to sales and compensating use taxes imposed with respect to vessels.

SUMMARY OF PROVISIONS

Section 1 repeals Tax Law §1115(jj), which provides a tax exemption for the portion of watercraft purchases over \$230,000. Section 2 repeals Tax Law §1118(13), which exempts watercraft purchases from compensating sales use tax.

Section 2 provides that the bill takes effect on June 1, 2023 (pending amendment).

STATEMENT OF SUPPORT

Reinvent Albany supports this legislation because anyone who can afford a luxury yacht does not need a tax break.

In 2015, the state passed one of its most obscene handouts to the wealthy in recent history, providing that only the portion of a yacht purchase under \$230,000 would be taxed. This means that someone could buy a [\\$3 million Fairline 68 Squadron](#) and [save over \\$220,000](#).

The richest New Yorkers do not need tax breaks for their luxury yachts. It is repugnant that a tax break like this exists in a state with [the worst inequality in the country](#). We urge the Legislature to pass this bill, and the Governor to sign it.