S T A T E  O F  N E W  Y O R K

7439--A

I N  S E N A T E

May 16, 2012

Introduced by Sen. BALL -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to establishing business franchise and personal income tax credits for employers which employ combat veterans

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 210 of the tax law is amended by adding a new subdivision 45 to read as follows:

45. CREDIT FOR EMPLOYMENT OF COMBAT VETERANS. (A) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN THIS SUBDIVISION, AGAINST THE TAX IMPOSED BY THIS ARTICLE, FOR EMPLOYING WITHIN THE STATE A COMBAT VETERAN.

(B) COMBAT VETERAN. A COMBAT VETERAN IS A PERSON WHO SERVED IN THE ARMED SERVICES OF THE UNITED STATES WITHIN TWO YEARS OF COMMENCING EMPLOYMENT BY THE TAXPAYER, WHO SERVED IN A COMBAT ZONE AS DESIGNATED BY THE PRESIDENT OF THE UNITED STATES BY EXECUTIVE ORDER, AND WHO HAS BEEN HONORABLY DISCHARGED OR RELEASED UNDER HONORABLE CIRCUMSTANCES FROM SUCH SERVICE OR FURLOUGHED TO THE RESERVE.

(C) AMOUNT OF CREDIT. THE AMOUNT OF CREDIT SHALL BE SIX THOUSAND DOLLARS FOR EACH COMBAT VETERAN EMPLOYED BY THE TAXPAYER DURING THE TAXABLE YEAR ON A FULL-TIME BASIS OF THIRTY-FIVE HOURS OR MORE OF WORK PER WEEK. THE CREDIT PROVIDED BY THE SUBDIVISION MAY ONLY BE CLAIMED, WITH REGARD TO ANY COMBAT VETERAN, DURING THE FIRST TWO TAX YEARS OF SUCH VETERANS' EMPLOYMENT BY THE TAXPAYER.

(D) CARRYOVER. THE CREDIT ALLOWED PURSUANT TO THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE AMOUNT PRESCRIBED IN PARAGRAPH (D) OF SUBDIVISION ONE OF THIS SECTION. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWABLE UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED OVER TO THE FOLLOWING

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD15869-02-2

YEAR OR YEARS, AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 2. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xxxiv) to read as follows:

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|---|---|
| (XXXIV) CREDIT FOR EMPLOYMENT OF COMBAT VETERANS UNDER SUBSECTION (UU) | AMOUNT OF CREDIT FOR EMPLOYMENT OF COMBAT VETERANS UNDER SUBDIVISION FORTY-FIVE OF SECTION TWO HUNDRED TEN |

S 3. Section 606 of the tax law is amended by adding a new subsection (uu) to read as follows:

(UU) CREDIT FOR EMPLOYMENT OF COMBAT VETERANS. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN THIS SUBSECTION, AGAINST THE TAX IMPOSED BY THIS ARTICLE, FOR EMPLOYING WITHIN THE STATE A COMBAT VETERAN.

(2) COMBAT VETERAN. A COMBAT VETERAN IS A PERSON WHO SERVED IN THE ARMED SERVICES OF THE UNITED STATES WITHIN TWO YEARS OF COMMENCING EMPLOYMENT BY THE TAXPAYER, WHO SERVED IN A COMBAT ZONE AS DESIGNATED BY THE PRESIDENT OF THE UNITED STATES BY EXECUTIVE ORDER, AND WHO HAS BEEN HONORABLY DISCHARGED OR RELEASED UNDER HONORABLE CIRCUMSTANCES FROM SUCH SERVICE OR FURLOUGHED TO THE RESERVE.

(3) AMOUNT OF CREDIT. THE AMOUNT OF CREDIT SHALL BE SIX THOUSAND DOLLARS FOR EACH COMBAT VETERAN EMPLOYED BY THE TAXPAYER DURING THE TAXABLE YEAR ON A FULL-TIME BASIS OF THIRTY-FIVE HOURS OR MORE OF WORK PER WEEK. THE CREDIT PROVIDED BY THIS SUBSECTION MAY ONLY BE CLAIMED, WITH REGARD TO ANY COMBAT VETERAN, DURING THE FIRST TWO TAXABLE YEARS OF SUCH VETERAN'S EMPLOYMENT BY THE TAXPAYER.

(4) CARRYOVER. THE CREDIT ALLOWED PURSUANT TO THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE AMOUNT PRESCRIBED IN PARAGRAPH FIVE OF SUBSECTION (O) OF THIS SECTION. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWABLE UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS, AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 4. This act shall take effect immediately and shall apply to taxable years commencing on or after January 1, 2012.