



thousand dollars for each such student, FOR TAXABLE YEARS BEGINNING IN OR AFTER TWO THOUSAND THIRTEEN, FOURTEEN THOUSAND SIXTY DOLLARS FOR EACH SUCH STUDENT;

S 2. Paragraph 4 of subsection (t) of section 606 of the tax law, as added by section 1 of part DD of chapter 63 of the laws of 2000, is amended to read as follows:

(4) Amount of credit. [If allowable college tuition expenses are less than five thousand dollars, the amount of the credit provided under this subsection shall be equal to the applicable percentage of the lesser of allowable college tuition expenses or two hundred dollars. If allowable college tuition expenses are five thousand dollars or more, the amount of the credit provided under this subsection shall be equal to the applicable percentage of the allowable college tuition expenses multiplied by four percent.] THE AMOUNT OF THE CREDIT SHALL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING SCHEDULES:

(A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND AND BEFORE TWO THOUSAND THIRTEEN:

IF ALLOWABLE COLLEGE TUITION  
EXPENSES ARE:  
LESS THAN FIVE THOUSAND DOLLARS

THE TAX CREDIT IS EQUAL TO:  
THE APPLICABLE PERCENTAGE OF THE  
LESSER OF ALLOWABLE COLLEGE  
TUITION EXPENSES OR TWO HUNDRED  
DOLLARS  
THE APPLICABLE PERCENTAGE  
OF ALLOWABLE COLLEGE TUITION  
EXPENSES MULTIPLIED BY FOUR PERCENT

FIVE THOUSAND DOLLARS OR MORE

(B) FOR TAXABLE YEARS BEGINNING IN OR AFTER TWO THOUSAND THIRTEEN:  
IF ALLOWABLE COLLEGE TUITION

EXPENSES ARE:  
LESS THAN SEVEN THOUSAND THIRTY  
DOLLARS

THE TAX CREDIT IS EQUAL TO:  
THE LESSER OF ALLOWABLE COLLEGE  
TUITION EXPENSES OR TWO HUNDRED  
EIGHTY DOLLARS  
THE ALLOWABLE COLLEGE TUITION  
EXPENSES MULTIPLIED BY FOUR PERCENT

SEVEN THOUSAND THIRTY DOLLARS  
OR MORE

Such applicable percentage shall be twenty-five percent for taxable years beginning in two thousand one, fifty percent for taxable years beginning in two thousand two, seventy-five percent for taxable years beginning in two thousand three and one hundred percent for taxable years beginning after two thousand three.

S 3. Subsection (t) of section 606 of the tax law is amended by adding a new paragraph 4-a to read as follows:

(4-A) INFLATION ADJUSTMENT. (A) FOR TAXABLE YEARS BEGINNING IN OR AFTER TWO THOUSAND FOURTEEN, THE DOLLAR AMOUNTS IN SUBPARAGRAPH (A) OF PARAGRAPH TWO AND PARAGRAPH FOUR OF THIS SUBSECTION SHALL BE MULTIPLIED BY ONE PLUS THE INFLATION ADJUSTMENT.

(B) THE INFLATION ADJUSTMENT FOR ANY TAX YEAR SHALL BE THE PERCENTAGE, IF ANY, BY WHICH THE HIGHER EDUCATION PRICE INDEX FOR THE ACADEMIC FISCAL YEAR ENDING IN THE IMMEDIATELY PRECEDING TAX YEAR EXCEEDS THE HIGHER EDUCATION PRICE INDEX FOR THE ACADEMIC FISCAL YEAR ENDING JUNE TWO THOUSAND THIRTEEN. FOR THE PURPOSES OF THIS PARAGRAPH, THE HIGHER EDUCATION PRICE INDEX MEANS THE HIGHER EDUCATION PRICE INDEX PUBLISHED BY THE COMMON FUND INSTITUTE.

(C) IF THE PRODUCT OF THE AMOUNTS IN SUBPARAGRAPH (A) AND SUBPARAGRAPH (B) OF THIS PARAGRAPH IS NOT A MULTIPLE OF FIVE DOLLARS, SUCH INCREASE SHALL BE ROUNDED TO THE NEXT MULTIPLE OF FIVE DOLLARS.

S 4. This act shall take effect immediately.

## PART B

Section 1. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 39 to read as follows:

(39) FOR TAX YEARS COMMENCING AFTER DECEMBER FIRST, TWO THOUSAND THIRTEEN, FOR TAXPAYERS, ALL INTEREST PAID ON STUDENT LOANS. FOR PURPOSES OF THIS PARAGRAPH "STUDENT LOAN" MEANS A LOAN TO A STUDENT FROM A LENDER TO HELP PAY FOR THE COST OF POST-SECONDARY EDUCATION AT A POST-SECONDARY SCHOOL. FOR PURPOSES OF THIS PARAGRAPH "LENDER" MEANS A BANK, SAVINGS AND LOAN ASSOCIATION, CREDIT UNION, PENSION FUND, INSURANCE COMPANY, SCHOOL, OR STATE LENDING AGENCY.

S 2. This act shall take effect immediately.

S 2. Severability. If any clause, sentence, paragraph, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid and after exhaustion of all further judicial review, the judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part of this act directly involved in the controversy in which the judgment shall have been rendered.

S 3. This act shall take effect immediately provided, however, that the applicable effective date of Parts A through B of this act shall be as specifically set forth in the last section of such Parts.