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

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2013-2014 Regular Sessions

I N S E N A T E

(PREFILED)

January 9, 2013

Introduced by Sens. GRISANTI, BONACIC, GOLDEN, LARKIN, MAZIARZ, SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to establishing a returning veterans tax credit for businesses that hire 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 46 to read as follows:

46. RETURNING VETERANS TAX CREDIT. (A) GENERAL. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN THIS SUBDIVISION, AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR EACH VETERAN OR DISABLED VETERAN HIRED DURING A TAXABLE YEAR, PROVIDED THAT:

(I) SUCH VETERAN IS A NEW EMPLOYEE AND IS EMPLOYED FOR THIRTY-FIVE HOURS OR MORE PER WEEK AND REMAINS IN THE EMPLOY OF SUCH TAXPAYER FOR TWELVE MONTHS OR MORE; OR

(II) SUCH DISABLED VETERAN IS A NEW EMPLOYEE WHO IS EMPLOYED FOR SEVENTEEN AND ONE-HALF HOURS OR MORE PER WEEK AND REMAINS IN THE EMPLOY OF SUCH TAXPAYER FOR TWELVE MONTHS OR MORE.

(B) AMOUNT OF CREDIT. A CREDIT AUTHORIZED BY THIS SECTION SHALL EQUAL THREE THOUSAND DOLLARS PER HIRED VETERAN AND FOUR THOUSAND DOLLARS PER HIRED DISABLED VETERAN BUT SHALL NOT EXCEED FIFTEEN THOUSAND DOLLARS ANNUALLY.

(C) CARRYOVERS. THE CREDIT ALLOWED UNDER THIS SUBDIVISION MAY BE CLAIMED AND IF NOT FULLY USED IN THE INITIAL YEAR FOR WHICH THE CREDIT IS CLAIMED MAY BE CARRIED OVER, IN ORDER, TO EACH OF THE TEN SUCCEEDING TAXABLE YEARS. THE CREDIT AUTHORIZED BY THIS SUBDIVISION MAY NOT BE USED TO REDUCE THE TAX LIABILITY OF THE CREDIT CLAIMANT BELOW ZERO.

(D) DEFINITIONS. AS USED IN THIS SUBDIVISION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(I) "NEW EMPLOYEE" SHALL MEAN ANY FULL TIME EMPLOYEE THAT CAUSES THE TOTAL NUMBER OF EMPLOYEES TO INCREASE ABOVE BASE EMPLOYMENT OR CREDIT EMPLOYMENT, WHICHEVER IS HIGHER.

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

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(II) "BASE YEAR" SHALL MEAN CALENDAR YEAR TWO THOUSAND TWELVE.
(III) "BASE EMPLOYMENT" SHALL MEAN THE AVERAGE NUMBER OF FULL TIME EMPLOYEES OR FULL TIME EQUIVALENT EMPLOYEES DURING THE BASE YEAR. FOR A NEW BUSINESS, BASE EMPLOYMENT SHALL BEGIN AT ZERO.
(IV) "CREDIT EMPLOYMENT" SHALL MEAN BASE EMPLOYMENT PLUS THE NUMBER OF NEW EMPLOYEES FOR WHICH A CREDIT IS EARNED FOR THE PRIOR TAX YEARS.
(V) "VETERAN" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION EIGHTY-FIVE OF THE CIVIL SERVICE LAW.
(VI) "DISABLED VETERAN" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION EIGHTY-FIVE OF THE CIVIL SERVICE LAW.

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

(XXXV) RETURNING VETERAN TAX CREDIT; SUBSECTION (VV) — COSTS UNDER SUBDIVISION FORTY-SIX OF SECTION TWO HUNDRED TEN

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

(VV) RETURNING VETERANS TAX CREDIT. (1) GENERAL. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN THIS SUBSECTION, AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR EACH VETERAN OR DISABLED VETERAN HIRED DURING A TAXABLE YEAR, PROVIDED THAT:
(I) SUCH VETERAN IS A NEW EMPLOYEE AND IS EMPLOYED FOR THIRTY-FIVE HOURS OR MORE PER WEEK AND REMAINS IN THE EMPLOY OF SUCH TAXPAYER FOR TWELVE MONTHS OR MORE; OR
(II) SUCH DISABLED VETERAN IS A NEW EMPLOYEE AND IS EMPLOYED FOR SEVENTEEN AND ONE-HALF HOURS OR MORE PER WEEK AND REMAINS IN THE EMPLOY OF SUCH TAXPAYER FOR TWELVE MONTHS OR MORE.
(2) AMOUNT OF CREDIT. A CREDIT AUTHORIZED BY THIS SECTION SHALL EQUAL THREE THOUSAND DOLLARS PER HIRED VETERAN AND FOUR THOUSAND DOLLARS PER HIRED DISABLED VETERAN BUT SHALL NOT EXCEED FIFTEEN THOUSAND DOLLARS ANNUALLY.
(3) CARRYOVERS. THE CREDIT ALLOWED UNDER THIS SUBSECTION MAY BE CLAIMED AND IF NOT FULLY USED IN THE INITIAL YEAR FOR WHICH THE CREDIT IS CLAIMED MAY BE CARRIED OVER, IN ORDER, TO EACH OF THE TEN SUCCEEDING TAXABLE YEARS. THE CREDIT AUTHORIZED BY THIS SUBSECTION MAY NOT BE USED TO REDUCE THE TAX LIABILITY OF THE CREDIT CLAIMANT BELOW ZERO.
(4) DEFINITIONS. AS USED IN THIS SUBSECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:
(I) "NEW EMPLOYEE" SHALL MEAN ANY FULL TIME EMPLOYEE THAT CAUSES THE TOTAL NUMBER OF EMPLOYEES TO INCREASE ABOVE BASE EMPLOYMENT OR CREDIT EMPLOYMENT, WHICHEVER IS HIGHER.
(II) "BASE YEAR" SHALL MEAN CALENDAR YEAR TWO THOUSAND TWELVE.
(III) "BASE EMPLOYMENT" SHALL MEAN THE AVERAGE NUMBER OF FULL TIME EMPLOYEES OR FULL TIME EQUIVALENT EMPLOYEES DURING THE BASE YEAR. FOR A NEW BUSINESS, BASE EMPLOYMENT SHALL BEGIN AT ZERO.
(IV) "CREDIT EMPLOYMENT" SHALL MEAN BASE EMPLOYMENT PLUS THE NUMBER OF NEW EMPLOYEES FOR WHICH A CREDIT IS EARNED FOR THE PRIOR TAX YEARS.
(V) "VETERAN" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION EIGHTY-FIVE OF THE CIVIL SERVICE LAW.
(VI) "DISABLED VETERAN" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION EIGHTY-FIVE OF THE CIVIL SERVICE LAW.

S 4. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2013 and shall apply to those employees hired after this act shall take effect.