

7710

I N S E N A T E

June 2, 2014

Introduced by Sen. LANZA -- 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 the college preparation tax credit act

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

1 Section 1. This act shall be known and may be cited as the "college
2 preparation tax credit act".
3 S 2. Section 606 of the tax law is amended by adding a new subsection
4 (ccc) to read as follows:
5 (CCC) COLLEGE PREPARATION EXPENSE CREDIT. (1) A RESIDENT TAXPAYER
6 SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR
7 ALLOWABLE COLLEGE PREPARATION EXPENSES. EACH TAXABLE YEAR, A CREDIT OF
8 UP TO FIVE HUNDRED DOLLARS PER CHILD SHALL BE ALLOWED FOR QUALIFIED
9 COLLEGE PREPARATION EXPENSES PAID OR INCURRED BY THE TAXPAYER DURING
10 SUCH TAXABLE YEAR. NO CREDIT SHALL BE ALLOWED FOR ANY EXPENSES PAID OR
11 INCURRED DURING THE TAXABLE YEAR WITH RESPECT TO ANY INDIVIDUAL FOR WHOM
12 AN ELECTION IS NOT IN EFFECT UNDER THIS SUBSECTION FOR SUCH TAXABLE
13 YEAR. AN ELECTION MAY NOT BE MADE FOR ANY TAXABLE YEAR IF SUCH AN
14 ELECTION IS IN EFFECT WITH RESPECT TO SUCH INDIVIDUAL FOR ANY THREE
15 PRIOR TAXABLE YEARS.
16 (2) QUALIFIED COLLEGE PREPARATION EXPENSES. FOR PURPOSES OF THIS
17 SUBSECTION, THE TERM "QUALIFIED COLLEGE PREPARATION EXPENSES" MEANS
18 AMOUNTS PAID OR INCURRED FOR:
19 (A) FEES REQUIRED FOR TAKING ANY ADVANCED PLACEMENT OR INTERNATIONAL
20 BACCALAUREATE EXAM;
21 (B) FEES REQUIRED FOR TAKING THE SAT, THE ACT, OR ANY SAT SUBJECT
22 TEST;
23 (C) EXPENSES RELATED TO PREPARATION INCLUDING TUTORIAL SERVICES AND
24 PREPARATION CLASSES FOR ANY EXAM DESCRIBED IN SUBPARAGRAPH (A) OR (B) OF
25 THIS PARAGRAPH;

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

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1 (D) FEES AND EXPENSES RELATED TO APPLICATIONS FOR ADMISSION TO PURSUE
2 A POSTSECONDARY COURSE OF STUDY AT AN ELIGIBLE EDUCATIONAL INSTITUTION;
3 AND

4 (E) SUCH OTHER SIMILAR EXPENSES AND FEES AS THE COMMISSIONER MAY BY
5 REGULATION PRESCRIBE.

6 (3) TREATMENT OF EXPENSES PAID BY DEPENDENT. IF A DEDUCTION UNDER THIS
7 SUBSECTION WITH RESPECT TO AN INDIVIDUAL IS ALLOWED TO ANOTHER TAXPAYER
8 FOR A TAXABLE YEAR BEGINNING IN THE CALENDAR YEAR IN WHICH SUCH INDIVID-
9 UAL'S TAXABLE YEAR BEGINS:

10 (A) NO CREDIT SHALL BE ALLOWED UNDER PARAGRAPH ONE OF THIS SUBSECTION
11 TO SUCH INDIVIDUAL FOR SUCH INDIVIDUAL'S TAXABLE YEAR; AND

12 (B) QUALIFIED COLLEGE PREPARATION EXPENSES PAID BY SUCH INDIVIDUAL
13 DURING SUCH INDIVIDUAL'S TAXABLE YEAR SHALL BE TREATED FOR PURPOSES OF
14 THIS SUBSECTION AS PAID BY SUCH OTHER TAXPAYER.

15 S 3. This act shall take effect immediately.