

2015-2016 Regular Sessions

I N S E N A T E

(PREFILED)

January 7, 2015

Introduced by Sen. GALLIVAN -- 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 a credit for employment of persons on probation or parole

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

1 Section 1. The tax law is amended by adding a new section 187-t to
2 read as follows:
3 S 187-T. CREDIT FOR EMPLOYMENT OF PERSONS ON PROBATION OR PAROLE. 1.
4 ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE
5 COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAXES IMPOSED BY THIS
6 ARTICLE, OTHER THAN THE TAXES IMPOSED BY SECTIONS ONE HUNDRED EIGHTY,
7 ONE HUNDRED EIGHTY-ONE, ONE HUNDRED EIGHTY-SIX-A AND ONE HUNDRED EIGHT-
8 Y-SIX-E OF THIS ARTICLE, FOR EMPLOYING WITHIN THE STATE A QUALIFIED
9 EMPLOYEE. PROVIDED, HOWEVER, THE AMOUNT OF CREDIT ALLOWED BY THIS
10 SECTION AGAINST THE TAX IMPOSED BY SECTION ONE HUNDRED EIGHTY-FOUR OF
11 THIS ARTICLE SHALL BE THE EXCESS OF THE CREDIT COMPUTED UNDER THIS
12 SECTION OVER THE AMOUNT OF CREDIT ALLOWED BY THIS SECTION AGAINST THE
13 TAX IMPOSED BY SECTION ONE HUNDRED EIGHTY-THREE OF THIS ARTICLE.
14 2. QUALIFIED EMPLOYEE. A QUALIFIED EMPLOYEE IS AN INDIVIDUAL WHO:
15 (A) HAS BEEN CONVICTED OF A FELONY UNDER ANY STATUTE OF THE UNITED
16 STATES OR ANY STATE;
17 (B) IS ON PROBATION OR PAROLE; AND
18 (C) HAS WORKED ON A FULL-TIME BASIS FOR THE EMPLOYER WHO IS CLAIMING
19 THE CREDIT FOR AT LEAST ONE HUNDRED EIGHTY DAYS OR FOUR HUNDRED HOURS.
20 3. AMOUNT OF CREDIT. EXCEPT AS PROVIDED IN SUBDIVISION FOUR OF THIS
21 SECTION, THE AMOUNT OF CREDIT UNDER THIS SECTION SHALL BE THIRTY-FIVE
22 PERCENT OF THE FIRST SIX THOUSAND DOLLARS IN QUALIFIED FIRST-YEAR WAGES
23 EARNED BY EACH QUALIFIED EMPLOYEE. "QUALIFIED FIRST-YEAR WAGES" MEANS

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

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1 WAGES PAID OR INCURRED BY THE TAXPAYER DURING THE TAXABLE YEAR TO QUALI-
2 FIED EMPLOYEES WHICH ARE ATTRIBUTABLE, WITH RESPECT TO ANY SUCH EMPLOY-
3 EE, TO SERVICES RENDERED DURING THE ONE-YEAR PERIOD BEGINNING WITH THE
4 DAY THE EMPLOYEE BEGINS WORK FOR THE TAXPAYER.

5 4. CREDIT WHERE FEDERAL WORK OPPORTUNITY TAX CREDIT APPLIES. WITH
6 RESPECT TO ANY QUALIFIED EMPLOYEE WHOSE QUALIFIED FIRST-YEAR WAGES UNDER
7 SUBDIVISION THREE OF THIS SECTION ALSO CONSTITUTE QUALIFIED FIRST-YEAR
8 WAGES FOR PURPOSES OF THE WORK OPPORTUNITY TAX CREDIT FOR VOCATIONAL
9 REHABILITATION REFERRALS UNDER SECTION FIFTY-ONE OF THE INTERNAL REVENUE
10 CODE, THE AMOUNT OF CREDIT UNDER THIS SECTION SHALL BE THIRTY-FIVE
11 PERCENT OF THE FIRST SIX THOUSAND DOLLARS IN QUALIFIED SECOND-YEAR WAGES
12 EARNED BY EACH SUCH EMPLOYEE. "QUALIFIED SECOND-YEAR WAGES" MEANS WAGES
13 PAID OR INCURRED BY THE TAXPAYER DURING THE TAXABLE YEAR TO QUALIFIED
14 EMPLOYEES WHICH ARE ATTRIBUTABLE, WITH RESPECT TO ANY SUCH EMPLOYEE, TO
15 SERVICES RENDERED DURING THE ONE-YEAR PERIOD BEGINNING ONE YEAR AFTER
16 THE EMPLOYEE BEGINS WORK FOR THE TAXPAYER.

17 5. CARRYOVER. IN NO EVENT SHALL THE CREDIT UNDER THIS SECTION BE
18 ALLOWED IN AN AMOUNT WHICH WILL REDUCE THE TAX PAYABLE TO LESS THAN THE
19 APPLICABLE MINIMUM TAX FIXED BY SECTION ONE HUNDRED EIGHTY-THREE OR ONE
20 HUNDRED EIGHTY-FIVE OF THIS ARTICLE. IF, HOWEVER, THE AMOUNT OF CREDIT
21 ALLOWABLE UNDER THIS SECTION FOR ANY TAXABLE YEAR REDUCES THE TAX TO
22 SUCH AMOUNT, ANY AMOUNT OF CREDIT NOT DEDUCTIBLE IN SUCH TAXABLE YEAR
23 MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED
24 FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

25 6. COORDINATION WITH FEDERAL WORK OPPORTUNITY TAX CREDIT. THE
26 PROVISIONS OF SECTIONS FIFTY-ONE AND FIFTY-TWO OF THE INTERNAL REVENUE
27 CODE, AS SUCH SECTIONS APPLIED ON OCTOBER FIRST, NINETEEN HUNDRED NINE-
28 TY-SIX, THAT APPLY TO THE WORK OPPORTUNITY TAX CREDIT FOR VOCATIONAL
29 REHABILITATION REFERRALS SHALL APPLY TO THE CREDIT UNDER THIS SECTION TO
30 THE EXTENT THAT SUCH SECTIONS ARE CONSISTENT WITH THE SPECIFIC
31 PROVISIONS OF THIS SECTION, PROVIDED THAT IN THE EVENT OF A CONFLICT THE
32 PROVISIONS OF THIS SECTION SHALL CONTROL.

33 S. 2. This act shall take effect immediately, and shall only apply to
34 taxable years after 2015.