STATE OF NEW YORK

2498

2025-2026 Regular Sessions

IN ASSEMBLY

January 17, 2025

Introduced by M. of A. RA, JENSEN, GANDOLFO, MAHER, SLATER, BENDETT, BLANKENBUSH, MANKTELOW, SMULLEN, ANGELINO, MILLER, CHANG, LEMONDES, McDONOUGH, BRABENEC, TANNOUSIS, MORINELLO, DeSTEFANO, TAGUE, SIMPSON, PALMESANO, WALSH, BEEPHAN -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to increasing the earned income tax credit

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Paragraph 1 of subsection (d) of section 606 of the tax law, as amended by section 1 of part Q of chapter 63 of the laws of 2000, is amended to read as follows:

(1) General. A taxpayer shall be allowed a credit as provided herein equal to (i) the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, (ii) reduced by the credit permitted under subsection (b) of this section.

The applicable percentage shall be (i) seven and one-half percent for taxable years beginning in nineteen hundred ninety-four, (ii) ten percent for taxable years beginning in nineteen hundred ninety-five, (iii) twenty percent for taxable years beginning after nineteen hundred ninety-five and before two thousand, (iv) twenty-two and one-half percent for taxable years beginning in two thousand, (v) twenty-five percent for taxable years beginning in two thousand one, (vi) twenty-seven and one-half percent for taxable years beginning in two thousand two, [~~and~~] (vii) thirty percent for taxable years beginning in two thousand three**, and (viii) forty-five percent for taxable years beginning in two thousand twenty-five** and thereafter. Provided, however, that if the reversion event, as defined in this paragraph, occurs, the applicable percentage shall be twenty percent for taxable years ending on or after the date on which the reversion event occurred. The reversion event

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

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shall be deemed to have occurred on the date on which federal action, including but not limited to, administrative, statutory or regulatory changes, materially reduces or eliminates New York state's allocation of the federal temporary assistance for needy families block grant, or materially reduces the ability of the state to spend federal temporary assistance for needy families block grant funds for the earned income credit or to apply state general fund spending on the earned income credit toward the temporary assistance for needy families block grant maintenance of effort requirement, and the commissioner of the office of temporary and disability assistance shall certify the date of such event to the commissioner of taxation and finance, the director of the division of the budget, the speaker of the assembly and the temporary president of the senate.

§ 2. Subsection (d) of section 606 of the tax law is amended by adding a new paragraph 9 to read as follows:

(9) For taxable years beginning on or after January first, two thousand twenty-five, an earned income tax credit pursuant to this section or an enhanced earned income tax credit pursuant to subsection (d-1) of this section may, at the election of the taxpayer made via a form to be prescribed by the commissioner, be paid to the taxpayer as follows: (i) for amounts equal to or less than two hundred dollars, the payment or refund shall be made in a lump sum, (ii) for amounts in excess of two hundred dollars and less than two thousand four hundred dollars, the payment or refund shall equal three quarterly checks each equal to twenty-five percent of the taxpayer's anticipated credit amount, and the remaining balance of such payment or refund shall be included in any final refund owed to the taxpayer following the completion of the taxpayer's tax return, and (iii) for amounts equal to or greater than two thousand four hundred dollars, the payment or refund shall be paid in equal monthly payments equal to the total amount thereof divided by twelve.

§ 3. This act shall take effect on the one hundred twentieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made on or before such effective date.