STATE OF NEW YORK

5705

2025-2026 Regular Sessions

IN ASSEMBLY

February 20, 2025

Introduced by M. of A. GIGLIO -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to establishing a tipped employee minimum wage tax credit

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

Section 1. Section 606 of the tax law is amended by adding a new subsection (qqq) to read as follows:

(qqq) Tipped employee minimum wage tax credit. (1) For taxable years beginning on or after January first, two thousand twenty-six, a taxpayer who is an employer of miscellaneous industry workers, as defined in part one hundred forty-two of title twelve of the official compilation of codes, rules, and regulations of the state of New York, shall be allowed a credit, to be computed in paragraph two of this section, against the tax imposed by this article.

(2) For taxable years beginning on or after January first, two thousand twenty-six, the amount of credit allowed under this section shall be equal to the tip allowance for miscellaneous industry workers effective as of December thirty-first, two thousand nineteen under subpart 142-2.5 of title twelve of the official compilation of codes, rules, and regulations of the state of New York for each miscellaneous industry worker employee.

(3) If the amount of credit allowed under this subsection for any taxable year exceeds the taxpayer's tax for the taxable year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, no interest will be paid thereon.

(4) The commissioner of taxation and finance, in consultation with the commissioner of labor, shall have the authority to promulgate any rules or regulations necessary for the implementation of this credit.

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

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§ 2. Section 210-B of the tax law is amended by adding a new subdivision 61 to read as follows:

61. Tipped employee minimum wage tax credit. (a) For taxable years beginning on or after January first, two thousand twenty-six, a taxpayer who is an employer of miscellaneous industry workers, as defined in part one hundred forty-two of title twelve of the official compilation of codes, rules, and regulations of the state of New York, shall be allowed a credit, to be computed in paragraph (b) of this subdivision, against the tax imposed by this article.

(b) For taxable years beginning on or after January first, two thousand twenty-six, the amount of credit allowed under this section shall be equal to the tip allowance for miscellaneous industry workers, effective as of December thirty-first, two thousand nineteen under subpart 142-2.5 of title twelve of the official compilation of codes, rules, and regulations of the state of New York for each miscellaneous industry worker employee.

(c) If the amount of credit allowed under this subdivision for any taxable year exceeds the taxpayer's tax for the taxable year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this chapter; provided, however, no interest will be paid thereon.

(d) The commissioner of taxation and finance, in consultation with the commissioner of labor, shall have the authority to promulgate any rules or regulations necessary for the implementation of this credit.

§ 3. This act shall take effect immediately.