

# STATE OF NEW YORK

485

2025-2026 Regular Sessions

## IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sens. OBERACKER, ASHBY -- read twice and ordered printed,  
and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to a tax credit for employment  
of an individual who has successfully completed a judicial diversion  
program or graduated from drug court

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

1 Section 1. Section 210-B of the tax law is amended by adding a new  
2 subdivision 61 to read as follows:

3 61. Credit for employment of individuals who have graduated from drug  
4 court or have successfully completed a judicial diversion program. (a)  
5 Allowance of credit. A taxpayer shall be allowed a credit, to be  
6 computed as provided in this subdivision, against the tax imposed by  
7 this article, if it employs an individual who has graduated from drug  
8 court or has successfully completed a judicial diversion program pursu-  
9 ant to article two hundred sixteen of the criminal procedure law,  
10 provided that such individual is employed for thirty-five hours or more  
11 per week and remains in the employ of such taxpayer for a minimum of  
12 twelve months.

13 (b) Amount of credit. A credit authorized by this section shall equal  
14 three thousand dollars per hired individual for the first year of  
15 employment and an additional one thousand dollars if the individual  
16 remains in employ for an additional twelve months.

17 (c) Application of credit. The credit allowed under this subdivision  
18 for any taxable year shall not reduce the tax due for such year to less  
19 than the amount prescribed in paragraph (d) of subdivision one of this  
20 section. If, however, the amount of credits allowed under this subdivi-  
21 sion for any taxable year reduces the tax to such amount, any amount of  
22 credit thus not deductible in such taxable year shall be treated as an

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

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1 overpayment of tax to be credited or refunded in accordance with the  
 2 provisions of section one thousand eighty-six of this chapter. Provided,  
 3 however, the provisions of subsection (c) of section one thousand eight-  
 4 y-eight of this chapter notwithstanding, no interest shall be paid ther-  
 5 eon.

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

9	<u>(lii) Employment of individuals</u>	<u>Amount of credit</u>
10	<u>who have graduated from</u>	<u>under subdivision</u>
11	<u>drug court or have</u>	<u>sixty-one of section</u>
12	<u>successfully completed</u>	<u>two hundred ten-B</u>
13	<u>a judicial diversion program</u>	
14	<u>tax credit under</u>	
15	<u>subsection (bbb)</u>	

16 § 3. Section 606 of the tax law is amended by adding a new subsection  
 17 (bbb) to read as follows:

18 (bbb) Tax credit for employment of individuals who have graduated from  
 19 drug court or have successfully completed a judicial diversion program.

20 (1) Allowance of credit. A taxpayer shall be allowed a credit, to be  
 21 computed as provided in this subsection, against the tax imposed by this  
 22 article, if it employs an individual who has graduated from drug court  
 23 or who has successfully completed a judicial diversion program pursuant  
 24 to article two hundred sixteen of the criminal procedure law, provided  
 25 that such individual is employed for thirty-five hours or more per week  
 26 and remains in the employ of such taxpayer for twelve months.

27 (2) Amount of credit. A credit authorized by this section shall equal  
 28 three thousand dollars per hired individual for the first year of  
 29 employment and an additional one thousand dollars if the individual  
 30 remains in employ for an additional twelve months.

31 (3) Application of credit. The credit allowed under this subsection  
 32 for any taxable year shall not reduce the tax due for such year to less  
 33 than the higher of the amount prescribed in paragraphs (c) and (d) of  
 34 subdivision one of section two hundred ten-B of this chapter. If, howev-  
 35 er, the amount of credits allowed under this subdivision for any taxable  
 36 year reduces the tax to such amount, any amount of credit thus not  
 37 deductible in such taxable year shall be treated as an overpayment of  
 38 tax to be credited or refunded in accordance with the provisions of  
 39 section one thousand eighty-six of this chapter. Provided, however, the  
 40 provisions of subsection (c) of section one thousand eighty-eight of  
 41 this chapter notwithstanding, no interest shall be paid thereon.

42 § 4. This act shall take effect immediately and shall apply to taxable  
 43 years beginning on and after January 1, 2026 and shall apply to those  
 44 employees hired after this act shall take effect.