

STATE OF NEW YORK

4863

2025-2026 Regular Sessions

IN SENATE

February 13, 2025

Introduced by Sens. BAILEY, MYRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Labor

AN ACT to amend the labor law and the tax law, in relation to establishing the COVID-19 recovery local employment tax credit program

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

1 Section 1. The labor law is amended by adding a new section 25-d to
2 read as follows:

3 § 25-d. Power to administer the COVID-19 recovery local employment tax
4 credit program. (a) The commissioner is authorized to establish and
5 administer the COVID-19 recovery local employment tax credit program to
6 provide tax incentives to employers for employing local employees in
7 full-time or part-time positions in the two years following the conclu-
8 sion of the state disaster emergency declared pursuant to executive
9 order two hundred two. The commissioner is authorized to allocate up to
10 forty million dollars of tax credits under this program.

11 (b) Definitions. (1) The term "qualified employer" means an employer
12 that has been certified by the commissioner to participate in the
13 COVID-19 recovery local employment tax credit program and that employs
14 one or more qualified employees.

15 (2) The term "qualified employee" means an individual:

16 (i) resides within fifty miles from the qualified employer;

17 (ii) who resides in a city with a population of eighty thousand or
18 more or a town with a population of fifty-five thousand or more;

19 (iii) who is low-income or at-risk, as such terms are defined by the
20 commissioner;

21 (iv) who is unemployed prior to being hired by the qualified employer
22 as a result of the outbreak of novel coronavirus, COVID-19; and

23 (v) who will be working for the qualified employer in a full-time or
24 part-time position that pays wages that are equivalent to the wages paid
25 for similar jobs, with appropriate adjustments for experience and train-

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

LBD09060-01-5

1 ing, and for which no other employee has been terminated, or where the
2 employer has not otherwise reduced its workforce by involuntary termi-
3 nations with the intention of filling the vacancy by creating a new
4 hire.

5 (c) A qualified employer shall be entitled to a tax credit equal to
6 (1) seven hundred fifty dollars per month for up to six months for each
7 qualified employee the employer employs in a full-time job or three
8 hundred seventy-five dollars per month for up to six months for each
9 qualified employee the employer employs in a part-time job of at least
10 twenty hours per week, (2) fifteen hundred dollars for each qualified
11 employee who is employed for at least an additional six consecutive
12 months by the qualified employer in a full-time job or seven hundred
13 fifty dollars for each qualified employee who is employed for at least
14 an additional six consecutive months by the qualified employer in a
15 part-time job of at least twenty hours per week, and (3) an additional
16 fifteen hundred dollars for each qualified employee who is employed for
17 at least an additional year after the completion of the time periods and
18 satisfaction of the conditions set forth in paragraphs one and two of
19 this subdivision by the qualified employer in a full-time job or seven
20 hundred fifty dollars for each qualified employee who is employed for at
21 least an additional year after the completion of the time periods and
22 satisfaction of the conditions set forth in paragraphs one and two of
23 this subdivision by the qualified employer in a part-time job of at
24 least twenty hours per week. The tax credits shall be claimed by the
25 qualified employer as specified in subdivision sixty-one of section two
26 hundred ten-B and subsection (qqq) of section six hundred six of the tax
27 law.

28 (d) To participate in the COVID-19 recovery local employment tax cred-
29 it program, an employer must submit an application (in a form prescribed
30 by the commissioner) to the commissioner after January first, of the
31 taxable year following the conclusion of the state disaster emergency
32 declared pursuant to executive order two hundred two but no later than
33 June first, of such year. The qualified employees shall start their
34 employment on or after January first, of such year but no later than
35 July first, of such year. The commissioner shall establish guidelines
36 and criteria that specify requirements for employers to participate in
37 the program including criteria for certifying qualified employees. Any
38 regulations that the commissioner determines are necessary may be
39 adopted on an emergency basis notwithstanding anything to the contrary
40 in section two hundred two of the state administrative procedure act.
41 Such requirements may include the types of industries that the employers
42 are engaged in. The commissioner may give preference to employers that
43 are engaged in demand occupations or industries, or in regional growth
44 sectors, including those identified by the regional economic development
45 councils, such as clean energy, healthcare, advanced manufacturing and
46 conservation. In addition, the commissioner shall give preference to
47 employers who offer advancement and employee benefit packages to the
48 qualified individuals. As part of such application, an employer shall:

49 (1) agree to allow the department of taxation and finance to share its
50 tax information with the commissioner. However, any information shared
51 as a result of this agreement shall not be available for disclosure or
52 inspection under the state freedom of information law, and

53 (2) allow the commissioner and his or her agents and the department of
54 taxation and finance and its agents access to any and all books and
55 records of employers the commissioner may require to monitor compliance.

1 (e) If, after reviewing the application submitted by an employer, the
2 commissioner determines that such employer is eligible to participate in
3 the program established under this section, the commissioner shall issue
4 the employer a preliminary certificate of eligibility that establishes
5 the employer as a qualified employer. The preliminary certificate of
6 eligibility shall specify the maximum amount of tax credit that the
7 employer may be allowed to claim and the program year under which it may
8 be claimed. The maximum amount of tax credit the employer is allowed to
9 claim shall be computed as prescribed in subdivision (c) of this
10 section.

11 (f) (1) To receive an annual final certificate of tax credit, the
12 qualified employer shall annually submit, on or before January thirty-
13 first of the calendar year subsequent to the payment of wages paid to an
14 eligible employee, a report to the commissioner, in a form prescribed by
15 the commissioner. The report must demonstrate that the employer has
16 satisfied all eligibility requirements and provided all the information
17 necessary for the commissioner to compute an actual amount of credit
18 allowed.

19 (2) After reviewing the report and finding it sufficient, the commis-
20 sioner shall issue an annual final certificate of tax credit. Such
21 certificate shall include, in addition to any other information the
22 commissioner determines is necessary, the following information:

23 (i) The name and employer identification number of the qualified
24 employer;

25 (ii) The program year for the corresponding credit award;

26 (iii) The actual amount of credit to which the qualified employer is
27 entitled for that calendar year or the fiscal year in which the annual
28 final certificate is issued, which actual amount cannot exceed the
29 amount of credit listed on the preliminary certificate but may be less
30 than such amount; and

31 (iv) A unique certificate number identifying the annual final certif-
32 icate of tax credit.

33 (g) In determining the amount of credit for purposes of the annual
34 final certificate of tax credit, the portion of the credit described in
35 paragraph one of subdivision (c) of this section shall be allowed for
36 the calendar year in which the wages are paid to the qualified employee,
37 the portion of the credit described in paragraph two of subdivision (c)
38 of this section shall be allowed for the calendar year in which the
39 additional six consecutive month period ends, and the portion of the
40 credit described in paragraph three of subdivision (c) of this section
41 shall be allowed for the calendar year in which the additional year of
42 consecutive employment ends after the completion of the time periods and
43 satisfaction of the conditions set forth in paragraphs one and two of
44 subdivision (c) of this section. If the qualified employer's taxable
45 year is a calendar year, the employer shall be entitled to claim the
46 credit as calculated on the annual final certificate of tax credit on
47 the calendar year return for which the annual final certificate of tax
48 credit was issued. If the qualified employer's taxable year is a fiscal
49 year, the employer shall be entitled to claim the credit as calculated
50 on the annual final certificate of tax credit on the return for the
51 fiscal year that encompasses the date on which the annual final certif-
52 icate of tax credit is issued.

53 (h) The commissioner shall establish guidelines and criteria that
54 specify requirements for employers to participate in the program includ-
55 ing criteria for certifying qualified employees, and issuing the prelim-
56 inary certificate of eligibility and annual final certificate of tax

1 credit. Such requirements may include the types of industries that the
2 employers are engaged in. The commissioner may give preference to
3 employers that are engaged in demand occupations or industries, or in
4 regional growth sectors, including but not limited to those identified
5 by the regional economic development councils, such as clean energy,
6 healthcare, advanced manufacturing and conservation. In addition, the
7 commissioner shall give preference to employers who offer advancement
8 and employee benefit packages to the qualified individuals.

9 (i) The commissioner shall annually publish a report. Such report must
10 contain the names and addresses of any employer issued a preliminary
11 certificate of eligibility under this section, the amount of COVID-19
12 recovery local employment program tax credit allowed to the qualified
13 employer as specified on an annual final certificate of tax credit and
14 any other information as determined by the commissioner.

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

17 61. COVID-19 recovery local employment program tax credit. (a) A
18 taxpayer that has been certified by the commissioner of labor as a qual-
19 ified employer pursuant to section twenty-five-d of the labor law and
20 received an annual final certificate of tax credit from such commission-
21 er shall be allowed a credit against the tax imposed by this article
22 equal to the amount listed on the annual final certificate of tax credit
23 issued by the commissioner of labor pursuant to section twenty-five-d of
24 the labor law. If the qualified employer's taxable year is a calendar
25 year, the employer shall be entitled to claim the credit as calculated
26 on the annual final certificate of tax credit on the calendar year
27 return for which the annual final certificate of tax credit was issued.
28 If the qualified employer's taxable year is a fiscal year, the employer
29 shall be entitled to claim the credit as calculated on the annual final
30 certificate of tax credit on the return for the fiscal year that encom-
31 passes the date on which the annual final certificate of tax credit is
32 issued. For the purposes of this subdivision, the term "qualified
33 employee" shall have the same meaning as set forth in subdivision (b) of
34 section twenty-five-d of the labor law.

35 (b) The credit allowed under this subdivision for any taxable year may
36 not reduce the tax due for that year to less than the amount prescribed
37 in paragraph (d) of subdivision one of section two hundred ten of this
38 article. However, if the amount of the credit allowed under this subdivi-
39 vision for any taxable year reduces the tax to that amount or if the
40 taxpayer otherwise pays tax based on the fixed dollar minimum amount,
41 any amount of credit not deductible in that taxable year will be treated
42 as an overpayment of tax to be credited or refunded in accordance with
43 the provisions of section one thousand eighty-six of this chapter.
44 Provided, however, no interest will be paid thereon.

45 (c) The taxpayer shall be required to attach to its tax return its
46 annual final certificate of tax credit issued by the commissioner of
47 labor pursuant to section twenty-five-d of the labor law. In no event
48 shall the taxpayer be allowed a credit greater than the amount of the
49 credit listed on the annual final certificate of tax credit. Notwith-
50 standing any provision of this chapter to the contrary, the commissioner
51 and the commissioner's designees may release the names and addresses of
52 any taxpayer claiming this credit and the amount of the credit earned by
53 the taxpayer. Provided, however, if a taxpayer claims this credit
54 because it is a member of a limited liability company or a partner in a
55 partnership, only the amount of credit earned by the entity and not the
56 amount of credit claimed by the taxpayer may be released.

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

3 (qqq) COVID-19 recovery local employment program tax credit. (1) A
4 taxpayer that has been certified by the commissioner of labor as a qual-
5 ified employer pursuant to section twenty-five-d of the labor law and
6 received an annual final certificate of tax credit from such commission-
7 er shall be allowed a credit against the tax imposed by this article
8 equal to the amount listed on the annual final certificate of tax credit
9 issued by the commissioner of labor pursuant to section twenty-five-d of
10 the labor law. A taxpayer that is a partner in a partnership, member of
11 a limited liability company or shareholder in an S corporation that has
12 received its annual final certificate of tax credit from the commission-
13 er of labor as a qualified employer pursuant to section twenty-five-d of
14 the labor law shall be allowed its pro rata share of the credit earned
15 by the partnership, limited liability company or S corporation. If the
16 qualified employer's taxable year is a calendar year, the employer shall
17 be entitled to claim the credit as calculated on the annual final
18 certificate of tax credit on the calendar year return for which the
19 annual final certificate of tax credit was issued. If the qualified
20 employer's taxable year is a fiscal year, the employer shall be entitled
21 to claim the credit as calculated on the annual final certificate of tax
22 credit on the return for the fiscal year that encompasses the date on
23 which the annual final certificate of tax credit is issued. For the
24 purposes of this subsection, the term "qualified employee" shall have
25 the same meaning as set forth in subdivision (b) of section
26 twenty-five-d of the labor law.

27 (2) If the amount of the credit allowed under this subsection exceeds
28 the taxpayer's tax for the taxable year, any amount of credit not deduc-
29 tible in that taxable year will be treated as an overpayment of tax to
30 be credited or refunded in accordance with the provisions of section six
31 hundred eighty-six of this article. Provided, however, no interest will
32 be paid thereon.

33 (3) The taxpayer shall be required to attach to its tax return its
34 annual final certificate of tax credit issued by the commissioner of
35 labor pursuant to section twenty-five-d of the labor law. In no event
36 shall the taxpayer be allowed a credit greater than the amount of the
37 credit listed on the annual final certificate of tax credit. Notwith-
38 standing any provision of this chapter to the contrary, the commissioner
39 and the commissioner's designees may release the names and addresses of
40 any taxpayer claiming this credit and the amount of the credit earned by
41 the taxpayer. Provided, however, if a taxpayer claims this credit
42 because it is a member of a limited liability company, a partner in a
43 partnership, or a shareholder in a subchapter S corporation, only the
44 amount of credit earned by the entity and not the amount of credit
45 claimed by the taxpayer may be released.

46 § 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
47 of the tax law is amended by adding a new clause (lii) to read as
48 follows:

49 (lii) COVID-19 recovery local employment program tax credit under
50 subdivision sixty-one of
51 section two hundred ten-B
52 subsection (qqq)

53 § 5. This act shall take effect immediately.