

STATE OF NEW YORK

5993

2025-2026 Regular Sessions

IN SENATE

March 4, 2025

Introduced by Sen. BASKIN -- 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 creating a tax credit for employers who contribute to a college choice tuition savings account on behalf of an employee

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. Employer college choice tuition savings contribution credit. (a)
4 Allowance of credit. A taxpayer shall be allowed a credit, to be
5 computed as provided in paragraph (b) of this subdivision, against the
6 tax imposed by this article, if it provides a contribution, on behalf of
7 an employee, to a family tuition account established under article four-
8 teen-A of the education law by such employee.

9 (b) Amount of credit. The credit allowed pursuant to paragraph (a) of
10 this subdivision shall be in an amount equal to the taxpayer's payment,
11 on behalf of an employee, to a family tuition account established under
12 article fourteen-A of the education law by such employee. Provided,
13 however, that no such credit allowed under this subdivision shall exceed
14 five thousand dollars per employee.

15 (c) Application of credit. The credit allowed under this subdivision
16 for any taxable year shall not reduce the tax due for such year to less
17 than the amount prescribed in paragraph (d) of subdivision one of
18 section two hundred ten of this article. If, however, the amount of
19 credits allowed under this subdivision for any taxable year reduces the
20 tax to such amount, any amount of credit thus not deductible in such
21 taxable year shall be treated as an overpayment of tax to be credited or
22 refunded in accordance with the provisions of section one thousand
23 eighty-six of this chapter. Provided, however, the provisions of

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

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1 subsection (c) of section one thousand eighty-eight of this chapter
 2 notwithstanding, no interest shall be paid thereon.

3 (d) Credit recapture. For provisions requiring recapture of credit,
 4 see section forty-four of this chapter.

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

8 <u>(lii) Employer college</u>	<u>Amount of credit</u>
9 <u>choice tuition savings</u>	<u>under subdivision</u>
10 <u>contribution credit under</u>	<u>sixty-one of section</u>
11 <u>subsection (qqq)</u>	<u>two hundred ten-B</u>

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

14 (qqq) Employer college choice tuition savings contribution credit.

15 (1) Allowance of credit. A taxpayer shall be allowed a credit, to be
 16 computed as provided in paragraph two of this subsection, against the
 17 tax imposed by this article, if it provides for a contribution, on
 18 behalf of an employee, to a family tuition account established under
 19 article fourteen-A of the education law by such employee.

20 (2) Amount of credit. The credit allowed pursuant to paragraph one of
 21 this subsection shall be in an amount equal to the taxpayer's contrib-
 22 ution, on behalf of an employee, to a family tuition account established
 23 under article fourteen-A of the education law by such employee.
 24 Provided, however, that no such credit allowed under this subsection
 25 shall exceed five thousand dollars per employee.

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

32 (4) Credit recapture. For provisions requiring recapture of credit,
 33 see section forty-four of this chapter.

34 § 4. Section 1511 of the tax law is amended by adding a new subdivi-
 35 sion (ff) to read as follows:

36 (ff) Employer college choice tuition savings contribution credit. (1)
 37 Allowance of credit. A taxpayer shall be allowed a credit, to be
 38 computed as provided in paragraph two of this subdivision, against the
 39 tax imposed by this article, if it provides a contribution, on behalf of
 40 an employee, to a family tuition account established under article four-
 41 teen-A of the education law by such employee.

42 (2) Amount of credit. The credit allowed pursuant to paragraph one of
 43 this subdivision shall be in an amount equal to the taxpayer's payment,
 44 on behalf of an employee, to a family tuition account established under
 45 article fourteen-A of the education law by such employee. Provided,
 46 however, that no such credit allowed under this subdivision shall exceed
 47 five thousand dollars per employee.

48 (3) Application of credit. The credit allowed under this subdivision
 49 shall not reduce the tax due for such year to be less than the minimum
 50 fixed by paragraph four of subdivision (a) of section fifteen hundred
 51 two or section fifteen hundred two-a of this article, whichever is
 52 applicable. However, if the amount of the credit allowed under this
 53 subdivision for any taxable year reduces the taxpayer's tax to such
 54 amount, any amount of credit thus not deductible will be treated as an
 55 overpayment of tax to be credited or refunded in accordance with the
 56 provisions of section one thousand eighty-six of this chapter. Provided,

1 however, the provisions of subsection (c) of section one thousand eight-
2 y-eight of this chapter notwithstanding, no interest shall be paid ther-
3 eon.

4 (4) Credit recapture. For provisions requiring recapture of credit,
5 see section forty-four of this chapter.

6 § 5. This act shall take effect immediately and shall apply to taxable
7 years beginning on and after the first of January next succeeding the
8 date on which it shall have become a law.