STATE OF NEW YORK

635

2025-2026 Regular Sessions

IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sen. GALLIVAN -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to minimum wage reimbursement credit

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

Section 1. Section 38 of the tax law, as added by section 1 of part EE of chapter 59 of the laws of 2013, is renumbered section 50 and subdivisions (b) and (c) are amended to read as follows:

(b) An eligible employer is a corporation (including a New York S corporation), a sole proprietorship, a limited liability company or a partnership. An eligible employee is an individual who is (i) employed by an eligible employer in New York state, (ii) paid at the minimum wage rate as defined in article nineteen of the labor law during the taxable year by the eligible employer, (iii) between the ages of sixteen and nineteen during the period in which [~~he or she~~] **such individual** is paid at such minimum wage rate by the eligible employer, and (iv) a student during the period in which [~~he or she~~] **such individual** is paid at such minimum wage rate by the taxpayer. **For taxable years beginning on and after January first, two thousand twenty-five, an eligible employee is an individual who is (i) employed by an eligible employer in New York state, (ii) paid at a rate that does not exceed the minimum wage rate as defined in article nineteen of the labor law plus fifty cents during the taxable year by the eligible employer, (iii) between the ages of sixteen and nineteen during the period in which such individual is paid at such rate that does not exceed such minimum wage rate plus fifty cents by the eligible employer, and (iv) a student during the period in which such individual is paid at such rate that does not exceed such minimum wage rate plus fifty cents by the taxpayer.**

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

LBD02626-01-5

(c) For taxable years beginning on or after January first, two thousand fourteen and before January first, two thousand fifteen, the amount of the credit allowed under this section shall be equal to the product of the total number of hours worked during the taxable year by eligible employees for which they were paid at the minimum wage rate as defined in article nineteen of the labor law and [~~seventy five~~] **seventy-five** cents. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand sixteen, the amount of the credit allowed under this section shall be equal to the product of the total number of hours during the taxable year worked by eligible employees for which they were paid at such minimum wage rate and one dollar and thirty-one cents. For taxable years beginning on or after January first, two thousand sixteen and before January first, two thousand nineteen, the amount of the credit allowed under this section shall be equal to the product of the total number of hours during the taxable year worked by eligible employees for which they were paid at such minimum wage rate and one dollar and thirty-five cents. **For taxable years beginning on or after January first, two thousand twenty-five and before January first, two thousand twenty-eight, the amount of the credit allowed under this section shall be equal to the product of the total number of hours during the taxable year worked by eligible employees for which they were paid at a rate that does not exceed such minimum wage rate plus fifty cents and one dollar and thirty-five cents.** Provided, however, if the federal minimum wage established by federal law pursuant to 29 U.S.C. section 206 or its successors is increased above eighty-five percent of the minimum wage in article nineteen of the labor law, the dollar amounts in this subdivision shall be reduced to the difference between the minimum wage in article nineteen of the labor law and the federal minimum wage. Such reduction would take effect on the date that employers are required to pay such federal minimum wage.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2025.