

STATE OF NEW YORK

7214

2025-2026 Regular Sessions

IN SENATE

April 4, 2025

Introduced by Sen. LANZA -- 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 establishing the college preparation tax credit act

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

1 Section 1. This act shall be known and may be cited as the "college
2 preparation tax credit act".

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

5 (qqq) College preparation expense credit. (1) General. A resident
6 taxpayer shall be allowed a credit against the tax imposed by this arti-
7 cle for allowable college preparation expenses. Each taxable year, a
8 credit of up to five hundred dollars per child shall be allowed for
9 qualified college preparation expenses paid or incurred by the taxpayer
10 during such taxable year. No credit shall be allowed for any expenses
11 paid or incurred during the taxable year with respect to any individual
12 for whom an election is not in effect under this subsection for such
13 taxable year. An election may not be made for any taxable year if such
14 an election is in effect with respect to such individual for any three
15 prior taxable years.

16 (2) Qualified college preparation expenses. For purposes of this
17 subsection, the term "qualified college preparation expenses" means
18 amounts paid or incurred for:

19 (a) fees required for taking any advanced placement or international
20 baccalaureate exam;

21 (b) fees required for taking the SAT, the ACT, or any SAT subject
22 test;

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

LBD11443-01-5

1 (c) expenses related to preparation including tutorial services and
2 preparation classes for any exam described in subparagraph (a) or (b) of
3 this paragraph;

4 (d) fees and expenses related to applications for admission to pursue
5 a postsecondary course of study at an eligible educational institution;
6 and

7 (e) such other similar expenses and fees as the commissioner may by
8 regulation prescribe.

9 (3) Treatment of expenses paid by dependent. If a deduction under this
10 subsection with respect to an individual is allowed to another taxpayer
11 for a taxable year beginning in the calendar year in which such individ-
12 ual's taxable year begins:

13 (a) no credit shall be allowed under paragraph one of this subsection
14 to such individual for such individual's taxable year; and

15 (b) qualified college preparation expenses paid by such individual
16 during such individual's taxable year shall be treated for purposes of
17 this subsection as paid by such other taxpayer.

18 § 3. This act shall take effect immediately.