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2009-2010 Regular Sessions

I N A S S E M B L Y

January 27, 2009

Introduced by M. of A. CLARK, JACOBS, JOHN -- Multi-Sponsored by -- M.
of A. ALFANO, BARRA, BRENNAN, GALEF, WEINSTEIN -- read once and
referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to authorizing a franchise tax
credit for providers of child care services in certain instances

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 210 of the tax law is amended by adding a new
2 subdivision 21-b to read as follows:
3 21-B. CHILD CARE FACILITY CREDIT. (A) FOR THE PURPOSES OF THIS SUBDI-
4 VISION, "CHILD CARE INFORMATION AND REFERRAL PROGRAMS" SHALL BE THOSE
5 SERVICES DEFINED IN SECTION FOUR HUNDRED TEN-Q OF THE SOCIAL SERVICES
6 LAW.
7 (B) A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY
8 THIS ARTICLE, OF THIRTY PERCENT OF: (1) START UP COSTS INCURRED IN
9 ESTABLISHING A CHILD CARE PROGRAM LICENSED OR REGISTERED IN ACCORDANCE
10 WITH SECTION THREE HUNDRED NINETY OF THE SOCIAL SERVICES LAW OR THE
11 ADMINISTRATIVE CODE OF THE CITY OF NEW YORK OR CONSTRUCTING A CHILD DAY
12 CARE FACILITY TO BE USED BY THE CHILDREN OF THE TAXPAYER'S EMPLOYEES AND
13 (2) CONTRIBUTIONS FOR THE TAXPAYER'S EMPLOYEES TO CHILD CARE INFORMATION
14 AND REFERRAL PROGRAMS.
15 (C) IN NO EVENT SHALL THE CREDIT HEREIN PROVIDED FOR BE ALLOWED IN AN
16 AMOUNT WHICH WILL REDUCE THE TAX PAYABLE TO LESS THAN THE HIGHER OF THE
17 AMOUNTS PRESCRIBED IN PARAGRAPHS (C) AND (D) OF SUBDIVISION ONE OF THIS
18 SECTION. PROVIDED, HOWEVER, THAT IF THE AMOUNT OF CREDIT ALLOWABLE UNDER
19 THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT,
20 ANY AMOUNT OF CREDIT NOT DEDUCTIBLE IN SUCH YEAR SHALL BE CARRIED OVER
21 TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S
22 TAX FOR SUCH YEAR OR YEARS.
23 S 2. Section 1456 of the tax law is amended by adding a new subsection
24 (e-1) to read as follows:

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

LBD05001-01-9

1 (E-1) CHILD CARE FACILITY CREDIT. (1) FOR THE PURPOSES OF THIS
2 SUBSECTION, "CHILD CARE INFORMATION AND REFERRAL PROGRAMS" SHALL BE
3 THOSE SERVICES DEFINED IN SECTION FOUR HUNDRED TEN-Q OF THE SOCIAL
4 SERVICES LAW.

5 (2) A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY
6 SECTION FOURTEEN HUNDRED FIFTY-FIVE OF THIS ARTICLE, OF THIRTY PERCENT
7 OF: (A) START UP COSTS INCURRED IN ESTABLISHING A CHILD CARE PROGRAM
8 LICENSED OR REGISTERED IN ACCORDANCE WITH SECTION THREE HUNDRED NINETY
9 OF THE SOCIAL SERVICES LAW OR THE ADMINISTRATIVE CODE OF THE CITY OF NEW
10 YORK OR CONSTRUCTING A CHILD DAY CARE FACILITY TO BE USED BY THE CHIL-
11 DREN OF THE TAXPAYER'S EMPLOYEES AND (B) CONTRIBUTIONS FOR THE TAXPAY-
12 ER'S EMPLOYEES TO CHILD CARE INFORMATION AND REFERRAL PROGRAMS.

13 (3) IN NO EVENT SHALL THE CREDIT HEREIN PROVIDED FOR BE ALLOWED IN AN
14 AMOUNT WHICH WILL REDUCE THE TAX PAYABLE TO LESS THAN THE HIGHER OF THE
15 AMOUNTS PRESCRIBED IN SUBSECTIONS (A) AND (B) OF SECTION FOURTEEN
16 HUNDRED FIFTY-FIVE OF THIS ARTICLE. PROVIDED, HOWEVER, THAT IF THE
17 AMOUNT OF CREDIT ALLOWABLE UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR
18 REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT NOT DEDUCTIBLE IN
19 SUCH YEAR SHALL BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS AND MAY
20 BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

21 S 3. Section 1511 of the tax law is amended by adding a new subdivi-
22 sion (h-1) to read as follows:

23 (H-1) CHILD CARE FACILITY CREDIT. (1) FOR THE PURPOSES OF THIS SUBDI-
24 VISION, "CHILD CARE INFORMATION AND REFERRAL PROGRAMS" SHALL BE THOSE
25 SERVICES DEFINED IN SECTION FOUR HUNDRED TEN-Q OF THE SOCIAL SERVICES
26 LAW.

27 (2) A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY
28 THIS ARTICLE, OF THIRTY PERCENT OF: (A) START UP COSTS INCURRED IN
29 ESTABLISHING A CHILD CARE PROGRAM LICENSED OR REGISTERED IN ACCORDANCE
30 WITH SECTION THREE HUNDRED NINETY OF THE SOCIAL SERVICES LAW OR THE
31 ADMINISTRATIVE CODE OF THE CITY OF NEW YORK OR CONSTRUCTING A CHILD DAY
32 CARE FACILITY TO BE USED BY THE CHILDREN OF THE TAXPAYER'S EMPLOYEES AND
33 (B) CONTRIBUTIONS FOR THE TAXPAYER'S EMPLOYEES TO CHILD CARE INFORMATION
34 AND REFERRAL PROGRAMS.

35 (3) IN NO EVENT SHALL THE CREDIT HEREIN PROVIDED FOR BE ALLOWED IN AN
36 AMOUNT WHICH WILL REDUCE THE TAX PAYABLE TO LESS THAN THE MINIMUM AMOUNT
37 FIXED BY PARAGRAPH FOUR OF SUBDIVISION (A) OF SECTION FIFTEEN HUNDRED
38 TWO OF THIS ARTICLE. PROVIDED, HOWEVER, THAT IF THE AMOUNT OF CREDIT
39 ALLOWABLE UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO
40 SUCH AMOUNT, ANY AMOUNT OF CREDIT NOT DEDUCTIBLE IN SUCH YEAR SHALL BE
41 CARRIED OVER TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE
42 TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

43 S 4. This act shall take effect January 1, 2010 and shall apply to
44 taxable years commencing on and after such effective date.