S T A T E O F N E W Y O R K

675

2009-2010 Regular Sessions

I N S E N A T E

January 12, 2009

Introduced by Sens. LARKIN, SEWARD, BONACIC, DeFRANCISCO, GRIFFO, LEIBELL, LITTLE, MORAHAN, VOLKER, WINNER, YOUNG -- 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 granting tax credits to employers providing health insurance coverage to certain employees who are not otherwise covered by health insurance and providing a personal income tax credit for premiums paid for health insurance by certain taxpayers

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

Section 1. Section 210 of the tax law is amended by adding a new subdivision 41 to read as follows:

41. CREDIT FOR HEALTH INSURANCE PREMIUMS PAID FOR CERTAIN EMPLOYEES. (A) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO THE FOLLOWING PERCENTAGES OF THE PREMIUMS PAID FOR HEALTH INSURANCE FOR QUALIFIED EMPLOYEES DURING THE FOLLOWING TAXABLE YEARS:

TAXABLE YEAR	PERCENTAGE OF PREMIUMS
(1) TWO THOUSAND TEN	FIVE PERCENT
(2) TWO THOUSAND ELEVEN	TEN PERCENT
(3) TWO THOUSAND TWELVE	FIFTEEN PERCENT
(4) TWO THOUSAND THIRTEEN	TWENTY PERCENT
(5) TWO THOUSAND FOURTEEN AND TAXABLE YEARS THEREAFTER	TWENTY-FIVE PERCENT.

(B) QUALIFIED EMPLOYEE. A QUALIFIED EMPLOYEE IS AN EMPLOYEE OF THE TAXPAYER WHO:

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

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(1) PRIOR TO THE PROVISION OF HEALTH INSURANCE BY THE TAXPAYER, DID NOT HAVE HEALTH INSURANCE COVERAGE FOR THE PREVIOUS SIX OR MORE MONTHS OR HAS HAD HIS OR HER COVERAGE UNDER COBRA EXPIRE; AND

(2) HAS A NEW YORK TAXABLE INCOME FOR THE TAXABLE YEAR, INCLUDING THE NEW YORK TAXABLE INCOME OF HIS OR HER SPOUSE IF ANY, OF:

(I) FORTY THOUSAND DOLLARS OR LESS AND HAS NO DEPENDENTS;

(II) SIXTY THOUSAND DOLLARS OR LESS WITH ONE DEPENDENT;

(III) SEVENTY-FIVE THOUSAND DOLLARS OR LESS WITH TWO DEPENDENTS;

(IV) EIGHTY-FIVE THOUSAND DOLLARS OR LESS WITH THREE DEPENDENTS;

(V) AN ADDITIONAL SEVEN THOUSAND FIVE HUNDRED DOLLARS OF ANNUAL INCOME FOR EACH DEPENDENT IN ADDITION TO THREE DEPENDENTS; AND

(3) HAS BEEN EMPLOYED BY THE TAXPAYER FOR NOT LESS THAN ONE YEAR.

(C) HEALTH INSURANCE. HEALTH INSURANCE IS ANY ACCIDENT AND HEALTH INSURANCE POLICY SUBJECT TO THE PROVISIONS OF SECTION THREE THOUSAND TWO HUNDRED SIXTEEN, THREE THOUSAND TWO HUNDRED TWENTY-ONE, FOUR THOUSAND THREE HUNDRED THREE, FOUR THOUSAND THREE HUNDRED TWENTY-ONE, FOUR THOUSAND THREE HUNDRED TWENTY-TWO-A, FOUR THOUSAND THREE HUNDRED TWENTY-SIX OR FOUR THOUSAND EIGHT HUNDRED ONE OF THE INSURANCE LAW, ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW, SECTION THREE HUNDRED SIXTY-NINE-EE OF THE SOCIAL SERVICES LAW OR ANY OTHER SIMILAR ACCIDENT AND HEALTH INSURANCE POLICY.

(D) TAXABLE INCOME OF EMPLOYEES. A TAXPAYER MAY REQUEST AND SHALL RECEIVE, ON OR BEFORE FEBRUARY FIFTEENTH IMMEDIATELY FOLLOWING THE END OF THE TAXABLE YEAR IN WHICH THE CREDIT ESTABLISHED BY THIS SUBDIVISION IS CLAIMED, FROM ANY EMPLOYEE THE TAXPAYER REASONABLY BELIEVES IS A QUALIFIED EMPLOYEE, A REASONABLE ESTIMATE OF SUCH EMPLOYEE'S NEW YORK TAXABLE INCOME INCLUDING THAT OF HIS OR HER SPOUSE IF ANY.

(E) CARRYOVER. THE CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE AMOUNT PRESCRIBED IN PARAGRAPH (D) OF SUBDIVISION ONE OF THIS SECTION. HOWEVER, IF THE AMOUNT OF THE CREDIT ALLOWABLE UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS, AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 2. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law, as amended by section 2 of part ZZ-1 of chapter 57 of the laws of 2008, is amended to read as follows:

(B) shall be treated as the owner of a new business with respect to such share if the corporation qualifies as a new business pursuant to paragraph (j) of subdivision twelve of section two hundred ten of this chapter.

With respect to the following credit under this section:	The corporation's credit base under section two hundred ten or section fourteen hundred fifty-six of this chapter is:
Investment tax credit under subsection (a)	Investment credit base or qualified rehabilitation expenditures under subdivision twelve of section two hundred ten

Empire zone investment tax credit under subsection (j)	Cost or other basis under subdivision twelve-B of section two hundred ten
Empire zone wage tax credit under subsection (k)	Eligible wages under subdivision nineteen of section two hundred ten or subsection (e) of section fourteen hundred fifty-six
Empire zone capital tax credit under subsection (l)	Qualified investments and contributions under subdivision twenty of section two hundred ten or subsection (d) of section fourteen hundred fifty-six
Agricultural property tax credit under subsection (n)	Allowable school district property taxes under subdivision twenty-two of section two hundred ten
Credit for employment of persons with disabilities under subsection (o)	Qualified first-year wages or qualified second-year wages under subdivision twenty-three of section two hundred ten or subsection (f) of section fourteen hundred fifty-six
Employment incentive credit under subsection (a-1)	Applicable investment credit base under subdivision twelve-D of section two hundred ten
Empire zone employment incentive credit under subsection (j-1)	Applicable investment credit under subdivision twelve-C of section two hundred ten
Alternative fuels credit under subsection (p)	Cost under subdivision twenty-four of section two hundred ten
Qualified emerging technology company employment credit under subsection (q)	Applicable credit base under subdivision twelve-E of section two hundred ten
Qualified emerging technology company	Qualified investments under subdivision twelve-F of

capital tax credit under subsection (r)	section two hundred ten
Credit for purchase of an automated external defibrillator under subsection (s)	Cost of an automated external defibrillator under subdivision twenty-five of section two hundred ten or subsection (j) of section fourteen hundred fifty-six
Low-income housing credit under subsection (x)	Credit amount under subdivision thirty of section two hundred ten or subsection (l) of section fourteen hundred fifty-six
Credit for transportation improvement contributions under subsection (z)	Amount of credit under subdivision thirty-two of section two hundred ten or subsection (n) of section fourteen hundred fifty-six
QEZE credit for real property taxes under subsection (bb)	Amount of credit under subdivision twenty-seven of section two hundred ten or subsection (o) of section fourteen hundred fifty-six
QEZE tax reduction credit under subsection (cc)	Amount of benefit period factor, employment increase factor and zone allocation factor (without regard to pro ration) under subdivision twenty-eight of section two hundred ten or subsection (p) of section fourteen hundred fifty-six and amount of tax factor as determined under subdivision (f) of section sixteen
Green building credit under subsection (y)	Amount of green building credit under subdivision thirty-one of section two hundred ten or subsection (m) of section fourteen hundred fifty-six
Credit for long-term care insurance premiums under subsection (aa)	Qualified costs under subdivision twenty-five-a of section two hundred ten or subsection (k) of section fourteen hundred fifty-six
Brownfield redevelopment credit under subsection (dd)	Amount of credit under subdivision thirty-three of section

	two hundred ten or subsection (q) of section fourteen hundred fifty-six
Remediated brownfield credit for real property taxes for qualified sites under subsection (ee)	Amount of credit under subdivision thirty-four of section two hundred ten or subsection (r) of section fourteen hundred fifty-six
Environmental remediation insurance credit under subsection (ff)	Amount of credit under subdivision thirty-five of section two hundred ten or subsection (s) of section fourteen hundred fifty-six
Empire state film production credit under subsection (gg)	Amount of credit for qualified production costs in production of a qualified film under subdivision thirty-six of section two hundred ten
Qualified emerging technology company facilities, operations and training credit under subsection (nn)	Qualifying expenditures and development activities under subdivision twelve-G of section two hundred ten
Security training tax credit under subsection (ii)	Amount of credit under subdivision thirty-seven of section two hundred ten or under subsection (t) of section fourteen hundred fifty-six
Credit for qualified fuel cell electric generating equipment expenditures under subsection (g-2)	Amount of credit under subdivision thirty-seven of section two hundred ten or subsection (t) of section fourteen hundred fifty-six
Empire state commercial production credit under subsection (jj)	Amount of credit for qualified production costs in production of a qualified commercial under subdivision thirty-eight of section two hundred ten
Biofuel production tax credit under subsection (jj)	Amount of credit under subdivision thirty-eight of section two hundred ten

Clean heating fuel credit under subsection (mm)	Amount of credit under subdivision thirty-nine of section two hundred ten
Credit for rehabilitation of historic properties under subsection (oo)	Amount of credit under subdivision forty of [subsection] SECTION two hundred ten
Credit for companies who provide transportation to individuals with disabilities under subsection (oo)	Amount of credit under subdivision forty of section two hundred ten
CREDIT FOR HEALTH INSURANCE PREMIUMS FOR CERTAIN EMPLOYEES UNDER SUBSECTION (QQ)	CREDIT UNDER SUBDIVISION FORTY-ONE OF SECTION TWO HUNDRED TEN

S 3. Section 606 of the tax law is amended by adding two new subsections (qq) and (rr) to read as follows:

(QQ) CREDIT FOR HEALTH INSURANCE PREMIUMS PAID FOR CERTAIN EMPLOYEES. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO THE FOLLOWING PERCENTAGES OF THE PREMIUMS PAID FOR HEALTH INSURANCE FOR QUALIFIED EMPLOYEES DURING THE FOLLOWING TAXABLE YEARS:

TAXABLE YEAR	PERCENTAGE OF PREMIUMS
(A) TWO THOUSAND TEN	FIVE PERCENT
(B) TWO THOUSAND ELEVEN	TEN PERCENT
(C) TWO THOUSAND TWELVE	FIFTEEN PERCENT
(D) TWO THOUSAND THIRTEEN	TWENTY PERCENT
(E) TWO THOUSAND FOURTEEN AND THEREAFTER TAXABLE YEARS	TWENTY-FIVE PERCENT.

(2) QUALIFIED EMPLOYEE. A QUALIFIED EMPLOYEE IS AN EMPLOYEE OF THE TAXPAYER WHO:

(A) PRIOR TO THE PROVISION OF HEALTH INSURANCE BY THE TAXPAYER, DID NOT HAVE HEALTH INSURANCE COVERAGE FOR THE PREVIOUS SIX MONTHS OR MORE OR HAS HAD HIS OR HER COVERAGE UNDER COBRA EXPIRE; AND

(B) HAS A NEW YORK TAXABLE INCOME FOR THE TAXABLE YEAR, INCLUDING THE NEW YORK TAXABLE INCOME OF HIS OR HER SPOUSE IF ANY, OF:

(I) FORTY THOUSAND DOLLARS OR LESS AND HAS NO DEPENDENTS;

(II) SIXTY THOUSAND DOLLARS OR LESS WITH ONE DEPENDENT;

(III) SEVENTY-FIVE THOUSAND DOLLARS OR LESS WITH TWO DEPENDENTS;

(IV) EIGHTY-FIVE THOUSAND DOLLARS OR LESS WITH THREE DEPENDENTS;

(V) AN ADDITIONAL SEVEN THOUSAND FIVE HUNDRED DOLLARS OF ANNUAL INCOME FOR EACH DEPENDENT IN ADDITION TO THREE DEPENDENTS; AND

(C) HAS BEEN EMPLOYED BY THE TAXPAYER FOR NOT LESS THAN ONE YEAR.

(3) HEALTH INSURANCE. HEALTH INSURANCE IS ANY ACCIDENT AND HEALTH INSURANCE POLICY SUBJECT TO THE PROVISIONS OF SECTION THREE THOUSAND TWO HUNDRED SIXTEEN, THREE THOUSAND TWO HUNDRED TWENTY-ONE, FOUR THOUSAND THREE HUNDRED THREE, FOUR THOUSAND THREE HUNDRED TWENTY-ONE, FOUR THOU-

SAND THREE HUNDRED TWENTY-TWO-A, FOUR THOUSAND THREE HUNDRED TWENTY-SIX OR FOUR THOUSAND EIGHT HUNDRED ONE OF THE INSURANCE LAW, ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW, SECTION THREE HUNDRED SIXTY-NINE-EE OF THE SOCIAL SERVICES LAW OR ANY OTHER SIMILAR ACCIDENT AND HEALTH INSURANCE POLICY.

(4) TAXABLE INCOME OF EMPLOYEES. A TAXPAYER MAY REQUEST AND SHALL RECEIVE, ON OR BEFORE FEBRUARY FIFTEENTH IMMEDIATELY FOLLOWING THE END OF THE TAXABLE YEAR IN WHICH THE CREDIT ESTABLISHED BY THIS SUBSECTION IS CLAIMED, FROM ANY EMPLOYEE THE TAXPAYER REASONABLY BELIEVES IS A QUALIFIED EMPLOYEE, A REASONABLE ESTIMATE OF SUCH EMPLOYEE'S NEW YORK TAXABLE INCOME INCLUDING THAT OF HIS OR HER SPOUSE IF ANY.

(5) CARRYOVER. IF THE AMOUNT OF CREDIT ALLOWABLE UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS, AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

(RR) CREDIT FOR HEALTH INSURANCE PREMIUMS. (1) ALLOWANCE OF CREDIT. A QUALIFIED TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO THE FOLLOWING PERCENTAGES OF THE PREMIUMS PAID FOR HEALTH INSURANCE DURING THE FOLLOWING TAXABLE YEARS:

TAXABLE YEAR	PERCENTAGE OF PREMIUMS
(A) TWO THOUSAND TEN	FIVE PERCENT
(B) TWO THOUSAND ELEVEN	TEN PERCENT
(C) TWO THOUSAND TWELVE	FIFTEEN PERCENT
(D) TWO THOUSAND THIRTEEN	TWENTY PERCENT
(E) TWO THOUSAND FOURTEEN AND TAXABLE YEARS THEREAFTER	TWENTY-FIVE PERCENT.

(2) QUALIFIED TAXPAYER. A QUALIFIED TAXPAYER IS A TAXPAYER WHO:

(A) DID NOT HAVE HEALTH INSURANCE COVERAGE FOR THE PREVIOUS SIX MONTHS OR MORE OR HAS HAD HIS OR HER COVERAGE UNDER COBRA EXPIRE; AND

(B) HAS A NEW YORK TAXABLE INCOME FOR THE TAXABLE YEAR, INCLUDING THE NEW YORK TAXABLE INCOME OF HIS OR HER SPOUSE IF ANY, OF:

(I) FORTY THOUSAND DOLLARS OR LESS AND NO DEPENDENTS;

(II) SIXTY THOUSAND DOLLARS OR LESS WITH ONE DEPENDENT;

(III) SEVENTY-FIVE THOUSAND DOLLARS OR LESS WITH TWO DEPENDENTS;

(IV) EIGHTY-FIVE THOUSAND DOLLARS OR LESS WITH THREE DEPENDENTS; AND

(V) AN ADDITIONAL SEVEN THOUSAND FIVE HUNDRED DOLLARS OF ANNUAL INCOME FOR EACH DEPENDENT IN ADDITION TO THREE DEPENDENTS.

(3) HEALTH INSURANCE. HEALTH INSURANCE IS ANY ACCIDENT AND HEALTH INSURANCE POLICY SUBJECT TO THE PROVISIONS OF SECTION THREE THOUSAND TWO HUNDRED SIXTEEN, THREE THOUSAND TWO HUNDRED TWENTY-ONE, FOUR THOUSAND THREE HUNDRED THREE, FOUR THOUSAND THREE HUNDRED TWENTY-ONE, FOUR THOUSAND THREE HUNDRED TWENTY-TWO-A, FOUR THOUSAND THREE HUNDRED TWENTY-SIX OR FOUR THOUSAND EIGHT HUNDRED ONE OF THE INSURANCE LAW, ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW, SECTION THREE HUNDRED SIXTY-NINE-EE OF THE SOCIAL SERVICES LAW OR ANY OTHER SIMILAR ACCIDENT AND HEALTH INSURANCE POLICY.

(4) CARRYOVER. IF THE AMOUNT OF CREDIT ALLOWABLE UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS, AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 4. Section 1456 of the tax law is amended by adding a new subsection (u) to read as follows:

(U) CREDIT FOR HEALTH INSURANCE PREMIUMS PAID FOR CERTAIN EMPLOYEES. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO THE FOLLOWING PERCENTAGES OF

THE PREMIUMS PAID FOR HEALTH INSURANCE FOR QUALIFIED EMPLOYEES DURING THE FOLLOWING TAXABLE YEARS:

TAXABLE YEAR	PERCENTAGE OF PREMIUMS
(A) TWO THOUSAND TEN	FIVE PERCENT
(B) TWO THOUSAND ELEVEN	TEN PERCENT
(C) TWO THOUSAND TWELVE	FIFTEEN PERCENT
(D) TWO THOUSAND THIRTEEN	TWENTY PERCENT
(E) TWO THOUSAND FOURTEEN AND TAXABLE YEARS THEREAFTER	TWENTY-FIVE PERCENT.

(2) QUALIFIED EMPLOYEE. A QUALIFIED EMPLOYEE IS AN EMPLOYEE OF THE TAXPAYER WHO:

(A) PRIOR TO THE PROVISION OF HEALTH INSURANCE BY THE TAXPAYER, DID NOT HAVE HEALTH INSURANCE COVERAGE FOR THE PREVIOUS SIX MONTHS OR MORE OR HAS HAD HIS OR HER COVERAGE UNDER COBRA EXPIRE; AND

(B) HAS A NEW YORK TAXABLE INCOME FOR THE TAXABLE YEAR, INCLUDING THE NEW YORK TAXABLE INCOME OF HIS OR HER SPOUSE IF ANY, OF:

(I) FORTY THOUSAND DOLLARS OR LESS AND HAS NO DEPENDENTS;

(II) SIXTY THOUSAND DOLLARS OR LESS WITH ONE DEPENDENT;

(III) SEVENTY-FIVE THOUSAND DOLLARS OR LESS WITH TWO DEPENDENTS;

(IV) EIGHTY-FIVE THOUSAND DOLLARS OR LESS WITH THREE DEPENDENTS;

(V) AN ADDITIONAL SEVEN THOUSAND FIVE HUNDRED DOLLARS OF ANNUAL INCOME FOR EACH DEPENDENT IN ADDITION TO THREE DEPENDENTS; AND

(C) HAS BEEN EMPLOYED BY THE TAXPAYER FOR NOT LESS THAN ONE YEAR.

(3) HEALTH INSURANCE. HEALTH INSURANCE IS ANY ACCIDENT AND HEALTH INSURANCE POLICY SUBJECT TO THE PROVISIONS OF SECTION THREE THOUSAND TWO HUNDRED SIXTEEN, THREE THOUSAND TWO HUNDRED TWENTY-ONE, FOUR THOUSAND THREE HUNDRED THREE, FOUR THOUSAND THREE HUNDRED TWENTY-ONE, FOUR THOUSAND THREE HUNDRED TWENTY-TWO-A, FOUR THOUSAND THREE HUNDRED TWENTY-SIX OR FOUR THOUSAND EIGHT HUNDRED ONE OF THE INSURANCE LAW, ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW, SECTION THREE HUNDRED SIXTY-NINE-EE OF THE SOCIAL SERVICES LAW OR ANY SIMILAR ACCIDENT AND HEALTH INSURANCE POLICY.

(4) TAXABLE INCOME OF EMPLOYEES. A TAXPAYER MAY REQUEST AND SHALL RECEIVE, ON OR BEFORE FEBRUARY FIFTEENTH IMMEDIATELY FOLLOWING THE END OF THE TAXABLE YEAR IN WHICH THE CREDIT ESTABLISHED BY THIS SUBSECTION IS CLAIMED, FROM ANY EMPLOYEE THE TAXPAYER REASONABLY BELIEVES IS A QUALIFIED EMPLOYEE, A REASONABLE ESTIMATE OF SUCH EMPLOYEE'S NEW YORK TAXABLE INCOME INCLUDING THAT OF HIS OR HER SPOUSE IF ANY.

(5) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE MINIMUM TAX FIXED BY SUBSECTION (B) OF SECTION FOURTEEN HUNDRED FIFTY-FIVE OF THIS ARTICLE. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, THEN ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION ONE THOUSAND EIGHTY-SIX OF THIS CHAPTER. PROVIDED, HOWEVER, THE PROVISIONS OF SUBSECTION (C) OF SECTION ONE THOUSAND EIGHTY-EIGHT OF THIS CHAPTER NOTWITHSTANDING, NO INTEREST SHALL BE PAID THEREON.

S 5. Section 1511 of the tax law is amended by adding a new subdivision (y) to read as follows:

(Y) CREDIT FOR HEALTH INSURANCE PREMIUMS PAID FOR CERTAIN EMPLOYEES. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO THE FOLLOWING PERCENTAGES OF THE PREMIUMS PAID FOR HEALTH INSURANCE FOR QUALIFIED EMPLOYEES DURING THE FOLLOWING TAXABLE YEARS:

TAXABLE YEAR	PERCENTAGE OF PREMIUMS
(A) TWO THOUSAND TEN	FIVE PERCENT
(B) TWO THOUSAND ELEVEN	TEN PERCENT
(C) TWO THOUSAND TWELVE	FIFTEEN PERCENT
(D) TWO THOUSAND THIRTEEN	TWENTY PERCENT
(E) TWO THOUSAND FOURTEEN AND TAXABLE YEARS THEREAFTER	TWENTY-FIVE PERCENT.

(2) QUALIFIED EMPLOYEES. A QUALIFIED EMPLOYEE IS AN EMPLOYEE OF THE TAXPAYER WHO:

(A) PRIOR TO THE PROVISION OF HEALTH INSURANCE BY THE TAXPAYER, DID NOT HAVE HEALTH INSURANCE COVERAGE FOR THE PREVIOUS SIX MONTHS OR MORE OR HAS HAD HIS OR HER COVERAGE UNDER COBRA EXPIRE; AND

(B) HAS A NEW YORK TAXABLE INCOME FOR THE TAXABLE YEAR, INCLUDING THE NEW YORK TAXABLE INCOME OF HIS OR HER SPOUSE IF ANY, OF:

(I) FORTY THOUSAND DOLLARS OR LESS AND HAS NO DEPENDANTS;

(II) SIXTY THOUSAND DOLLARS OR LESS WITH ONE DEPENDANT;

(III) SEVENTY-FIVE THOUSAND DOLLARS OR LESS WITH TWO DEPENDANTS;

(IV) EIGHTY-FIVE THOUSAND DOLLARS OR LESS WITH THREE DEPENDANTS;

(V) AN ADDITIONAL SEVEN THOUSAND FIVE HUNDRED DOLLARS OF ANNUAL INCOME FOR EACH DEPENDANT IN ADDITION TO THREE DEPENDANTS; AND

(C) HAS BEEN EMPLOYED BY THE TAXPAYER FOR NOT LESS THAN ONE YEAR.

(3) HEALTH INSURANCE. HEALTH INSURANCE IS ANY ACCIDENT AND HEALTH INSURANCE POLICY SUBJECT TO THE PROVISIONS OF SECTION THREE THOUSAND TWO HUNDRED SIXTEEN, THREE THOUSAND TWO HUNDRED TWENTY-ONE, FOUR THOUSAND THREE HUNDRED THREE, FOUR THOUSAND THREE HUNDRED TWENTY-ONE, FOUR THOUSAND THREE HUNDRED TWENTY-TWO-A, FOUR THOUSAND THREE HUNDRED TWENTY-SIX OR FOUR THOUSAND EIGHT HUNDRED ONE OF THE INSURANCE LAW, ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW, SECTION THREE HUNDRED SIXTY-NINE-EE OF THE SOCIAL SERVICES LAW OR ANY SIMILAR ACCIDENT AND HEALTH INSURANCE POLICY.

(4) TAXABLE INCOME OF EMPLOYEES. A TAXPAYER MAY REQUEST AND SHALL RECEIVE, ON OR BEFORE FEBRUARY FIFTEENTH IMMEDIATELY FOLLOWING THE END OF THE TAXABLE YEAR IN WHICH THE CREDIT ESTABLISHED BY THIS SUBDIVISION IS CLAIMED, FROM ANY EMPLOYEE THE TAXPAYER REASONABLY BELIEVES IS A QUALIFIED EMPLOYEE, A REASONABLE ESTIMATE OF SUCH EMPLOYEE'S NEW YORK TAXABLE INCOME INCLUDING THAT OF HIS OR HER SPOUSE IF ANY.

(5) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE MINIMUM TAX FIXED BY PARAGRAPH FOUR OF SUBDIVISION (A) OF SECTION FIFTEEN HUNDRED TWO OF THIS ARTICLE. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION ONE THOUSAND EIGHTY-SIX OF THIS CHAPTER. PROVIDED, HOWEVER, THE PROVISIONS OF SUBSECTION (C) OF SECTION ONE THOUSAND EIGHTY-EIGHT OF THIS CHAPTER, NOTWITHSTANDING, NO INTEREST SHALL BE PAID THEREON.

S 6. This act shall take effect immediately and shall apply to taxable years commencing on or after January 1, 2010; provided, however, that

the empire state film production credit under subsection (gg), the empire state commercial production credit under subsection (jj) and the credit for companies who provide transportation to individuals with disabilities under subsection (oo) of section 606 of the tax law contained in section two of this act shall expire on the same date as provided in section 9 of part P of chapter 60 of the laws of 2004, as amended, section 10 of part V of chapter 62 of the laws of 2006, as amended and section 5 of chapter 522 of the laws of 2006, as amended, respectively.