

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:

1 Section 1. Section 210 of the tax law is amended by adding a new
2 subdivision 41 to read as follows:
3 41. CREDIT FOR HEALTH INSURANCE PREMIUMS PAID FOR CERTAIN EMPLOYEES.
4 (A) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST
5 THE TAX IMPOSED BY THIS ARTICLE EQUAL TO THE FOLLOWING PERCENTAGES OF
6 THE PREMIUMS PAID FOR HEALTH INSURANCE FOR QUALIFIED EMPLOYEES DURING
7 THE FOLLOWING TAXABLE YEARS:
8
9 TAXABLE YEAR PERCENTAGE OF
10 (1) TWO THOUSAND TEN FIVE PERCENT
11 (2) TWO THOUSAND ELEVEN TEN PERCENT
12 (3) TWO THOUSAND TWELVE FIFTEEN PERCENT
13 (4) TWO THOUSAND THIRTEEN TWENTY PERCENT
14 (5) TWO THOUSAND FOURTEEN TWENTY-FIVE
15 AND TAXABLE YEARS PERCENT.
16 THEREAFTER
17 (B) QUALIFIED EMPLOYEE. A QUALIFIED EMPLOYEE IS AN EMPLOYEE OF THE
18 TAXPAYER WHO:

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

(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

1	Empire zone	Cost or other basis
2	investment tax credit	under subdivision
3	under subsection (j)	twelve-B
4		of section two hundred
5		ten
6	Empire zone	Eligible wages under
7	wage tax credit	subdivision nineteen of
8	under subsection (k)	section two hundred ten
9		or subsection (e) of
10		section fourteen hundred
11		fifty-six
12	Empire zone	Qualified investments
13	capital tax credit	and contributions under
14	under subsection (l)	subdivision twenty of
15		section two hundred ten
16		or subsection (d) of
17		section fourteen hundred
18		fifty-six
19	Agricultural property tax	Allowable school
20	credit under subsection (n)	district property taxes under
21		subdivision twenty-two of
22		section two hundred ten
23	Credit for employment	Qualified first-year wages or
24	of persons with dis-	qualified second-year wages
25	abilities under	under subdivision
26	subsection (o)	twenty-three of section
27		two hundred ten
28		or subsection (f)
29		of section fourteen
30		hundred fifty-six
31	Employment incentive	Applicable investment credit
32	credit under subsec-	base under subdivision
33	tion (a-1)	twelve-D of section two
34		hundred ten
35	Empire zone	Applicable investment
36	employment	credit under sub-
37	incentive credit under	division twelve-C
38	subsection (j-1)	of section two hundred ten
39	Alternative fuels credit	Cost under subdivision
40	under subsection (p)	twenty-four of section two
41		hundred ten
42	Qualified emerging	Applicable credit base
43	technology company	under subdivision twelve-E
44	employment credit	of section two hundred ten
45	under subsection (q)	
46	Qualified emerging	Qualified investments under
47	technology company	subdivision twelve-F of

1	capital tax credit	section two hundred ten
2	under subsection (r)	
3	Credit for purchase of an	Cost of an automated
4	automated external defibrillator	external defibrillator under
5	under subsection (s)	subdivision twenty-five of
6		section two hundred ten
7		or subsection (j) of section
8		fourteen hundred fifty-six
9	Low-income housing	Credit amount under
10	credit under subsection (x)	subdivision thirty
11		of section two hundred ten or
12		subsection (l) of section
13		fourteen hundred fifty-six
14	Credit for transportation	Amount of credit under sub-
15	improvement contributions	division thirty-two of section
16	under subsection (z)	two hundred ten or subsection
17		(n) of section fourteen
18		hundred fifty-six
19	QEZE credit for real property	Amount of credit under
20	taxes under subsection (bb)	subdivision twenty-seven of
21		section two hundred ten or
22		subsection (o) of section
23		fourteen hundred fifty-six
24	QEZE tax reduction credit	Amount of benefit period
25	under subsection (cc)	factor, employment increase factor
26		and zone allocation
27		factor (without regard
28		to pro ration) under
29		subdivision twenty-eight of
30		section two hundred ten or
31		subsection (p) of section
32		fourteen hundred fifty-six
33		and amount of tax factor
34		as determined under
35		subdivision (f) of section sixteen
36	Green building credit	Amount of green building credit
37	under subsection (y)	under subdivision thirty-one
38		of section two hundred ten
39		or subsection (m) of section
40		fourteen hundred fifty-six
41	Credit for long-term	Qualified costs under
42	care insurance premiums	subdivision twenty-five-a of
43	under subsection (aa)	section two hundred ten
44		or subsection (k) of section
45		fourteen hundred fifty-six
46	Brownfield redevelopment	Amount of credit
47	credit under subsection	under subdivision
48	(dd)	thirty-three of section

1		two hundred ten
2		or subsection (q) of
3		section fourteen hundred
4		fifty-six
5	Remediated brownfield	Amount of credit under
6	credit for real property	subdivision thirty-four
7	taxes for qualified	of section two hundred
8	sites under subsection	ten or subsection (r) of
9	(ee)	section fourteen hundred
10		fifty-six
11	Environmental	Amount of credit under
12	remediation	subdivision thirty-five of
13	insurance credit under	section two hundred
14	subsection (ff)	ten or subsection
15		(s) of section
16		fourteen hundred
17		fifty-six
18	Empire state film production	Amount of credit for qualified
19	credit under subsection (gg)	production costs in production
20		of a qualified film under
21		subdivision thirty-six of
22		section two hundred ten
23	Qualified emerging	Qualifying expenditures and
24	technology company facilities,	development activities under
25	operations and training credit	subdivision twelve-G of section
26	under subsection (nn)	two hundred ten
27	Security training tax	Amount of credit
28	credit under	under subdivision thirty-seven
29	subsection (ii)	of section two hundred ten or
30		under subsection (t) of
31		section fourteen hundred fifty-six
32	Credit for qualified fuel	Amount of credit under
33	cell electric generating equipment	subdivision thirty-seven
34	expenditures under subsection (g-2)	of section two hundred ten
35		or subsection (t) of
36		section fourteen hundred
37		fifty-six
38	Empire state commercial production	Amount of credit for qualified
39	credit under subsection (jj)	production costs in production
40		of a qualified commercial under
41		subdivision thirty-eight of sec-
42		tion two hundred ten
43	Biofuel production	Amount of credit
44	tax credit under	under subdivision
45	subsection (jj)	thirty-eight of
46		section two hundred ten

1	Clean heating fuel credit	Amount of credit under
2	under subsection (mm)	subdivision thirty-nine of
3		section two hundred ten
4	Credit for rehabilitation	Amount of credit under
5	of historic properties	subdivision forty of
6	under subsection (oo)	[subsection] SECTION
7		two hundred ten
8	Credit for companies who	Amount of credit under
9	provide transportation	subdivision forty of
10	to individuals	section two hundred ten
11	with disabilities	
12	under subsection (oo)	
13	CREDIT FOR HEALTH	CREDIT UNDER SUBDIVISION
14	INSURANCE PREMIUMS FOR	FORTY-ONE OF SECTION
15	CERTAIN EMPLOYEES	TWO HUNDRED TEN
16	UNDER SUBSECTION (QQ)	

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

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

24	TAXABLE YEAR	PERCENTAGE OF
25		PREMIUMS
26	(A) TWO THOUSAND TEN	FIVE PERCENT
27	(B) TWO THOUSAND ELEVEN	TEN PERCENT
28	(C) TWO THOUSAND TWELVE	FIFTEEN PERCENT
29	(D) TWO THOUSAND THIRTEEN	TWENTY PERCENT
30	(E) TWO THOUSAND	TWENTY-FIVE
31	FOURTEEN AND TAXABLE YEARS	PERCENT.
32	THEREAFTER	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TAXABLE YEAR	PERCENTAGE OF PREMIUMS
21 (A) TWO THOUSAND TEN	FIVE PERCENT
22 (B) TWO THOUSAND ELEVEN	TEN PERCENT
23 (C) TWO THOUSAND TWELVE	FIFTEEN PERCENT
24 (D) TWO THOUSAND THIRTEEN	TWENTY PERCENT
25 (E) TWO THOUSAND FOURTEEN AND TAXABLE 26 YEARS THEREAFTER	TWENTY-FIVE PERCENT.

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

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

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

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

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

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

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

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

38 (3) HEALTH INSURANCE. HEALTH INSURANCE IS ANY ACCIDENT AND HEALTH
 39 INSURANCE POLICY SUBJECT TO THE PROVISIONS OF SECTION THREE THOUSAND TWO
 40 HUNDRED SIXTEEN, THREE THOUSAND TWO HUNDRED TWENTY-ONE, FOUR THOUSAND
 41 THREE HUNDRED THREE, FOUR THOUSAND THREE HUNDRED TWENTY-ONE, FOUR THOU-
 42 SAND THREE HUNDRED TWENTY-TWO-A, FOUR THOUSAND THREE HUNDRED TWENTY-SIX
 43 OR FOUR THOUSAND EIGHT HUNDRED ONE OF THE INSURANCE LAW, ARTICLE FORTY-
 44 FOUR OF THE PUBLIC HEALTH LAW, SECTION THREE HUNDRED SIXTY-NINE-EE OF
 45 THE SOCIAL SERVICES LAW OR ANY OTHER SIMILAR ACCIDENT AND HEALTH INSUR-
 46 ANCE POLICY.

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

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

53 (U) CREDIT FOR HEALTH INSURANCE PREMIUMS PAID FOR CERTAIN EMPLOYEES.

54 (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST
 55 THE TAX IMPOSED BY THIS ARTICLE EQUAL TO THE FOLLOWING PERCENTAGES OF
 56

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

3 TAXABLE YEAR	PERCENTAGE OF PREMIUMS
4 (A) TWO THOUSAND TEN	FIVE PERCENT
5 (B) TWO THOUSAND ELEVEN	TEN PERCENT
6 (C) TWO THOUSAND TWELVE	FIFTEEN PERCENT
7 (D) TWO THOUSAND THIRTEEN	TWENTY PERCENT
8 (E) TWO THOUSAND FOURTEEN 9 AND TAXABLE YEARS 10 THEREAFTER	TWENTY-FIVE PERCENT.

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

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

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

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

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

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

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

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

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

26 (3) HEALTH INSURANCE. HEALTH INSURANCE IS ANY ACCIDENT AND HEALTH
27 INSURANCE POLICY SUBJECT TO THE PROVISIONS OF SECTION THREE THOUSAND TWO
28 HUNDRED SIXTEEN, THREE THOUSAND TWO HUNDRED TWENTY-ONE, FOUR THOUSAND
29 THREE HUNDRED THREE, FOUR THOUSAND THREE HUNDRED TWENTY-ONE, FOUR THOU-
30 SAND THREE HUNDRED TWENTY-TWO-A, FOUR THOUSAND THREE HUNDRED TWENTY-SIX
31 OR FOUR THOUSAND EIGHT HUNDRED ONE OF THE INSURANCE LAW, ARTICLE FORTY-
32 FOUR OF THE PUBLIC HEALTH LAW, SECTION THREE HUNDRED SIXTY-NINE-EE OF
33 THE SOCIAL SERVICES LAW OR ANY SIMILAR ACCIDENT AND HEALTH INSURANCE
34 POLICY.

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

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

52 S 5. Section 1511 of the tax law is amended by adding a new subdivi-
53 sion (y) to read as follows:

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

6 TAXABLE YEAR	PERCENTAGE OF PREMIUMS
7 (A) TWO THOUSAND TEN	FIVE PERCENT
8 (B) TWO THOUSAND ELEVEN	TEN PERCENT
9 (C) TWO THOUSAND TWELVE	FIFTEEN PERCENT
10 (D) TWO THOUSAND THIRTEEN	TWENTY PERCENT
11 (E) TWO THOUSAND FOURTEEN 12 AND TAXABLE YEARS 13 THEREAFTER	TWENTY-FIVE PERCENT.

14
 15 (2) QUALIFIED EMPLOYEES. A QUALIFIED EMPLOYEE IS AN EMPLOYEE OF THE
 16 TAXPAYER WHO:

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

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

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

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

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

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

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

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

29 (3) HEALTH INSURANCE. HEALTH INSURANCE IS ANY ACCIDENT AND HEALTH
 30 INSURANCE POLICY SUBJECT TO THE PROVISIONS OF SECTION THREE THOUSAND TWO
 31 HUNDRED SIXTEEN, THREE THOUSAND TWO HUNDRED TWENTY-ONE, FOUR THOUSAND
 32 THREE HUNDRED THREE, FOUR THOUSAND THREE HUNDRED TWENTY-ONE, FOUR THOU-
 33 SAND THREE HUNDRED TWENTY-TWO-A, FOUR THOUSAND THREE HUNDRED TWENTY-SIX
 34 OR FOUR THOUSAND EIGHT HUNDRED ONE OF THE INSURANCE LAW, ARTICLE FORTY-
 35 FOUR OF THE PUBLIC HEALTH LAW, SECTION THREE HUNDRED SIXTY-NINE-EE OF
 36 THE SOCIAL SERVICES LAW OR ANY SIMILAR ACCIDENT AND HEALTH INSURANCE
 37 POLICY.

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

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

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

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