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

3228

2009-2010 Regular Sessions

I N A S S E M B L Y

January 23, 2009

Introduced by M. of A. WEPRIN -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to the establishment of a tax credit for the adoption of a child

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

Section 1. Section 606 of the tax law is amended by adding a new subsection (t-2) to read as follows:

(T-2) ADOPTION CREDIT. (1) GENERAL. A RESIDENT TAXPAYER SHALL BE ALLOWED THE OPTION OF CLAIMING A CREDIT, TO BE COMPUTED AS PROVIDED IN PARAGRAPH THREE OF THIS SUBSECTION, AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR ALLOWABLE ADOPTION EXPENSES FOR EACH CHILD ADOPTED.

(2) ALLOWABLE AND QUALIFIED ADOPTION EXPENSES. FOR THE PURPOSES OF THIS CREDIT, (A) THE TERM "ALLOWABLE ADOPTION EXPENSES" SHALL MEAN THE AMOUNT OF QUALIFIED NONRECURRING ADOPTION EXPENSES PAID BY THE TAXPAYER DURING THE TAXABLE YEAR FOR EACH CHILD ADOPTED, LIMITED TO TEN THOUSAND DOLLARS, AND (B) THE TERM "QUALIFIED ADOPTION EXPENSES" SHALL MEAN THE EXPENSES REQUIRED FOR THE LEGAL ADOPTION OF A CHILD BY THE TAXPAYER OR THE TAXPAYER'S SPOUSE.

(3) AMOUNT OF CREDIT. IF ALLOWABLE ADOPTION EXPENSES ARE LESS THAN FIVE THOUSAND DOLLARS, THE AMOUNT OF THE CREDIT PROVIDED UNDER THIS SUBSECTION SHALL BE EQUAL TO THE APPLICABLE PERCENTAGE OF THE LESSER OF ALLOWABLE ADOPTION EXPENSES OR TWO HUNDRED DOLLARS. IF ALLOWABLE ADOPTION EXPENSES ARE FIVE THOUSAND DOLLARS OR MORE, THE AMOUNT OF THE CREDIT PROVIDED UNDER THIS SUBSECTION SHALL BE EQUAL TO THE APPLICABLE PERCENTAGE OF THE ALLOWABLE ADOPTION EXPENSES MULTIPLIED BY FOUR PERCENT. SUCH APPLICABLE PERCENTAGE SHALL BE TWENTY-FIVE PERCENT FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TEN, FIFTY PERCENT FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND ELEVEN, SEVENTY-FIVE PERCENT FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWELVE AND ONE HUNDRED PERCENT FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND THIRTEEN.

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

LBD02016-01-9

(4) REFUNDABILITY. THE CREDIT UNDER THIS SUBSECTION SHALL BE ALLOWED AGAINST THE TAXES IMPOSED BY THIS ARTICLE FOR THE TAXABLE YEAR REDUCED BY THE CREDITS PERMITTED BY THIS ARTICLE. IF THE CREDIT EXCEEDS THE TAX AS SO REDUCED, THE TAXPAYER MAY RECEIVE, AND THE COMPTROLLER, SUBJECT TO A CERTIFICATE OF THE COMMISSIONER, SHALL PAY AS AN OVERPAYMENT, WITHOUT INTEREST, THE AMOUNT OF SUCH EXCESS.

S 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2010.