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

3254

2011-2012 Regular Sessions

I N A S S E M B L Y

January 24, 2011

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

AN ACT to amend the tax law, in relation to establishing a tax credit for training expenses for emerging technology employees

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 43 to read as follows:

43. TAX CREDIT FOR TRAINING EXPENSES FOR EMERGING TECHNOLOGY EMPLOYEES. (A) A TAXPAYER SHALL BE ALLOWED A CREDIT FOR TRAINING EXPENSES OF EMPLOYEES INVOLVED WITH EMERGING TECHNOLOGY. TO BE ELIGIBLE FOR THE CREDIT, TRAINING EXPENSES MUST BE FOR FULL-TIME EMPLOYEES INVOLVED IN THE DEVELOPMENT, MODIFICATION OR IMPROVEMENT OF EQUIPMENT AND SYSTEMS THAT INVOLVE ADVANCED COMPUTER SOFTWARE AND HARDWARE, VISUALIZATION TECHNOLOGIES, HUMAN INTERFACE TECHNOLOGIES, AS WELL AS PRODUCTS OR SERVICES WITH INTERACTIVE MEDIA CONTENT INVOLVING ELECTRONIC DISTRIBUTION OR ELECTRONIC COMMERCE. SUCH TECHNOLOGIES SHALL INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING: OPERATING AND APPLICATIONS SOFTWARE, ARTIFICIAL INTELLIGENCE, COMPUTER MODELING AND SIMULATION, HIGH-LEVEL SOFTWARE LANGUAGES, NEURAL NETWORKS, PROCESSOR ARCHITECTURE, ANIMATION AND FULL-MOTION VIDEO, GRAPHICS HARDWARE AND SOFTWARE, SPEECH AND OPTICAL CHARACTER RECOGNITION, HIGH-VOLUME INFORMATION STORAGE AND RETRIEVAL, DATA COMPRESSION, BROADBAND SWITCHING, MULTIPLEXING, DIGITAL SIGNAL PROCESSING AND SPECTRUM TECHNOLOGIES.

(B) TO QUALIFY AS ELIGIBLE EXPENSES, THE TRAINING UNDERTAKEN MUST BE TO MAINTAIN OR IMPROVE A SKILL REQUIRED BY THE EMPLOYEE IN HIS OR HER EMPLOYMENT OR THE TRAINING IS REQUIRED TO RETAIN SALARY STATUS OR EMPLOYMENT. THE TRAINING MAY TAKE PLACE OUTSIDE THE STATE AS LONG AS THE EMPLOYEE'S POSITION IS LOCATED WITHIN THE STATE, AND MAY INCLUDE, BUT NOT BE LIMITED TO, TRAINING TAKEN THROUGH INSTRUCTIONAL PROGRAMS, OR THE PURCHASE OF MATERIALS, SUPPLIES, TEXTBOOKS, MANUALS, VIDEOTAPES, AND

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

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OTHER INSTRUCTIONAL MEDIA AND EQUIPMENT, THROUGH THE INTERNET. TRAINING EXPENSES FOR WHICH A CREDIT IS ALLOWABLE AND CLAIMED UNDER ANY OTHER PROVISION OF THIS SECTION MAY NOT BE CLAIMED UNDER THIS SUBDIVISION.

(C) THE CREDIT SHALL BE EQUAL TO TWENTY-FIVE PERCENT OF TOTAL QUALIFIED TRAINING EXPENSES INCURRED DURING THE TAXABLE YEAR. IN NO EVENT SHALL THE CREDIT UNDER THIS SUBDIVISION, AND CARRYOVERS OF SUCH CREDIT, ALLOWED UNDER THIS SUBDIVISION REDUCE THE TAX PAYABLE TO LESS THAN THE DOLLAR AMOUNT FIXED AS A MINIMUM TAX BY PARAGRAPH (D) OF SUBDIVISION ONE OF THIS SECTION. HOWEVER, IF THE AMOUNT OF CREDIT OR CARRYOVERS OF SUCH CREDIT, OR BOTH, ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT OR CARRYOVERS OF SUCH CREDIT THUS NOT USED IN SUCH TAXABLE YEAR MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS AND MAY BE CLAIMED AS A CREDIT IN COMPUTING THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS. IN ADDITION, THE TAXPAYER MAY ELECT, ON ITS REPORT FOR ITS TAXABLE YEAR WITH RESPECT TO WHICH SUCH CREDIT IS ALLOWED, TO TREAT THE AMOUNT OF SUCH CARRYOVER AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED. ANY REFUND PAID PURSUANT TO THIS PARAGRAPH SHALL BE DEEMED TO BE A REFUND OF AN OVERPAYMENT OF TAX, PROVIDED, HOWEVER, NO INTEREST SHALL BE PAID THEREON.

S 2. This act shall take effect immediately and shall be applicable to taxable years beginning on or after January 1, 2011.