

1383--A

2013-2014 Regular Sessions

I N S E N A T E

(PREFILED)

January 9, 2013

Introduced by Sens. MONTGOMERY, HASSELL-THOMPSON -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- recommitted to the Committee on Investigations and Government Operations in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to providing a re-entry employment incentive tax credit; and providing for the repeal of such provisions upon expiration thereof

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 48 to read as follows:
3 48. RE-ENTRY EMPLOYMENT INCENTIVE TAX CREDIT. (A) A TAXPAYER SHALL BE
4 ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE
5 TAX IMPOSED BY THIS ARTICLE IN THE AMOUNT PRESCRIBED BY THIS SUBDIVISION
6 WHERE SUCH TAXPAYER EMPLOYS ONE OR MORE QUALIFYING INDIVIDUALS DESIGNATED
7 PURSUANT TO SUBDIVISION (A) OF SECTION FOUR OF THE CHAPTER OF THE
8 LAWS OF TWO THOUSAND FOURTEEN THAT ADDED THIS SUBDIVISION.
9 (B) THE AMOUNT OF THE CREDIT SHALL BE AS FOLLOWS FOR EACH QUALIFYING
10 INDIVIDUAL EMPLOYED BY THE TAXPAYER:
11 (I) FIFTY PERCENT OF THE QUALIFIED WAGES IN THE FIRST YEAR OF EMPLOY-
12 MENT;
13 (II) FORTY PERCENT OF QUALIFIED WAGES IN THE SECOND YEAR OF EMPLOY-
14 MENT; AND
15 (III) THIRTY PERCENT OF QUALIFIED WAGES IN THE THIRD YEAR OF EMPLOY-
16 MENT.
17 (C) FOR THE PURPOSES OF THIS SUBDIVISION, "QUALIFYING INDIVIDUAL"
18 SHALL MEAN AN INDIVIDUAL HIRED BY A TAXPAYER ON OR AFTER JANUARY FIRST,
19 TWO THOUSAND FIFTEEN WHO:

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

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(I) HAS BEEN CONVICTED OF A FELONY IN THIS STATE IN THE LAST FIVE YEARS, HAS BEEN RELEASED FROM A CORRECTIONAL FACILITY AS DEFINED IN SUBDIVISION FOUR OF SECTION TWO OF THE CORRECTION LAW IN THE LAST FIVE YEARS OR IS SERVING A PERIOD OF POST-RELEASE SUPERVISION, PAROLE OR PROBATION FOR THE CONVICTION OF A FELONY, PROVIDED THAT AN INDIVIDUAL SHALL BE CONSIDERED A QUALIFIED INDIVIDUAL FOR EACH OF THE FIRST FOUR YEARS OF EMPLOYMENT IF HIRED BY THE TAXPAYER WITHIN THE TIME PERIOD SPECIFIED IN THIS SUBPARAGRAPH;

(II) RESIDES IN THIS STATE;

(III) RECEIVES WAGES WHICH ARE AT LEAST ONE HUNDRED FORTY PERCENT OF THE STATE MINIMUM WAGE; AND

(IV) RECEIVES QUALIFIED WAGES FOR AT LEAST THREE CONTINUOUS MONTHS FROM THE TAXPAYER DURING THE TAXABLE YEAR.

(D) FOR THE PURPOSES OF THIS SUBDIVISION, "QUALIFIED WAGES" SHALL MEAN WAGES PAID OR INCURRED BY THE TAXPAYER DURING THE TAXABLE YEAR TO THE QUALIFIED INDIVIDUAL, PROVIDED THAT THE AMOUNT OF QUALIFIED WAGES WHICH MAY BE TAKEN INTO ACCOUNT WHEN CALCULATING THE CREDIT PURSUANT TO THIS SUBDIVISION SHALL NOT EXCEED TEN THOUSAND DOLLARS PER YEAR.

(E) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE CREDIT AND CARRYOVER OF SUCH CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEARS SHALL NOT, IN THE AGGREGATE, REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE HIGHER OF THE AMOUNTS PRESCRIBED IN PARAGRAPHS (C) AND (D) OF SUBDIVISION ONE OF THIS SECTION, ANY AMOUNT OF CREDIT OR CARRYOVER OF SUCH CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAX FOR SUCH YEAR OR YEARS. IN ADDITION, THE AMOUNT OF SUCH CREDIT, AND CARRYOVERS OF SUCH CREDIT TO THE TAXABLE YEAR, DEDUCTED FROM THE TAX OTHERWISE DUE MAY NOT, IN THE AGGREGATE, EXCEED FIFTY PERCENT OF THE TAX IMPOSED UNDER SECTION TWO HUNDRED NINE OF THIS ARTICLE COMPUTED WITHOUT REGARD TO ANY CREDIT PROVIDED BY THIS SECTION.

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

(K-1) RE-ENTRY EMPLOYMENT INCENTIVE TAX CREDIT. (A) A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE IN THE AMOUNT PRESCRIBED BY THIS SUBSECTION WHERE SUCH TAXPAYER EMPLOYS ONE OR MORE QUALIFYING INDIVIDUALS DESIGNATED PURSUANT TO SUBDIVISION (A) OF SECTION FOUR OF THE CHAPTER OF THE LAWS OF TWO THOUSAND FOURTEEN THAT ADDED THIS SUBSECTION.

(B) THE AMOUNT OF THE CREDIT SHALL BE AS FOLLOWS FOR EACH QUALIFYING INDIVIDUAL EMPLOYED BY THE TAXPAYER:

(I) FIFTY PERCENT OF THE QUALIFIED WAGES IN THE FIRST YEAR OF EMPLOYMENT;

(II) FORTY PERCENT OF QUALIFIED WAGES IN THE SECOND YEAR OF EMPLOYMENT; AND

(III) THIRTY PERCENT OF QUALIFIED WAGES IN THE THIRD YEAR OF EMPLOYMENT.

(C) FOR THE PURPOSES OF THIS SUBSECTION, "QUALIFYING INDIVIDUAL" SHALL MEAN AN INDIVIDUAL HIRED BY A TAXPAYER ON OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN WHO:

(I) HAS BEEN CONVICTED OF A FELONY IN THIS STATE IN THE LAST FIVE YEARS, HAS BEEN RELEASED FROM A CORRECTIONAL FACILITY AS DEFINED IN SUBDIVISION FOUR OF SECTION TWO OF THE CORRECTION LAW IN THE LAST FIVE YEARS OR IS SERVING A PERIOD OF POST-RELEASE SUPERVISION, PAROLE OR PROBATION FOR THE CONVICTION OF A FELONY, PROVIDED THAT AN INDIVIDUAL SHALL BE CONSIDERED A QUALIFIED INDIVIDUAL FOR EACH OF THE FIRST FOUR

1 YEARS OF EMPLOYMENT IF HIRED BY THE TAXPAYER WITHIN THE TIME PERIOD
 2 SPECIFIED IN THIS SUBPARAGRAPH;
 3 (II) RESIDES IN THIS STATE;
 4 (III) RECEIVES WAGES WHICH ARE AT LEAST ONE HUNDRED FORTY PERCENT OF
 5 THE STATE MINIMUM WAGE; AND
 6 (IV) RECEIVES QUALIFIED WAGES FOR AT LEAST THREE CONTINUOUS MONTHS
 7 FROM THE TAXPAYER DURING THE TAXABLE YEAR.
 8 (D) FOR THE PURPOSES OF THIS SUBSECTION, "QUALIFIED WAGES" SHALL MEAN
 9 WAGES PAID OR INCURRED BY THE TAXPAYER DURING THE TAXABLE YEAR TO THE
 10 QUALIFIED INDIVIDUAL, PROVIDED THAT THE AMOUNT OF QUALIFIED WAGES WHICH
 11 MAY BE TAKEN INTO ACCOUNT WHEN CALCULATING THE CREDIT PURSUANT TO THIS
 12 SUBSECTION SHALL NOT EXCEED TEN THOUSAND DOLLARS PER YEAR.
 13 (E) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, IF THE
 14 AMOUNT OF THE CREDIT AND CARRYOVERS OF SUCH CREDIT ALLOWED UNDER THIS
 15 SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH
 16 YEAR, ANY AMOUNT OF CREDIT OR CARRYOVERS OF SUCH CREDIT THUS NOT DEDUCT-
 17 IBLE IN SUCH TAXABLE YEAR MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR
 18 YEARS AND MAY BE DEDUCTED FROM THE TAX FOR SUCH YEAR OR YEARS. IN ADDI-
 19 TION, THE AMOUNT OF SUCH CREDIT, AND CARRYOVERS OF SUCH CREDIT TO THE
 20 TAXABLE YEAR, DEDUCTED FROM THE TAX OTHERWISE DUE MAY NOT, IN THE AGGRE-
 21 GATE, EXCEED FIFTY PERCENT OF THE TAX IMPOSED UNDER SECTION SIX HUNDRED
 22 ONE OF THIS PART COMPUTED WITHOUT REGARD TO ANY CREDIT PROVIDED FOR BY
 23 THIS SECTION.
 24 S 3. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
 25 of the tax law is amended by adding a new clause (xxxvii) to read as
 26 follows:

27 (XXXVII) RE-ENTRY EMPLOYMENT	AMOUNT OF CREDIT
28 INCENTIVE TAX CREDIT UNDER	UNDER SUBDIVISION
29 SUBSECTION (K-1)	FORTY-EIGHT OF SECTION
30	TWO HUNDRED TEN

31 S 4. Re-entry employment incentive tax credit pilot project. (a)
 32 Notwithstanding any inconsistent provision of law, the commissioner of
 33 labor, or his or her designee, shall, before January 1, 2015, consult
 34 with The Fortune Society to identify and designate 100 formerly incar-
 35 cerated qualified individuals, as such term is defined in paragraph (c)
 36 of subdivision 48 of section 210 of the tax law, to participate in the
 37 pilot project established by this section for a period of three years
 38 beginning on January 1, 2015. A taxpayer that employs one or more such
 39 designated qualified individuals on or after January 1, 2015 shall be
 40 allowed a credit, against the tax imposed by article 9-A or article 22
 41 of the tax law in the amount prescribed by subdivision 48 of section 210
 42 of the tax law or subsection (k-1) of section 606 of the tax law as
 43 applicable. The commissioner of labor and the commissioner of taxation
 44 and finance shall promulgate all necessary rules and regulations to
 45 implement the re-entry employment incentive tax credit pilot project
 46 established by this section.
 47 (b) Further, the commissioner of labor, in consultation with the
 48 Center for NuLeadership on Urban Solutions at Medgar Evers College at
 49 the City University of New York, shall produce a report on the effec-
 50 tiveness of the pilot project established by this section in creating
 51 employment opportunities for persons with criminal convictions. Such
 52 report shall be submitted to the governor, temporary president of the
 53 senate, speaker of the assembly and the chairpersons of the senate crime
 54 victims, crime and correction committee, assembly correction committee,

1 senate codes committee, assembly codes committee, senate finance commit-
2 tee and assembly ways and means committee on or before March 31, 2018.
3 S 5. This act shall take effect immediately; provided, however, that
4 the credits established by sections one, two and three of this act shall
5 apply to taxable years beginning on or after January 1, 2015 and ending
6 not later than December 31, 2017; provided further that sections one,
7 two and three of this act shall expire and be deemed repealed, and
8 subdivision (a) of section four of this act shall expire and be deemed
9 repealed December 31, 2017, provided, further, that the opening para-
10 graph and subdivision (b) of section four of this act shall expire and
11 be deemed repealed March 31, 2018.