

2376

2013-2014 Regular Sessions

I N A S S E M B L Y

January 14, 2013

Introduced by M. of A. CRESPO, RODRIGUEZ, MOYA, ESPINAL, CASTRO, RIVERA,
ARROYO, RAMOS -- read once and referred to the Committee on Ways and
Means

AN ACT to amend the tax law, in relation to establishing a hire-now tax
credit

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

1 Section 1. The tax law is amended by adding a new section 38 to read
2 as follows:
3 S 38. HIRE-NOW TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER, WHICH
4 IS SUBJECT TO TAX UNDER ARTICLE NINE-A OR TWENTY-TWO OF THIS CHAPTER AND
5 WHICH CREATES A NEW JOB, SHALL BE ALLOWED A CREDIT AGAINST SUCH TAX. THE
6 AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE EQUAL TO THE
7 PRODUCT OF 6.85 PERCENT AND THE GROSS WAGES PAID FOR EACH NEW EMPLOYEE.
8 THE CREDIT SHALL NOT BE MORE THAN FIVE THOUSAND DOLLARS FOR ANY NEW
9 EMPLOYEE FOR ONE FULL YEAR OF EMPLOYMENT; IF A NEW EMPLOYEE HAS BEEN
10 HIRED FOR LESS THAN A FULL TAX YEAR THIS AMOUNT SHALL BE PRORATED AND
11 APPORTIONED TO EACH TAX YEAR BUT SHALL IN NO WAY DECREASE THE FULL THREE
12 CONSECUTIVE YEARS OF CREDIT ELIGIBILITY. THE TAXPAYER MAY CLAIM THIS
13 CREDIT FOR EACH NEW EMPLOYEE FOR A PERIOD OF THREE CONSECUTIVE YEARS OF
14 EMPLOYMENT. THE TAXPAYER MAY OFFSET QUARTERLY ESTIMATED TAX RETURNS
15 WITH THE AMOUNT OF THIS CREDIT EARNED IN ANY PREVIOUS QUARTER.
16 (B) UNEMPLOYMENT ENHANCEMENT. FOR CALENDAR YEARS TWO THOUSAND FOURTEEN
17 AND TWO THOUSAND FIFTEEN IF A NEW EMPLOYEE WAS RECEIVING UNEMPLOYMENT
18 INSURANCE BENEFITS AT THE TIME OF HIRE, AN ADDITIONAL THREE THOUSAND
19 DOLLAR CREDIT WILL BE ALLOWED FOR THE FIRST FULL YEAR OF EMPLOYMENT.
20 (C) DEFINITIONS. AS USED IN THIS SECTION, THE FOLLOWING TERMS SHALL
21 HAVE THE FOLLOWING MEANINGS:
22 (1) "NEW EMPLOYEE" SHALL MEAN ANY FULL TIME EMPLOYEE THAT IS HIRED BY
23 THE TAXPAYER AFTER JULY FIRST, TWO THOUSAND THIRTEEN AND BEFORE APRIL
24 FIRST, TWO THOUSAND FOURTEEN, THAT CAUSES THE TOTAL NUMBER OF EMPLOYEES

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

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1 TO INCREASE ABOVE BASE EMPLOYMENT OR CREDIT EMPLOYMENT, WHICHEVER IS
2 HIGHER.

3 (2) "BASE YEAR" SHALL MEAN CALENDAR YEAR TWO THOUSAND THIRTEEN.

4 (3) "BASE EMPLOYMENT" SHALL MEAN THE AVERAGE NUMBER OF FULL TIME
5 EMPLOYEES OR FULL TIME EQUIVALENT EMPLOYEES DURING THE BASE YEAR. FOR A
6 NEW BUSINESS, BASE EMPLOYMENT SHALL BEGIN AT ZERO.

7 (4) "CREDIT EMPLOYMENT" SHALL MEAN BASE EMPLOYMENT PLUS THE NUMBER OF
8 NEW EMPLOYEES FOR WHICH A CREDIT IS EARNED FOR THE PRIOR TAX YEARS.

9 (D) REPLACEMENT EMPLOYEES. IF A NEW EMPLOYEE FOR WHICH A CREDIT WAS
10 EARNED LEAVES THE PAYROLL AND AN EMPLOYEE IS HIRED WHICH BRINGS TOTAL
11 EMPLOYMENT ABOVE BASE EMPLOYMENT BUT AT OR BELOW CREDIT EMPLOYMENT
12 LEVEL, THE CREDIT ELIGIBILITY PERIOD FOR SUCH EMPLOYEE SHALL BE THREE
13 YEARS MINUS THE AMOUNT OF TIME (ROUNDED TO THE NEXT FULL MONTH) THE
14 EMPLOYER RECEIVED THE CREDIT FOR THE DEPARTING EMPLOYEE.

15 (E) NO CREDIT SHALL BE ALLOWED UNDER THIS SECTION TO A TAXPAYER FOR
16 ANY NEW EMPLOYEE IF THE TAXPAYER CLAIMS ANY OTHER CREDIT UNDER THIS
17 ARTICLE FOR SUCH NEW EMPLOYEE WHERE THE BASIS OF SUCH OTHER CREDIT IS AN
18 INCREASE IN EMPLOYMENT.

19 S 2. Section 210 of the tax law is amended by adding a new subdivision
20 46 to read as follows:

21 46. HIRE-NOW TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER WILL BE
22 ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN SECTION THIRTY-EIGHT OF
23 THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

24 (B) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION
25 FOR ANY TAXABLE YEAR MAY NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS
26 THAN THE HIGHER OF THE AMOUNTS PRESCRIBED IN PARAGRAPHS (C) AND (D) OF
27 SUBDIVISION ONE OF THIS SECTION. HOWEVER, IF THE AMOUNT OF CREDIT
28 ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO
29 SUCH AMOUNT, ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE
30 YEAR WILL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED
31 IN ACCORDANCE WITH THE PROVISIONS OF SECTION ONE THOUSAND EIGHTY-SIX OF
32 THIS CHAPTER. PROVIDED, HOWEVER, THE PROVISIONS OF SUBSECTION (C) OF
33 SECTION ONE THOUSAND EIGHTY-EIGHT OF THIS CHAPTER NOTWITHSTANDING, NO
34 INTEREST WILL BE PAID THEREON.

35 S 3. Section 606 of the tax law is amended by adding a new subsection
36 (vv) to read as follows:

37 (VV) HIRE-NOW TAX CREDIT. (1) A TAXPAYER WILL BE ALLOWED A CREDIT, TO
38 THE EXTENT ALLOWED UNDER SECTION THIRTY-EIGHT OF THIS CHAPTER, AGAINST
39 THE TAX IMPOSED BY THIS ARTICLE.

40 (2) APPLICATION OF CREDIT. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER
41 THIS SUBSECTION FOR ANY TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR SUCH
42 YEAR, THE EXCESS WILL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED
43 OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED
44 EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST WILL BE
45 PAID THEREON.

46 S 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
47 of the tax law is amended by adding a new clause (xxxv) to read as
48 follows:

49 (XXXV) HIRE-NOW TAX CREDIT	AMOUNT OF CREDIT UNDER
50 UNDER SUBSECTION (VV)	SUBDIVISION FORTY-SIX OF SECTION
51	TWO HUNDRED TEN

52 S 5. This act shall take effect immediately.