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

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2015-2016 Regular Sessions

I N A S S E M B L Y

January 30, 2015

Introduced by M. of A. KOLB, OAKS, McKEVITT, BARCLAY, CORWIN -- Multi-Sponsored by -- M. of A. CROUCH, DUPREY, GIGLIO, LOPEZ -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to establishing a credit for on-the-job training

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

Section 1. Section 210-B of the tax law is amended by adding a new subdivision 49 to read as follows:

49. CREDIT FOR ON-THE-JOB TRAINING. (A) GENERAL. A TAXPAYER, WHO HAS ONE HUNDRED EMPLOYEES OR LESS, SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE, FOR PROVIDING ON-THE-JOB TRAINING TO AN EMPLOYEE.

(B) ON-THE-JOB TRAINING. ON-THE-JOB TRAINING SHALL MEAN TRAINING WHICH IS SPECIFIED IN AN AGREEMENT BETWEEN THE GRANTEE AND THE EMPLOYER AND INCLUDES BOTH WORK EXPERIENCE AND TRAINING, FORMALIZED IN AN OUTLINE DEFINING EACH TRAINING COMPONENT AND OUTCOMES OF THE TRAINING PROCESS.

(C) ON-THE-JOB TRAINING EXPENDITURES. ON-THE-JOB TRAINING EXPENDITURES SHALL INCLUDE EXPENDITURES FOR THE PURCHASE OF EITHER COMMERCIAL OR CUSTOMIZED INSTRUCTIONAL MATERIALS INCLUDING SOFTWARE, TEXTS, MANUALS OR EQUIPMENT THAT CAN BE USED TO SIMULATE JOB TASKS; PAYMENTS TO CONSULTANTS, TRAINERS, OR INSTRUCTORS WHO ARE NOT EMPLOYEES OF THE FIRM; AND COSTS ASSOCIATED WITH THE USE, RENTAL, OR LEASE OF A CLASSROOM OR OTHER DEDICATED SPACE FOR THE TRAINING.

(D) AMOUNT OF CREDIT. A CREDIT SHALL BE ALLOWED FOR THE AMOUNT OF ON-THE-JOB TRAINING EXPENDITURES INCURRED BY AN EMPLOYER. THE AMOUNT OF CREDIT SHALL NOT EXCEED THREE HUNDRED DOLLARS PER EMPLOYEE FOR WHOM SUCH TRAINING HAS BEEN PROVIDED DURING THE TAXABLE YEAR IN WHICH SUCH EXPENDITURES WERE MADE.

(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

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

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AMOUNT PRESCRIBED IN PARAGRAPH (D) OF SUBDIVISION ONE OF SECTION TWO HUNDRED TEN OF THIS ARTICLE. PROVIDED, HOWEVER, IF THE AMOUNT OF 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 is amended by adding a new clause (xli) to read as follows:

(XLI) CREDIT FOR ON-THE-JOB TRAINING UNDER SUBSECTION (CCC)	COSTS UNDER SUBDIVISION FORTY-NINE OF SECTION TWO HUNDRED TEN-B

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

(CCC) CREDIT FOR ON-THE-JOB TRAINING. (1) GENERAL. A TAXPAYER, WHO HAS ONE HUNDRED EMPLOYEES OR LESS, SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE, FOR PROVIDING ON-THE-JOB TRAINING TO AN EMPLOYEE.

(2) ON-THE-JOB TRAINING. ON-THE-JOB TRAINING SHALL MEAN TRAINING WHICH IS SPECIFIED IN AN AGREEMENT BETWEEN THE GRANTEE AND THE EMPLOYER AND INCLUDES BOTH WORK EXPERIENCE AND TRAINING, FORMALIZED IN AN OUTLINE DEFINING EACH TRAINING COMPONENT AND OUTCOMES OF THE TRAINING PROCESS.

(3) ON-THE-JOB TRAINING EXPENDITURES. ON-THE-JOB TRAINING EXPENDITURES SHALL INCLUDE EXPENDITURES FOR THE PURCHASE OF EITHER COMMERCIAL OR CUSTOMIZED INSTRUCTIONAL MATERIALS INCLUDING SOFTWARE, TEXTS, MANUALS OR EQUIPMENT THAT CAN BE USED TO SIMULATE JOB TASKS; PAYMENTS TO CONSULTANTS, TRAINERS, OR INSTRUCTORS WHO ARE NOT EMPLOYEES OF THE FIRM; AND COSTS ASSOCIATED WITH THE USE, RENTAL, OR LEASE OF A CLASSROOM OR OTHER DEDICATED SPACE FOR THE TRAINING.

(4) AMOUNT OF CREDIT. A CREDIT SHALL BE ALLOWED FOR THE AMOUNT OF ON-THE-JOB TRAINING EXPENDITURES INCURRED BY AN EMPLOYER. THE AMOUNT OF CREDIT SHALL NOT EXCEED THREE HUNDRED DOLLARS PER EMPLOYEE FOR WHOM SUCH TRAINING HAS BEEN PROVIDED DURING THE TAXABLE YEAR IN WHICH SUCH EXPENDITURES WERE MADE.

(5) CARRYOVER. IF THE AMOUNT OF CREDIT ALLOWABLE UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH TAX YEAR, THE EXCESS 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 4. This act shall take effect immediately and shall apply to taxable years beginning on and after the first of January next succeeding the date on which it shall have become a law.