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I N   A S S E M B L Y

January 28, 2016

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Introduced by M. of A. BUCHWALD, McDONALD, RIVERA, SKOUFIS, MAYER, PAULIN, THIELE, MOSLEY, BRABENEC, GALEF, RAIA, CRESPO, HYNDMAN, RA, SIMON, GRAF, ROZIC, CERETTO, CROUCH, STIRPE, O'DONNELL, STECK, SEPULVEDA, BLAKE, PICHARDO, RICHARDSON, ZEBROWSKI, CAHILL, MURRAY, PEOPLES-STOKES, JAFFEE, SALADINO, ROBINSON, FAHY, LALOR -- Multi-Sponsored by -- M. of A. BARCLAY, BLANKENBUSH, CYMBROWITZ, JOYNER, MAGEE, McLAUGHLIN, NOLAN, RAMOS, TITONE -- read once and referred to the Committee on Higher Education

AN ACT to amend the education law, in relation to authorizing personal tax refunds to be contributed to accounts under the college savings program

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

1     Section 1. Subdivision 4 of section 695-e of the education law, as  
2 amended by chapter 593 of the laws of 2003, is amended to read as  
3 follows:

4     4. Contributions to accounts may be made [only] in cash OR MAY BE  
5 DEPOSITED BY A TAXPAYER WHO HAS ELECTED TO CONTRIBUTE ALL OR A PORTION  
6 OF A REFUND OF PERSONAL INCOME TAX TO AN ACCOUNT THAT HAS BEEN ESTAB-  
7 LISHED UNDER THIS ARTICLE.

8     A. TAXPAYER CONTRIBUTIONS SHALL BE MADE BY DIRECT DEPOSIT TO THE  
9 DESIGNATED ACCOUNT. THE AMOUNT ELECTED TO BE CONTRIBUTED BY THE TAXPAYER  
10 MUST BE AT LEAST TWENTY-FIVE DOLLARS AND MAY BE APPLIED AS A CONTRIB-  
11 UTION ONLY FOR THE TAX YEAR IN WHICH THE REFUND IS ISSUED.

12     B. THE ELECTION SHALL BE MADE ON A FORM PRESCRIBED BY THE DEPARTMENT  
13 OF TAXATION AND FINANCE AND FILED WITH THE TAXPAYER'S TAX RETURN FOR THE  
14 TAX YEAR OR AT SUCH OTHER TIME AND IN SUCH OTHER MANNER AS THE DEPART-  
15 MENT MAY PRESCRIBE. THE DEPARTMENT SHALL PRESCRIBE THE MAXIMUM NUMBER OF  
16 ACCOUNTS TO WHICH A TAXPAYER MAY ELECT TO CONTRIBUTE A PORTION OF THE  
17 REFUND.

18     C. THE ELECTION TO CONTRIBUTE ALL OR A PORTION OF A REFUND SHALL NOT  
19 BE REVOCABLE.

20     D. ALL OR A PORTION OF A REFUND MAY NOT BE CONTRIBUTED TO AN ACCOUNT  
21 THAT HAS BEEN ESTABLISHED UNDER THIS ARTICLE IF THE AMOUNT OF THE

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

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1 TAXPAYER'S ELECTED REFUND FOR SUCH TAX YEAR IS REDUCED BY ANY OTHER  
2 SECTIONS OF THE TAX LAW TO THE AMOUNT LESS THAN THE MINIMUM AMOUNT OF  
3 CONTRIBUTION AUTHORIZED UNDER THIS SECTION.  
4 S 2. This act shall take effect on the first of January next succeed-  
5 ing the date on which it shall have become a law.