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

3312

2015-2016 Regular Sessions

I N S E N A T E

February 5, 2015

Introduced by Sen. LANZA -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to establishing the college preparation tax credit act

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

Section 1. This act shall be known and may be cited as the "college preparation tax credit act".

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

(CCC) COLLEGE PREPARATION EXPENSE CREDIT. (1) A RESIDENT TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR ALLOWABLE COLLEGE PREPARATION EXPENSES. EACH TAXABLE YEAR, A CREDIT OF UP TO FIVE HUNDRED DOLLARS PER CHILD SHALL BE ALLOWED FOR QUALIFIED COLLEGE PREPARATION EXPENSES PAID OR INCURRED BY THE TAXPAYER DURING SUCH TAXABLE YEAR. NO CREDIT SHALL BE ALLOWED FOR ANY EXPENSES PAID OR INCURRED DURING THE TAXABLE YEAR WITH RESPECT TO ANY INDIVIDUAL FOR WHOM AN ELECTION IS NOT IN EFFECT UNDER THIS SUBSECTION FOR SUCH TAXABLE YEAR. AN ELECTION MAY NOT BE MADE FOR ANY TAXABLE YEAR IF SUCH AN ELECTION IS IN EFFECT WITH RESPECT TO SUCH INDIVIDUAL FOR ANY THREE PRIOR TAXABLE YEARS.

(2) QUALIFIED COLLEGE PREPARATION EXPENSES. FOR PURPOSES OF THIS SUBSECTION, THE TERM "QUALIFIED COLLEGE PREPARATION EXPENSES" MEANS AMOUNTS PAID OR INCURRED FOR:

(A) FEES REQUIRED FOR TAKING ANY ADVANCED PLACEMENT OR INTERNATIONAL BACCALAUREATE EXAM;

(B) FEES REQUIRED FOR TAKING THE SAT, THE ACT, OR ANY SAT SUBJECT TEST;

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

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(C) EXPENSES RELATED TO PREPARATION INCLUDING TUTORIAL SERVICES AND PREPARATION CLASSES FOR ANY EXAM DESCRIBED IN SUBPARAGRAPH (A) OR (B) OF THIS PARAGRAPH;

(D) FEES AND EXPENSES RELATED TO APPLICATIONS FOR ADMISSION TO PURSUE A POSTSECONDARY COURSE OF STUDY AT AN ELIGIBLE EDUCATIONAL INSTITUTION; AND

(E) SUCH OTHER SIMILAR EXPENSES AND FEES AS THE COMMISSIONER MAY BY REGULATION PRESCRIBE.

(3) TREATMENT OF EXPENSES PAID BY DEPENDENT. IF A DEDUCTION UNDER THIS SUBSECTION WITH RESPECT TO AN INDIVIDUAL IS ALLOWED TO ANOTHER TAXPAYER FOR A TAXABLE YEAR BEGINNING IN THE CALENDAR YEAR IN WHICH SUCH INDIVIDUAL'S TAXABLE YEAR BEGINS:

(A) NO CREDIT SHALL BE ALLOWED UNDER PARAGRAPH ONE OF THIS SUBSECTION TO SUCH INDIVIDUAL FOR SUCH INDIVIDUAL'S TAXABLE YEAR; AND

(B) QUALIFIED COLLEGE PREPARATION EXPENSES PAID BY SUCH INDIVIDUAL DURING SUCH INDIVIDUAL'S TAXABLE YEAR SHALL BE TREATED FOR PURPOSES OF THIS SUBSECTION AS PAID BY SUCH OTHER TAXPAYER.

S 3. This act shall take effect immediately.