

# STATE OF NEW YORK

2131

2017-2018 Regular Sessions

## IN SENATE

January 12, 2017

Introduced by Sen. GALLIVAN -- 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 a credit for employment of persons on probation or parole

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The tax law is amended by adding a new section 187-t to  
2 read as follows:

3 § 187-t. Credit for employment of persons on probation or parole. 1.  
4 Allowance of credit. A taxpayer shall be allowed a credit, to be  
5 computed as hereinafter provided, against the taxes imposed by this  
6 article, other than the taxes imposed by sections one hundred eighty-  
7 six-a and one hundred eighty-six-e of this article, for employing within  
8 the state a qualified employee. Provided, however, the amount of credit  
9 allowed by this section against the tax imposed by section one hundred  
10 eighty-four of this article shall be the excess of the credit computed  
11 under this section over the amount of credit allowed by this section  
12 against the tax imposed by section one hundred eighty-three of this  
13 article.

14 2. Qualified employee. A qualified employee is an individual who:

15 (a) has been convicted of a felony under any statute of the United  
16 States or any state;

17 (b) is on probation or parole; and

18 (c) has worked on a full-time basis for the employer who is claiming  
19 the credit for at least one hundred eighty days or four hundred hours.

20 3. Amount of credit. Except as provided in subdivision four of this  
21 section, the amount of credit under this section shall be thirty-five  
22 percent of the first six thousand dollars in qualified first-year wages  
23 earned by each qualified employee. "Qualified first-year wages" means  
24 wages paid or incurred by the taxpayer during the taxable year to quali-

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

LBD00270-01-7

1 fied employees which are attributable, with respect to any such employ-  
2 ee, to services rendered during the one-year period beginning with the  
3 day the employee begins work for the taxpayer.

4 4. Credit where federal work opportunity tax credit applies. With  
5 respect to any qualified employee whose qualified first-year wages under  
6 subdivision three of this section also constitute qualified first-year  
7 wages for purposes of the work opportunity tax credit for vocational  
8 rehabilitation referrals under section fifty-one of the internal revenue  
9 code, the amount of credit under this section shall be thirty-five  
10 percent of the first six thousand dollars in qualified second-year wages  
11 earned by each such employee. "Qualified second-year wages" means wages  
12 paid or incurred by the taxpayer during the taxable year to qualified  
13 employees which are attributable, with respect to any such employee, to  
14 services rendered during the one-year period beginning one year after  
15 the employee begins work for the taxpayer.

16 5. Carryover. In no event shall the credit under this section be  
17 allowed in an amount which will reduce the tax payable to less than the  
18 applicable minimum tax fixed by section one hundred eighty-three or one  
19 hundred eighty-five of this article. If, however, the amount of credit  
20 allowable under this section for any taxable year reduces the tax to  
21 such amount, any amount of credit not deductible in such taxable year  
22 may be carried over to the following year or years and may be deducted  
23 from the taxpayer's tax for such year or years.

24 6. Coordination with federal work opportunity tax credit. The  
25 provisions of sections fifty-one and fifty-two of the internal revenue  
26 code, as such sections applied on October first, nineteen hundred nine-  
27 ty-six, that apply to the work opportunity tax credit for vocational  
28 rehabilitation referrals shall apply to the credit under this section to  
29 the extent that such sections are consistent with the specific  
30 provisions of this section, provided that in the event of a conflict the  
31 provisions of this section shall control.

32 § 2. This act shall take effect immediately, and shall apply to taxa-  
33 ble years beginning on and after January 1, 2017.