

STATE OF NEW YORK

3513

2017-2018 Regular Sessions

IN SENATE

January 23, 2017

Introduced by Sens. RANZENHOFER, DeFRANCISCO, FUNKE, 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 establishing a hire-now tax credit

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

Section 1. The tax law is amended by adding a new section 43 to read as follows:

§ 43. Hire-Now tax credit. (a) Allowance of credit. A taxpayer, which is subject to tax under article nine-A or twenty-two of this chapter and which creates a new job, shall be allowed a credit against such tax. The amount of the credit allowed under this section shall be equal to the product of 6.85 percent and the gross wages paid for each new employee. The credit shall not be more than five thousand dollars for any new employee for one full year of employment; if a new employee has been hired for less than a full tax year this amount shall be prorated and apportioned to each tax year but shall in no way decrease the full three consecutive years of credit eligibility. The taxpayer may claim this credit for each new employee for a period of three consecutive years of employment. The taxpayer may offset quarterly estimated tax returns with the amount of this credit earned in any previous quarter.

(b) Unemployment enhancement. For calendar years two thousand nineteen and two thousand twenty if a new employee was receiving unemployment insurance benefits at the time of hire, an additional three thousand dollar credit will be allowed for the first full year of employment.

(c) Definitions. As used in this section, the following terms shall have the following meanings:

(1) "New employee" shall mean any full time employee that is hired by the taxpayer after July first, two thousand eighteen and before April first, two thousand nineteen, 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 seventeen.

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 one or more new employees for which a
10 credit was earned leaves the payroll during the same taxable year that
11 an individual is hired by the taxpayer to work in this state, causing
12 the taxpayer's total employment to equal an amount that is above base
13 employment but at or below the computed credit employment for the taxa-
14 ble year, the credit eligibility period for the individual hired during
15 the taxable year shall be three years minus the amount of time (rounded
16 to the next full month) that the taxpayer received the credit for the
17 departing employee.

18 (e) No credit shall be allowed under this section to a taxpayer for
19 any new employee if the taxpayer claims any other credit under this
20 article for such new employee where the basis of such other credit is an
21 increase in employment.

22 § 2. Section 210-B of the tax law is amended by adding a new subdivi-
23 sion 49 to read as follows:

24 49. Hire-Now tax credit. (a) Allowance of credit. A taxpayer will be
25 allowed a credit, to be computed as provided in section forty-three of
26 this chapter, against the tax imposed by this article.

27 (b) Application of credit. The credit allowed under this subdivision
28 for any taxable year may not reduce the tax due for such year to less
29 than the higher of the amounts prescribed in paragraph (d) of subdivi-
30 sion one of section two hundred ten of this article. However, if the
31 amount of credit allowed under this subdivision for any taxable year
32 reduces the tax to such amount, any amount of credit thus not deductible
33 in such taxable year will be treated as an overpayment of tax to be
34 credited or refunded in accordance with the provisions of section one
35 thousand eighty-six of this chapter. Provided, however, the provisions
36 of subsection (c) of section one thousand eighty-eight of this chapter
37 notwithstanding, no interest will be paid thereon.

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

40 (ccc) Hire-Now tax credit. (1) A taxpayer will be allowed a credit, to
41 the extent allowed under section forty-three of this chapter, against
42 the tax imposed by this article.

43 (2) Application of credit. If the amount of the credit allowed under
44 this subsection for any taxable year exceeds the taxpayer's tax for such
45 year, the excess will be treated as an overpayment of tax to be credited
46 or refunded in accordance with the provisions of section six hundred
47 eighty-six of this article, provided, however, that no interest will be
48 paid thereon.

49 § 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
50 of the tax law is amended by adding a new clause (xlirii) to read as
51 follows:

52 (xlirii) Hire-Now tax credit
53 under subsection (ccc)

Amount of credit under
subdivision forty-nine of section
two hundred ten-B

54
55 § 5. This act shall take effect immediately.