

STATE OF NEW YORK

3513--A

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 -- recommitted to the Committee on Investigations and Government Operations in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 44 to read as follows:

§ 44. 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 twenty and two thousand twenty-one 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.

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

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

3 (1) "New employee" shall mean any full time employee that is hired by
4 the taxpayer after July first, two thousand nineteen and before April
5 first, two thousand twenty, that causes the total number of employees to
6 increase above base employment or credit employment, whichever is high-
7 er.

8 (2) "Base year" shall mean calendar year two thousand eighteen.

9 (3) "Base employment" shall mean the average number of full time
10 employees or full time equivalent employees during the base year. For a
11 new business, base employment shall begin at zero.

12 (4) "Credit employment" shall mean base employment plus the number of
13 new employees for which a credit is earned for the prior tax years.

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

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

27 § 2. Section 210-B of the tax law is amended by adding a new subdivi-
28 sion 53 to read as follows:

29 53. Hire-Now tax credit. (a) Allowance of credit. A taxpayer will be
30 allowed a credit, to be computed as provided in section forty-four of
31 this chapter, against the tax imposed by this article.

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

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

45 (ccc) Hire-Now tax credit. (1) A taxpayer will be allowed a credit, to
46 the extent allowed under section forty-four of this chapter, against the
47 tax imposed by this article.

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

54 § 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
55 of the tax law is amended by adding a new clause (xliv) to read as
56 follows:

1	<u>(xliv) Hire-Now tax credit</u>	<u>Amount of credit under</u>
2	<u>under subsection (ccc)</u>	<u>subdivision fifty-three of</u>
3		<u>section two hundred ten-B</u>
4	§ 5. This act shall take effect immediately.	