

STATE OF NEW YORK

4090--B

2017-2018 Regular Sessions

IN SENATE

February 3, 2017

Introduced by Sens. AKSHAR, BONACIC, CROCI, DeFRANCISCO, GALLIVAN, HANNON, HELMING, ROBACH, SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- 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 job creation 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. Job creation tax credit. (a) Allowance of credit. For taxable years beginning on or after January first, two thousand eighteen, a taxpayer subject to tax under article nine-A or twenty-two of this chapter shall be allowed a credit, to be computed as provided in this section, against the tax imposed by this article, for each net new job created, for each qualified employee within the state. The taxpayer may claim the credit in the year in which the qualified employee completes six months of employment. A taxpayer may only claim the credit once for each qualified employee and may only claim a tax credit for a maximum of thirty qualified employees in each taxable year. If the taxpayer claims the credit allowed under this section, the taxpayer may not use the hiring of a qualified employee that is the basis for this credit in the basis of any other credit allowed under this article.

(b) Qualified employee. A qualified employee is an individual who commences employment by the qualified taxpayer on or after January first, two thousand eighteen.

(c) Net new job. "Net new job" means jobs created in this state that (1) are new to the state, (2) have not been transferred from employment

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

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1 with another business that is a related person, (3) are either full-time
2 wage-paying jobs or equivalent to a full-time wage-paying job requiring
3 at least thirty-five hours per week, and (4) are filled for more than
4 six months.

5 (d) Employer prohibition. An employer shall not discharge an employee
6 and hire a qualifying employee solely for the purpose of qualifying for
7 this credit.

8 (e) Amount of credit. The amount of the credit shall be six percent of
9 the total amount of wages paid to the qualified employee during the
10 employee's first six months of employment. Provided, however, that, if
11 the qualified employee was receiving unemployment insurance benefits at
12 the time of hire for a minimum of thirteen weeks or is employed directly
13 in the manufacturing process in an eligible industry, the amount of the
14 credit shall be twelve percent of the total amount of wages paid to the
15 qualified employee during the employee's first six months of employment.
16 The credit allowed pursuant to this subsection shall not exceed in any
17 taxable year, seven hundred fifty dollars for any qualified employee and
18 one thousand five hundred dollars for any qualified employee who was
19 receiving unemployment insurance benefits at the time of hire for a
20 minimum of thirteen weeks or who is employed directly in the manufactur-
21 ing process in an eligible industry.

22 (f) Eligible industry. An eligible industry is a business principally
23 engaged in the production of goods by manufacturing, processing, assem-
24 bling, refining, mining, extracting, farming, agriculture, horticulture,
25 floriculture, viticulture or commercial fishing.

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

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

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

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

44 (ccc) Job creation tax credit. (1) A taxpayer will be allowed a cred-
45 it, to the extent allowed under section forty-four of this chapter,
46 against the tax imposed by this article.

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

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

55 (xliv) Job creation tax credit
56 under subsection (ccc)

Amount of credit under
subdivision fifty-three of section

