STATE OF NEW YORK

6056

2017-2018 Regular Sessions

IN ASSEMBLY

February 23, 2017

Introduced by M. of A. LUPINACCI -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to deduction for educational loan payments

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

Section 1. Subsection (d) of section 615 of the tax law is amended by adding a new paragraph 5 to read as follows:

(5) In the case of a taxpayer owing money on an educational loan, there shall be allowed as a deduction for the taxable year an amount equal to the principal and interest paid by the taxpayer during the taxable year on any educational loan incurred at an institution of higher education. The maximum deduction allowed in a given taxable year shall be as follows:

(A) eight thousand dollars for resident married individuals filing joint returns and resident surviving spouses;

(B) six thousand dollars for resident heads of households; and

(C) four thousand dollars for resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts.

A taxpayer shall be eligible for the deduction only if his or her income is at or below the following amounts:

(A) one hundred sixty thousand dollars for resident married individuals filing joint returns and resident surviving spouses;

(B) one hundred twenty thousand dollars for resident heads of households; and

(C) eighty thousand dollars for resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts.

For purposes of this subparagraph:

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

LBD02980-01-7

(A) "Educational loan" shall have the same meaning as provided by subdivision four of section six hundred twenty of the education law;

(B) "Institution of higher education" shall have the same meaning as provided by paragraph three of subsection (t) of section six hundred six of the tax law.

§ 2. This act shall take effect immediately and apply to taxable years beginning on and after 2017.