

# STATE OF NEW YORK

2038

2017-2018 Regular Sessions

## IN SENATE

January 11, 2017

Introduced by Sens. SQUADRON, KENNEDY -- 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 childcare  
advance which enables certain taxpayers to defer payment of a portion  
of their tax liability

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

1 Section 1. The tax law is amended by adding a new section 608 to read  
2 as follows:

3 § 608. Childcare advance. (a) Any resident taxpayer who, in a taxable  
4 year, has "employment related expenses" as defined in the internal  
5 revenue code section 21(b)(2) for a dependent under age five and would  
6 be eligible to use those expenses as the basis for calculating a credit  
7 under internal revenue code section 21 (without regard to whether the  
8 taxpayer in fact claimed the credit under such section for such taxable  
9 year), may defer payment of their tax liability for that taxable year  
10 under this article by the amount of those expenses but not to exceed two  
11 thousand dollars.

12 (b) Any taxpayer who defers tax liability under subdivision (a) of  
13 this section shall be liable: (i) once the taxpayer is no longer taking  
14 the deferral, for the full amount previously deferred divided into equal  
15 payments over ten years, except that (ii) in any future years the  
16 taxpayer takes the deferral, that taxpayer is liable only for one-tenth  
17 of each deferral taken five or more years prior until each of those  
18 deferrals is repaid. At no point shall the taxpayer be liable for  
19 amounts previously repaid. Repayment shall be made without interest.

20 (c) Any taxpayer who defers tax liability under subdivision (a) of  
21 this section, and who moves to a residence outside the state of New York  
22 in a state, territory or country which does not maintain effective and  
23 applicable reciprocity with the state of New York, shall be liable for

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

LBD00452-01-7

1 the entire amount deferred on the tax filing for the tax year in which  
2 such change of residence occurs, but subject to approval of the depart-  
3 ment shall be directed to repay that liability through a payment plan  
4 approved by the department.

5 (d) At the end of every tax year, the department shall notify each  
6 taxpayer who has deferred tax liability under subdivision (a) of this  
7 section of the total amount of their deferred liability, the tax year in  
8 which repayment will begin, and an estimate of the amount for which the  
9 taxpayer will be liable each year once the eligibility expires.

10 (e) Nothing in this section shall prevent a taxpayer from repaying  
11 accumulated liability earlier than the schedule set forth in subdivision  
12 (b) of this section, or taking less than the total amount allowable  
13 under subdivision (a) of this section in any given tax year.

14 (f) The department may provide for the repayment of deferrals under  
15 this section to be made through payroll withholding in accordance with  
16 section six hundred seventy-one of this article, and shall address  
17 repayment in cases of divorce.

18 § 2. This act shall take effect immediately and shall be deemed to  
19 have been in full force and effect on and after January first of the  
20 calendar year in which it takes effect and shall apply to tax years  
21 commencing on and after such date.