

STATE OF NEW YORK

1556--A

2019-2020 Regular Sessions

IN ASSEMBLY

January 15, 2019

Introduced by M. of A. RICHARDSON, CRUZ, ARROYO, EPSTEIN, D'URSO, ASHBY, BLAKE, DICKENS, DeSTEFANO, MORINELLO, JAFFEE, HYNDMAN, BARRON -- read once and referred to the Committee on Ways and Means -- recommitted to the Committee on Ways and Means in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to providing a re-entry employment incentive tax credit

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

Section 1. Section 210-B of the tax law is amended by adding a new subdivision 55 to read as follows:

55. Re-entry employment incentive tax credit. (a) A taxpayer shall be allowed a credit, to be computed as hereinafter provided, against the tax imposed by this article in the amount prescribed by this subdivision where such taxpayer employs one or more qualifying individuals designated pursuant to paragraph (c) of this subdivision.

(b) The amount of the credit shall be as follows for each qualifying individual employed by the taxpayer:

(i) fifty percent of the qualified wages in the first year of employment;

(ii) forty percent of qualified wages in the second year of employment; and

(iii) thirty percent of qualified wages in the third year of employment.

(c) For the purposes of this subdivision, "qualifying individual" shall mean an individual hired by a taxpayer on or after January first, two thousand twenty who:

(i) has been convicted of a felony in this state in the last five years, has been released from a correctional facility as defined in subdivision four of section two of the correction law in the last five

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

LBD04514-02-0

1 years or is serving a period of post-release supervision, parole or
2 probation for the conviction of a felony, provided that an individual
3 shall be considered a qualified individual for each of the first four
4 years of employment if hired by the taxpayer within the time period
5 specified in this subparagraph;

6 (ii) resides in this state; and

7 (iii) receives qualified wages for at least three continuous months
8 from the taxpayer during the taxable year.

9 (d) For the purposes of this subdivision, "qualified wages" shall mean
10 wages paid or incurred by the taxpayer during the taxable year to the
11 qualified individual, provided that the amount of qualified wages which
12 may be taken into account when calculating the credit pursuant to this
13 subdivision shall not exceed fifteen thousand dollars per year.

14 (e) Notwithstanding any provision of law to the contrary, the credit
15 and carryover of such credit allowed under this subdivision for any
16 taxable years shall not, in the aggregate, reduce the tax due for such
17 year to less than the higher of the amounts prescribed in paragraphs (c)
18 and (d) of subdivision one of this section, any amount of credit or
19 carryover of such credit thus not deductible in such taxable year may be
20 carried over to the following year or years and may be deducted from the
21 tax for such year or years. In addition, the amount of such credit, and
22 carryovers of such credit to the taxable year, deducted from the tax
23 otherwise due may not, in the aggregate, exceed fifty percent of the tax
24 imposed under section two hundred nine of this article computed without
25 regard to any credit provided by this section.

26 § 2. Section 606 of the tax law is amended by adding a new subsection
27 (k-1) to read as follows:

28 (k-1) Re-entry employment incentive tax credit. (1) A taxpayer shall
29 be allowed a credit, to be computed as hereinafter provided, against the
30 tax imposed by this article in the amount prescribed by this subsection
31 where such taxpayer employs one or more qualifying individuals desig-
32 nated pursuant to paragraph three of this subsection.

33 (2) The amount of the credit shall be as follows for each qualifying
34 individual employed by the taxpayer:

35 (i) Fifty percent of the qualified wages in the first year of employ-
36 ment;

37 (ii) Forty percent of qualified wages in the second year of employ-
38 ment; and

39 (iii) Thirty percent of qualified wages in the third year of employ-
40 ment.

41 (3) For the purposes of this subsection, "qualifying individual" shall
42 mean an individual hired by a taxpayer on or after January first, two
43 thousand twenty who:

44 (i) has been convicted of a felony in this state in the last five
45 years, has been released from a correctional facility as defined in
46 subdivision four of section two of the correction law in the last five
47 years or is serving a period of post-release supervision, parole or
48 probation for the conviction of a felony, provided that an individual
49 shall be considered a qualified individual for each of the first four
50 years of employment if hired by the taxpayer within the time period
51 specified in this subparagraph;

52 (ii) resides in this state; and

53 (iii) receives qualified wages for at least three continuous months
54 from the taxpayer during the taxable year.

55 (4) For the purposes of this subsection, "qualified wages" shall mean
56 wages paid or incurred by the taxpayer during the taxable year to the

1 qualified individual, provided that the amount of qualified wages which
2 may be taken into account when calculating the credit pursuant to this
3 subsection shall not exceed fifteen thousand dollars per year.

4 (5) Notwithstanding any provision of law to the contrary, if the
5 amount of the credit and carryovers of such credit allowed under this
6 subsection for any taxable year shall exceed the taxpayer's tax for such
7 year, any amount of credit or carryovers of such credit thus not deduct-
8 ible in such taxable year may be carried over to the following year or
9 years and may be deducted from the tax for such year or years. In addi-
10 tion, the amount of such credit, and carryovers of such credit to the
11 taxable year, deducted from the tax otherwise due may not, in the aggre-
12 gate, exceed fifty percent of the tax imposed under section six hundred
13 one of this part computed without regard to any credit provided for by
14 this section.

15 § 3. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
16 of the tax law is amended by adding a new clause (xlvi) to read as
17 follows:

18 <u>(xlvi) Re-entry employment</u>	<u>Amount of credit</u>
19 <u>incentive tax credit under</u>	<u>under subdivision</u>
20 <u>subsection (k-1)</u>	<u>fifty-five of section</u>
21	<u>two hundred ten-B</u>

22 § 4. This act shall take effect on the sixtieth day after it shall
23 have become a law.