STATE OF NEW YORK

5323

2019-2020 Regular Sessions

IN ASSEMBLY

February 8, 2019

Introduced by M. of A. CRESPO -- Multi-Sponsored by -- M. of A. ARROYO, DAVILA, GOODELL, PICHARDO, RAMOS, RIVERA, RODRIGUEZ -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to installment payments for the earned income credit; and to authorize and direct the commissioner of taxation and finance to conduct a feasibility and impact study on monthly payments of the earned income tax credit

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

Section 1. The commissioner of taxation and finance is hereby authorized and directed to study and report on the feasibility and impact of using an installment payment plan for earned income credits. Such commissioner shall include in the study and subsequent report a detailed analysis of a plan where an earned income tax credit pursuant to subsection (d) of section 606 of the tax law or an enhanced earned income tax credit pursuant to subsection (d-1) of section 606 of the tax law is distributed to the taxpayer as follows: (i) for amounts equal to or less than two hundred dollars, the payment or refund shall be made in a lump sum, (ii) for amounts in excess of two hundred dollars and less than two thousand four hundred dollars, the payment or refund shall be two hundred dollars a month for the number of months equal to the total amount thereof divided by two hundred and rounded down to the nearest whole number, and the remaining balance of such payment or refund shall be made in the first month thereafter, and (iii) for amounts equal to or greater than two thousand four hundred dollars, the payment or refund shall be paid in equal monthly payments equal to the total amount thereof divided by twelve. The commissioner of taxation and finance shall prepare a report on his or her findings to be submitted to the temporary president of the senate, the speaker of the assembly and the chairs of the assembly ways and means committee and the senate finance committee within 180 days after the effective date of this act.

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

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§ 2. Section 686 of the tax law is amended by adding a new subsection (j) to read as follows:

(j) Earned income tax credit.-- An earned income tax credit pursuant to subsection (d) of section six hundred six of this article or an enhanced earned income tax credit pursuant to subsection (d-1) of section six hundred six of this article shall be paid to the taxpayer as follows: (i) for amounts equal to or less than two hundred dollars, the payment or refund shall be made in a lump sum, (ii) for amounts in excess of two hundred dollars and less than two thousand four hundred dollars, the payment or refund shall be two hundred dollars a month for the number of months equal to the total amount thereof divided by two hundred and rounded down to the nearest whole number, and the remaining balance of such payment or refund shall be made in the first month thereafter, and (iii) for amounts equal to or greater than two thousand four hundred dollars, the payment or refund shall be paid in equal monthly payments equal to the total amount thereof divided by twelve.

§ 3. This act shall take effect immediately; provided, however, that section two of this act shall take effect one year after it shall have become a law. Effective immediately, the commissioner of taxation and finance is authorized to make any addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date on or before such date.