

# STATE OF NEW YORK

2119--B

2019-2020 Regular Sessions

## IN SENATE

January 22, 2019

Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to establishing the work opportunity 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 54 to read as follows:

54. Work opportunity tax credit. (a) Allowance of credit. A taxpayer shall be allowed a credit, against the tax imposed by this article, of two thousand four hundred dollars for each long term unemployed person hired during a taxable year. Such tax credit shall be applicable only to businesses employing fifty or fewer employees. For the purposes of this subdivision, a "long term unemployed person" shall be an individual who has been a resident of New York for three years immediately preceding hiring and who, prior to being hired by the business eligible for the credit established pursuant to this subdivision, had been unemployed and receiving public assistance for six consecutive months or more, and is retained for full-time employment by such business for at least one year.

(b) Application of credit. The credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the fixed dollar minimum amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit allowed under this subdivision for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax

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

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1 based on the fixed dollar minimum amount, any amount of credit thus not  
2 deductible in such taxable year shall be treated as an overpayment of  
3 tax to be credited or refunded in accordance with the provisions of  
4 section one thousand eighty-six of this chapter. Provided, however, the  
5 provisions of subsection (c) of section one thousand eighty-eight of  
6 this chapter notwithstanding, no interest shall be paid thereon. The  
7 total amount of credit to be provided statewide for this credit, the  
8 credit allowed under subsection (kkk) of section six hundred six of this  
9 chapter and subdivision (ee) of section fifteen hundred eleven of this  
10 chapter shall not exceed fifteen million dollars in the aggregate in a  
11 taxable year.

12 (c) Credit recapture. For provisions requiring recapture of credit,  
13 see section forty-four of this chapter.

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

17 <u>(xlv) Work opportunity tax credit</u>	<u>Amount of credit under</u>
18 <u>under subsection (kkk)</u>	<u>subdivision fifty-four of</u>
19	<u>section two hundred ten-B</u>

20 § 3. Section 606 of the tax law is amended by adding a new subsection  
21 (kkk) to read as follows:

22 (kkk) Work opportunity tax credit. (1) Allowance of credit. A taxpayer  
23 shall be allowed a credit, against the tax imposed by this article, of  
24 two thousand four hundred dollars for each long term unemployed person  
25 hired during a taxable year. Such tax credit shall be applicable only to  
26 businesses employing fifty or fewer employees. For the purposes of this  
27 subdivision, a "long term unemployed person" shall be an individual who  
28 has been a resident of New York for three years immediately preceding  
29 hiring and who, prior to being hired by the business eligible for the  
30 credit established pursuant to this subsection, had been unemployed and  
31 receiving public assistance for six consecutive months or more, and is  
32 retained for full-time employment by such business for at least one  
33 year.

34 (2) Application of credit. If the amount of the credit allowed under  
35 this subsection for any taxable year shall exceed the taxpayer's tax for  
36 such year, the excess shall be treated as an overpayment of tax to be  
37 credited or refunded in accordance with the provisions of section six  
38 hundred eighty-six of this article, provided, however, that no interest  
39 shall be paid thereon. The total amount of credit to be provided state-  
40 wide for this credit, the credit allowed under subdivision fifty-four of  
41 section two hundred ten-B of this chapter and subdivision (ee) of  
42 section fifteen hundred eleven of this chapter shall not exceed fifteen  
43 million dollars in the aggregate in a taxable year.

44 (3) Credit recapture. For provisions requiring recapture of credit,  
45 see section forty-four of this chapter.

46 § 4. Section 1511 of the tax law is amended by adding a new subdivi-  
47 sion (ee) to read as follows:

48 (ee) Work opportunity tax credit. (1) Allowance of credit. A taxpayer  
49 shall be allowed a credit, against the tax imposed by this article, of  
50 two thousand four hundred dollars for each long term unemployed person  
51 hired during a taxable year. Such tax credit shall be applicable only to  
52 businesses employing fifty or fewer employees. For the purposes of this  
53 subdivision, a "long term unemployed person" shall be an individual who  
54 has been a resident of New York for three years immediately preceding

1 hiring and who, prior to being hired by the business eligible for the  
2 credit established pursuant to this subdivision, had been unemployed and  
3 receiving public assistance for six consecutive months or more, and is  
4 retained for full-time employment by such business for at least one  
5 year. The total amount of credit to be provided statewide shall not  
6 exceed fifteen million dollars in a taxable year.

7 (2) Application of credit. The credit allowed under this subdivision  
8 shall not reduce the tax due for such year to be less than the minimum  
9 fixed by paragraph four of subdivision (a) of section fifteen hundred  
10 two or section fifteen hundred two-a of this article, whichever is  
11 applicable. However, if the amount of the credit allowed under this  
12 subdivision for any taxable year reduces the taxpayer's tax to such  
13 amount, any amount of credit thus not deductible will be treated as an  
14 overpayment of tax to be credited or refunded in accordance with the  
15 provisions of section one thousand eighty-six of this chapter. Provided,  
16 however, the provisions of subsection (c) of one thousand eighty-eight  
17 of this chapter notwithstanding, no interest shall be paid thereon. The  
18 total amount of credit to be provided statewide for this credit, the  
19 credit allowed under subdivision fifty-four of section two hundred ten-B  
20 of this chapter and subdivision (kkk) of section six hundred six of this  
21 chapter shall not exceed fifteen million dollars in the aggregate in a  
22 taxable year.

23 (3) Credit recapture. For provisions requiring recapture of credit,  
24 see section forty-four of this chapter.

25 § 5. This act shall take effect immediately and shall apply to taxable  
26 years beginning on and after January 1, 2020 and shall apply to eligible  
27 individuals hired on and after such effective date.