STATE OF NEW YORK

523

2019-2020 Regular Sessions

IN SENATE

(Prefiled)

January 9, 2019

Introduced by Sens. CARLUCCI, SAVINO -- 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 the personal income tax credit for certain household and dependent care services necessary for gainful employment

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

Section 1. Paragraph 1 of subsection (c) of section 606 of the tax law, as amended by section 1 of part M of chapter 63 of the laws of 2000, is amended to read as follows:

(1) A taxpayer shall be allowed a credit as provided herein equal to the applicable percentage of the credit allowable under section twenty-one of the internal revenue code for the same taxable year (without regard to whether the taxpayer in fact claimed the credit under such section twenty-one for such taxable year). The applicable percentage shall be the sum of (i) twenty percent and (ii) a multiplier multiplied by a fraction. For taxable years beginning in nineteen hundred ninety-six and nineteen hundred ninety-seven, the numerator of such fraction shall be the lesser of (i) four thousand dollars or (ii) fourteen thousand dollars less the New York adjusted gross income for the taxable year, provided, however, the numerator shall not be less than zero. For the taxable year beginning in nineteen hundred ninety-eight, the numerator of such fraction shall be the lesser of (i) thirteen thousand dollars or (ii) thirty thousand dollars less the New York adjusted gross income for the taxable year, provided, however, the numerator shall not be less than zero. For taxable years beginning in nineteen hundred ninety-nine, the numerator of such fraction shall be the lesser of (i) fifteen thousand dollars or (ii) fifty thousand dollars less the New York adjusted gross income for the taxable year, provided, however, the

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

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numerator shall not be less than zero. For taxable years beginning after nineteen hundred ninety-nine, the numerator of such fraction shall be the lesser of (i) fifteen thousand dollars or (ii) sixty-five thousand dollars less the New York adjusted gross income for the taxable year, provided, however, the numerator shall not be less than zero. The denominator of such fraction shall be four thousand dollars for taxable years beginning in nineteen hundred ninety-six and nineteen hundred ninety-seven, thirteen thousand dollars for the taxable year beginning in nineteen hundred ninety-eight, and fifteen thousand dollars for taxable years beginning after nineteen hundred ninety-eight. The multiplier shall be ten percent for taxable years beginning in nineteen hundred ninety-six, forty percent for taxable years beginning in nineteen hundred ninety-seven, and eighty percent for taxable years beginning after nineteen hundred ninety-seven. Provided, however, for taxable years beginning after nineteen hundred ninety-nine, for a person whose New York adjusted gross income is less than forty thousand dollars, such applicable percentage shall be equal to (i) one hundred percent, plus (ii) ten percent multiplied by a fraction whose numerator shall be the lesser of [~~(i)~~] **(A)** fifteen thousand dollars or [~~(ii)~~] **(B)** forty thousand dollars less the New York adjusted gross income for the taxable year, provided such numerator shall not be less than zero, and whose denominator shall be fifteen thousand dollars. Provided, further, that [~~if~~] **for taxable years beginning on or after January first, two thousand nineteen, the amount of credit calculated pursuant to this subsection shall be increased by an additional fifty percent; provided, however, that the credit provided for in this subsection shall not be available to taxpayers who file jointly with adjusted gross incomes in excess of three hundred fifty thousand dollars, to taxpayers who file as heads of households with adjusted gross incomes in excess of three hundred thousand dollars, and to taxpayers who file singly with adjusted gross incomes in excess of one hundred seventy-five thousand dollars. If** the reversion event, as defined in this paragraph, occurs, the applicable percentage shall, for taxable years ending on or after the date on which the reversion event occurred, be determined using the rules specified in this paragraph applicable to taxable years beginning in nineteen hundred ninety-nine. The reversion event shall be deemed to have occurred on the date on which federal action, including but not limited to, administrative, statutory or regulatory changes, materially reduces or eliminates New York state's allocation of the federal temporary assistance for needy families block grant, or materially reduces the ability of the state to spend federal temporary assistance for needy families block grant funds for the credit for certain household and dependent care services necessary for gainful employment or to apply state general fund spending on the credit for certain household and dependent care services necessary for gainful employment toward the temporary assistance for needy families block grant maintenance of effort requirement, and the commissioner of the office of temporary and disability assistance shall certify the date of such event to the commissioner, the director of the division of the budget, the speaker of the assembly and the temporary president of the senate.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2019.