STATE OF NEW YORK

6724

2019-2020 Regular Sessions

IN SENATE

September 18, 2019

Introduced by Sen. BENJAMIN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the tax law, in relation to the losses from payroll interruption credit

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

Section 1. Section 606 of the tax law is amended by adding a new subsection (kkk) to read as follows:

(kkk) Losses from payroll interruption credit. (1) For taxable years beginning on or after January first, two thousand nineteen, a qualified taxpayer will be able to claim a refundable credit up to two hundred fifty dollars for eligible losses incurred from the interruption in the payment of their wages or salary due to an action by a payroll service company.

(2) For purposes of this subsection, the following definitions shall apply:

(i) "qualified taxpayer" shall mean a resident of New York with a federal adjusted gross income up to ninety thousand dollars if filing as a single, head of household, or qualified widow(er) filer or one hundred eighty thousand dollars if married filing jointly.

(ii) "eligible losses" shall mean any penalties or fees incurred due to having a loss of wages or salary due to the delay, withdrawal or loss of a paycheck or paychecks due to the actions of a payroll company, including but not limited to fees and penalties for an overdrawn bank account, late rent payment, late loan payments, or other losses.

(iii) "payroll service company" means a company contracted by the qualified taxpayer's employer to handle responsibilities including but not limited to setting up and making adjustments to direct deposit accounts, calculating payroll taxes and ensuring correct deductions are made, providing electronic payroll records to employees and employers,

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

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and ensuring compliance with all state and federal laws governing payroll and payroll deductions.

(3) If the amount of the credit allowed under this subsection for any taxable year shall exceed the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

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

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