STATE OF NEW YORK

7657

IN SENATE

February 4, 2020

Introduced by Sens. LAVALLE, GALLIVAN -- 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 definition of "allowable college tuition expenses" and the tax credit allowed for such expenses

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

Section 1. Subparagraph (A) of paragraph 2 of subsection (t) of section 606 of the tax law, as amended by section 1 of part N of chapter 85 of the laws of 2002, is amended to read as follows:

(A) The term "allowable college tuition expenses" shall mean the amount of qualified college tuition expenses of eligible students paid by the taxpayer during the taxable year[~~,~~]**. The amount of qualified college tuition expenses shall be** limited [~~to~~] **as follows: for taxable years beginning after two thousand and before two thousand twenty-one,** ten thousand dollars for each such student**; for taxable years beginning in two thousand twenty-one, twelve thousand dollars for each student; for taxable years beginning in two thousand twenty-two, fourteen thousand dollars for each student; for taxable years beginning in two thousand twenty-three, sixteen thousand dollars for each student; for taxable years beginning in two thousand twenty-four, eighteen thousand dollars for each student; and for taxable years beginning after two thousand twenty-four, twenty thousand dollars per student**;

§ 2. Paragraph 4 of subsection (t) of section 606 of the tax law, as added by section 1 of part DD of chapter 63 of the laws of 2000, is amended to read as follows:

(4) Amount of credit. [~~**If allowable college tuition expenses are less than five thousand dollars, the amount of the credit provided under this subsection shall be equal to the applicable percentage of the lesser of allowable college tuition expenses or two hundred dollars. If allowable college tuition expenses are five thousand dollars or more, the amount of the credit provided under this subsection shall be equal to the applicable percentage of the allowable college tuition expenses multi-**~~

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

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~~plied by four percent.~~] The amount of the credit shall be determined in accordance with the following schedules:

(A) For taxable years beginning after two thousand and before two thousand twenty-one:

If allowable college tuition expenses are:	The tax credit is equal to:
Less than five thousand dollars	the applicable percentage of the lesser of allowable college tuition expenses or two hundred dollars
Five thousand dollars or more	the applicable percentage of allowable college tuition expenses multiplied by four percent

(B) For taxable years beginning in two thousand twenty-one:

If allowable college tuition expenses are:	The tax credit is equal to:
Less than six thousand dollars	the lesser of allowable college tuition expenses or two hundred forty dollars
Six thousand dollars or more	the allowable college tuition expenses multiplied by four percent

(C) For taxable years beginning in two thousand twenty-two:

If allowable college tuition expenses are:	The tax credit is equal to:
Less than seven thousand dollars	the lesser of allowable college tuition expenses or two hundred eighty dollars
Seven thousand dollars or more	the allowable college tuition expenses multiplied by four percent

(D) For taxable years beginning in two thousand twenty-three:

If allowable college tuition expenses are:	The tax credit is equal to:
Less than eight thousand dollars	the lesser of allowable college tuition expenses or three hundred twenty dollars
Eight thousand dollars or more	the allowable college tuition expenses multiplied by four percent

(E) For taxable years beginning in two thousand twenty-four:

If allowable college tuition expenses are:	The tax credit is equal to:
Less than nine thousand dollars	the lesser of allowable college tuition expenses or three hundred sixty dollars
Nine thousand dollars or more	the allowable college tuition expenses multiplied by four percent

(F) For taxable years beginning after two thousand twenty-four:

If allowable college tuition expenses are:	The tax credit is equal to:
Less than ten thousand dollars	the lesser of allowable college tuition expenses or four hundred dollars
Ten thousand dollars or more	the allowable college tuition expenses multiplied by four percent

Such applicable percentage shall be twenty-five percent for taxable years beginning in two thousand one, fifty percent for taxable years beginning in two thousand two, seventy-five percent for taxable years

beginning in two thousand three and one hundred percent for taxable years beginning after two thousand three.

§ 3. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2021.