

STATE OF NEW YORK

1973

2019-2020 Regular Sessions

IN SENATE

January 18, 2019

Introduced by Sen. LITTLE -- 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 creating a tax credit for employers who reduce the governmental education loans of their employees and said employees who receive such reduction in governmental education loans

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

1 Section 1. Section 210-B of the tax law is amended by adding a new
2 subdivision 53 to read as follows:

3 53. Employee indebtedness reduction credit. (a) Allowance of credit. A
4 taxpayer shall be allowed a credit, to be computed as provided in para-
5 graph (b) of this subdivision, against the tax imposed by this article,
6 if it provides for a payment, on behalf of an employee, of any indebt-
7 edness of the employee under a governmental education loan or any inter-
8 est relating to such a loan. For purposes of this subdivision, "govern-
9 mental education loan" shall mean any education loan debt, including
10 judgments, owed to the federal or New York state government or any other
11 institution.

12 (b) Amount of credit. The credit allowed pursuant to paragraph (a) of
13 this subdivision shall be in an amount equal to the taxpayer's payment,
14 on behalf of an employee, of any indebtedness of the employee under a
15 governmental education loan or any interest relating to such a loan.
16 Provided, however, that no such credit allowed under this subdivision
17 shall exceed ten thousand dollars for each employee employed by such
18 employer.

19 (c) Application of credit. The credit allowed under this subdivision
20 for any taxable year shall not reduce the tax due for such year to less
21 than the amount prescribed in paragraph (d) of subdivision one of
22 section two hundred ten of this article. If, however, the amount of

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

LBD02825-01-9

1 credits allowed under this subdivision for any taxable year reduces the
 2 tax to such amount, any amount of credit thus not deductible in such
 3 taxable year shall be treated as an overpayment of tax to be credited or
 4 refunded in accordance with the provisions of section one thousand
 5 eighty-six of this chapter. Provided, however, the provisions of
 6 subsection (c) of section one thousand eighty-eight of this chapter
 7 notwithstanding, no interest shall be paid thereon.

8 § 2. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
 9 of the tax law is amended by adding a new clause (xliv) to read as
 10 follows:

11 <u>(xliv) Employee indebtedness</u>	<u>Amount of credit</u>
12 <u>reduction credit</u>	<u>under subdivision</u>
13 <u>under subsection (jjj)</u>	<u>fifty-three of section</u>
14	<u>two hundred ten-B</u>

15 § 3. Section 606 of the tax law is amended by adding two new
 16 subsections (jjj) and (kkk) to read as follows:

17 (jjj) Employee indebtedness reduction credit. (1) Allowance of credit.
 18 A taxpayer shall be allowed a credit, to be computer as provided in
 19 paragraph two of this subsection, against the tax imposed by this arti-
 20 cle, if it provides for a payment, on behalf of an employee, of any
 21 indebtedness of the employee under a governmental education loan or any
 22 interest relating to such a loan. For purposes of this subsection,
 23 "governmental education loan" shall mean any education loan debt,
 24 including judgments, owed to the federal or New York state government or
 25 any other institution.

26 (2) Amount of credit. The credit allowed pursuant to paragraph one of
 27 this subsection shall be in an amount equal to the taxpayer's payment,
 28 on behalf of an employee, of any indebtedness of the employee under a
 29 governmental education loan or any interest relating to such a loan.
 30 Provided, however, that no such credit allowed under this subsection
 31 shall exceed ten thousand dollars for each employee employed by such
 32 employer.

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

39 (kkk) Employer education loan reduction credit. (1) Allowance of cred-
 40 it. A taxpayer shall be allowed a credit, to be computed as provided in
 41 paragraph two of this subsection, against the tax imposed by this arti-
 42 cle, if the taxpayer's employer provides for a payment, on behalf of
 43 such taxpayer, of any indebtedness of such taxpayer under a governmental
 44 education loan or any interest relating to such a loan. For purposes of
 45 this subsection, "governmental education loan" shall mean any education
 46 loan debt, including judgments, owed to the federal or New York state
 47 government or any other institution.

48 (2) Amount of credit. The credit allowed pursuant to paragraph one of
 49 this subsection shall be in an amount equal to the amount paid by the
 50 taxpayer's employer to reduce any indebtedness of the taxpayer under a
 51 governmental education loan or any interest relating to such a loan.
 52 Provided, however, that no such credit allowed under this subsection
 53 shall exceed ten thousand dollars.

54 (3) Application of credit. If the amount of the credit allowed under
 55 this subsection for any taxable year shall exceed the taxpayer's tax for
 56 such year, the excess shall be treated as an overpayment of tax to be

1 credited or refunded in accordance with the provisions of section six
2 hundred eighty-six of this article, provided, however, that no interest
3 shall be paid thereon.

4 § 4. This act shall take effect immediately and apply to taxable years
5 beginning on and after the first of January next succeeding the date on
6 which it shall have become a law.