

# STATE OF NEW YORK

3348

2021-2022 Regular Sessions

## IN ASSEMBLY

January 22, 2021

Introduced by M. of A. EPSTEIN -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to creating a tax credit for employers who contribute to a college choice tuition savings account on behalf of an employee

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 55 to read as follows:

3 55. Employer college choice tuition savings contribution credit. (a)  
4 Allowance of credit. A taxpayer shall be allowed a credit, to be  
5 computed as provided in paragraph (b) of this subdivision, against the  
6 tax imposed by this article, if it provides a contribution, on behalf of  
7 an employee, to a family tuition account established under article four-  
8 teen-A of the education law by such employee.

9 (b) Amount of credit. The credit allowed pursuant to paragraph (a) of  
10 this subdivision shall be in an amount equal to the taxpayer's payment,  
11 on behalf of an employee, to a family tuition account established under  
12 article fourteen-A of the education law by such employee. Provided,  
13 however, that no such credit allowed under this subdivision shall exceed  
14 five thousand dollars per employee.

15 (c) Application of credit. The credit allowed under this subdivision  
16 for any taxable year shall not reduce the tax due for such year to less  
17 than the amount prescribed in paragraph (d) of subdivision one of  
18 section two hundred ten of this article. If, however, the amount of  
19 credits allowed under this subdivision for any taxable year reduces the  
20 tax to such amount, any amount of credit thus not deductible in such  
21 taxable year shall be treated as an overpayment of tax to be credited or  
22 refunded in accordance with the provisions of section one thousand  
23 eighty-six of this chapter. Provided, however, the provisions of

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

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1 subsection (c) of section one thousand eighty-eight of this chapter  
 2 notwithstanding, no interest shall be paid thereon.

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

5 § 2. Subparagraph (B) of paragraph 1 of subsection (i) of section 606  
 6 of the tax law is amended by adding a new clause (xlvi) to read as  
 7 follows:

8 <u>(xlvi) Employer college</u>	<u>Amount of credit</u>
9 <u>choice tuition savings</u>	<u>under subdivision</u>
10 <u>contribution credit under</u>	<u>fifty-five of section</u>
11 <u>subsection (kkk)</u>	<u>two hundred ten-B</u>

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

14 (kkk) Employer college choice tuition savings contribution credit.

15 (1) Allowance of credit. A taxpayer shall be allowed a credit, to be  
 16 computed as provided in paragraph two of this subsection, against the  
 17 tax imposed by this article, if it provides for a contribution, on  
 18 behalf of an employee, to a family tuition account established under  
 19 article fourteen-A of the education law by such employee.

20 (2) Amount of credit. The credit allowed pursuant to paragraph one of  
 21 this subsection shall be in an amount equal to the taxpayer's contrib-  
 22 ution, on behalf of an employee, to a family tuition account established  
 23 under article fourteen-A of the education law by such employee.  
 24 Provided, however, that no such credit allowed under this subsection  
 25 shall exceed five thousand dollars per employee.

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

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

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

36 (ee) Employer college choice tuition savings contribution credit. (1)  
 37 Allowance of credit. A taxpayer shall be allowed a credit, to be  
 38 computed as provided in paragraph (2) of this subdivision, against the  
 39 tax imposed by this article, if it provides a contribution, on behalf of  
 40 an employee, to a family tuition account established under article four-  
 41 teen-A of the education law by such employee.

42 (2) Amount of credit. The credit allowed pursuant to paragraph one of  
 43 this subdivision shall be in an amount equal to the taxpayer's payment,  
 44 on behalf of an employee, to a family tuition account established under  
 45 article fourteen-A of the education law by such employee. Provided,  
 46 however, that no such credit allowed under this subdivision shall exceed  
 47 five thousand dollars per employee.

48 (3) Application of credit. The credit allowed under this subdivision  
 49 shall not reduce the tax due for such year to be less than the minimum  
 50 fixed by paragraph four of subdivision (a) of section fifteen hundred  
 51 two or section fifteen hundred two-a of this article, whichever is  
 52 applicable. However, if the amount of the credit allowed under this  
 53 subdivision for any taxable year reduces the taxpayer's tax to such  
 54 amount, any amount of credit thus not deductible will be treated as an  
 55 overpayment of tax to be credited or refunded in accordance with the  
 56 provisions of section one thousand eighty-six of this chapter. Provided,

1 however, the provisions of subsection (c) of one thousand eighty-eight  
2 of this chapter notwithstanding, no interest shall be paid thereon.  
3 (4) Credit recapture. For provisions requiring recapture of credit,  
4 see section forty-four of this chapter.

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