

STATE OF NEW YORK

825--A

2021-2022 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 6, 2021

Introduced by M. of A. JONES, COLTON, DICKENS, WALLACE, WILLIAMS, J. RIVERA, MORINELLO, BLANKENBUSH, HEVESI, CARROLL -- Multi-Sponsored by -- M. of A. SIMON -- read once and referred to the Committee on Ways and Means -- recommitted to the Committee on Ways and Means in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 58 to read as follows:

3 58. 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

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

LBD05426-02-2

1 shall exceed ten thousand dollars for each employee employed by such
 2 employer.

3 (c) Application of credit. The credit allowed under this subdivision
 4 for any taxable year shall not reduce the tax due for such year to less
 5 than the amount prescribed in paragraph (d) of subdivision one of
 6 section two hundred ten of this article. If, however, the amount of
 7 credits allowed under this subdivision for any taxable year reduces the
 8 tax to such amount, any amount of credit thus not deductible in such
 9 taxable year shall be treated as an overpayment of tax to be credited or
 10 refunded in accordance with the provisions of section one thousand
 11 eighty-six of this chapter. Provided, however, the provisions of
 12 subsection (c) of section one thousand eighty-eight of this chapter
 13 notwithstanding, no interest shall be paid thereon.

14 § 2. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
 15 of the tax law is amended by adding a new clause (xlix) to read as
 16 follows:

17 <u>(xlix) Employee indebtedness</u>	<u>Amount of credit</u>
18 <u>reduction credit</u>	<u>under subdivision</u>
19 <u>under subsection (nnn)</u>	<u>fifty-eight of section</u>
20	<u>two hundred ten-B</u>

21 § 3. Section 606 of the tax law is amended by adding two new
 22 subsections (nnn) and (ooo) to read as follows:

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

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

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

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

54 (2) Amount of credit. The credit allowed pursuant to paragraph one of
 55 this subsection shall be in an amount equal to the amount paid by the
 56 taxpayer's employer to reduce any indebtedness of the taxpayer under a

1 governmental education loan or any interest relating to such a loan.
2 Provided, however, that no such credit allowed under this subsection
3 shall exceed ten thousand dollars.

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

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