STATE OF NEW YORK

5180--A

Cal. No. 1198

2021-2022 Regular Sessions

IN SENATE

February 26, 2021

Introduced by Sen. BENJAMIN -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue -- reported favorably from said committee and committed to the Committee on Finance -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the tax law, in relation to a tax credit for employment of an individual who has successfully completed a judicial diversion program or graduated from a drug court

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

Section 1. Section 210-B of the tax law is amended by adding a new subdivision 55 to read as follows:

55. Credit for employment of individuals who have graduated from drug court or have successfully completed a judicial diversion program. (a) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in this subdivision, against the tax imposed by this article, if it employs an individual who has graduated from drug court or has successfully completed a judicial diversion program pursuant to article two hundred sixteen of the criminal procedure law, provided that such individual is employed for thirty-five hours or more per week and remains in the employ of such taxpayer for a minimum of twelve months.

(b) Amount of credit. A credit authorized by this section shall equal three thousand dollars per hired individual for the first year of employment and an additional one thousand dollars if the individual remains in employ for an additional twelve months.

(c) Application of credit. The credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of this section. If, however, the amount of credits allowed under this subdivi-

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

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

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

(e) Reporting requirement. The department shall issue an annual report on the utilization of this credit and similar credits for hiring individuals who have graduated from drug court or have successfully completed a judicial diversion program pursuant to other articles of this chapter. Such report shall include the number of taxpayers that claimed these credits, the number of individuals who have graduated from drug court or have successfully completed a judicial diversion program for whom a credit was claimed, and information on the average number of hours they were employed. The report shall also include information on steps taken by the department to inform employers of the existence of this credit and of any other actions taken to increase awareness of the availability of this credit. The department shall issue the first report on October first, two thousand twenty-two using the most recent applicable tax data. The department shall issue reports for subsequent tax years annually on October first. The report shall be posted publicly on the department's website and copies shall be delivered to the governor, the speaker of the assembly, and the temporary president of the senate.

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

(xlvi) Employment of individuals who have graduated from drug court or have successfully completed a judicial diversion program tax credit under subsection (nnn)	Amount of credit under subdivision fifty-five of section two hundred ten-B

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

(nnn) Tax credit for employment of individuals who have graduated from drug court or have successfully completed a judicial diversion program.

(1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in this subsection, against the tax imposed by this article, if it employs an individual who has graduated from drug court or who has successfully completed a judicial diversion program pursuant to article two hundred sixteen of the criminal procedure law, provided that such individual is employed for thirty-five hours or more per week and remains in the employ of such taxpayer for twelve months.

(2) Amount of credit. A credit authorized by this section shall equal three thousand dollars per hired individual for the first year of employment and an additional one thousand dollars if the individual remains in employ for an additional twelve months.

(3) Application of credit. The credit allowed under this subsection for any taxable year shall not reduce the tax due for such year to less than the higher of the amount prescribed in paragraphs (c) and (d) of subdivision one of section two hundred ten-B of this chapter. If,

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

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

(5) Reporting requirement. The department shall issue an annual report on the utilization of this credit and similar credits for hiring individuals who have graduated from drug court or have successfully completed a judicial diversion program pursuant to other articles of this chapter. Such report shall include the number of taxpayers that claimed these credits, the number of individuals who have graduated from drug court or have successfully completed a judicial diversion program for whom a credit was claimed, and information on the average number of hours they were employed. The report shall also include information on steps taken by the department to inform employers of the existence of this credit and of any other actions taken to increase awareness of the availability of this credit. The department shall issue the first report on October first, two thousand twenty-two using the most recent applicable tax data. The department shall issue reports for subsequent tax years annually on October first. The report shall be posted publicly on the department's website and copies shall be delivered to the governor, the speaker of the assembly, and the temporary president of the senate.

§ 4. Section 1511 of the tax law is amended by adding a new subsection (ee) to read as follows:

(ee) Credit for employment of individuals who have graduated from drug court or have successfully completed a judicial diversion program. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in this subsection, against the tax imposed by this article, if it employs an individual who has graduated from drug court or has successfully completed a judicial diversion program pursuant to article two hundred sixteen of the criminal procedure law, provided that such individual is employed for thirty-five hours or more per week and remains in the employ of such taxpayer for a minimum of twelve months.

(2) Amount of credit. A credit authorized by this section shall equal three thousand dollars per hired individual for the first year of employment and an additional one thousand dollars if the individual remains in employ for an additional twelve months.

(3) Application of credit. The credit allowed under this subsection shall not reduce the tax due for such year to be less than the minimum fixed by paragraph four of subdivision (a) of section fifteen hundred two or section fifteen hundred two-a of this article, whichever is applicable. However, if the amount of the credit allowed under this subsection for any taxable year reduces the taxpayer's tax of such amount, any amount of credit thus not deductible will be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

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

(5) Reporting requirement. The department shall issue an annual report on the utilization of this credit and similar credits for hiring individuals who have graduated from drug court or have successfully completed a judicial diversion program pursuant to other articles of this chapter. Such report shall include the number of taxpayers that claimed these credits, the number of individuals who have graduated from drug court or have successfully completed a judicial diversion program for whom a credit was claimed, and information on the average number of hours they were employed. The report shall also include information on steps taken by the department to inform employers of the existence of this credit and of any other actions taken to increase awareness of the availability of this credit. The department shall issue the first report on October first, two thousand twenty-two using the most recent applicable tax data. The department shall issue reports for subsequent tax years annually on October first. The report shall be posted publicly on the department's website and copies shall be delivered to the governor, the speaker of the assembly, and the temporary president of the senate.

§ 5. This act shall take effect on the first of January next succeeding the date on which it shall have become a law, and shall apply to taxable years beginning on or after such date and to employees hired on or after such date.