

# 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.