

STATE OF NEW YORK

647

2021-2022 Regular Sessions

IN SENATE

(Prefiled)

January 6, 2021

Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to establishing a returning veterans tax credit for businesses that hire veterans and disabled veterans

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. Returning veterans tax credit. (a) General. A taxpayer shall be
4 allowed a credit, to be computed as provided in this subdivision,
5 against the tax imposed by this article for each veteran or disabled
6 veteran hired during a taxable year, provided that:

7 (i) such veteran is a new employee and is employed for thirty-five
8 hours or more per week and remains in the employ of such taxpayer for
9 twelve months or more; or

10 (ii) such disabled veteran is a new employee who is employed for
11 seventeen and one-half hours or more per week and remains in the employ
12 of such taxpayer for twelve months or more.

13 (b) Amount of credit. A credit authorized by this section shall equal
14 three thousand dollars per hired veteran and four thousand dollars per
15 hired disabled veteran but shall not exceed fifteen thousand dollars
16 annually.

17 (c) Carryovers. The credit allowed under this subdivision may be
18 claimed and if not fully used in the initial year for which the credit
19 is claimed may be carried over, in order, to each of the ten succeeding
20 taxable years. The credit authorized by this subdivision may not be used
21 to reduce the tax liability of the credit claimant below zero.

22 (d) Definitions. As used in this subdivision, the following terms
23 shall have the following meanings:

24 (i) "New employee" shall mean any full time employee that causes the
25 total number of employees to increase above base employment or credit
26 employment, whichever is higher.

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

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1 (ii) "Base year" shall mean calendar year two thousand twenty-one.

2 (iii) "Base employment" shall mean the average number of full time
3 employees or full time equivalent employees during the base year. For a
4 new business, base employment shall begin at zero.

5 (iv) "Credit employment" shall mean base employment plus the number of
6 new employees for which a credit is earned for the prior tax years.

7 (v) "Veteran" shall have the same meaning as set forth in section
8 eighty-five of the civil service law.

9 (vi) "Disabled veteran" shall have the same meaning as set forth in
10 section eighty-five of the civil service law.

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

14 <u>(xlvi) Returning veterans tax</u>	<u>Costs under subdivision</u>
15 <u>credit; subsection (kkk)</u>	<u>fifty-five of section</u>
16	<u>two hundred ten-B</u>

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

19 (kkk) Returning veterans tax credit. (1) General. A taxpayer shall be
20 allowed a credit, to be computed as provided in this subsection, against
21 the tax imposed by this article for each veteran or disabled veteran
22 hired during a taxable year, provided that:

23 (i) such veteran is a new employee and is employed for thirty-five
24 hours or more per week and remains in the employ of such taxpayer for
25 twelve months or more; or

26 (ii) such disabled veteran is a new employee and is employed for
27 seventeen and one-half hours or more per week and remains in the employ
28 of such taxpayer for twelve months or more.

29 (2) Amount of credit. A credit authorized by this section shall equal
30 three thousand dollars per hired veteran and four thousand dollars per
31 hired disabled veteran but shall not exceed fifteen thousand dollars
32 annually.

33 (3) Carryovers. The credit allowed under this subsection may be
34 claimed and if not fully used in the initial year for which the credit
35 is claimed may be carried over, in order, to each of the ten succeeding
36 taxable years. The credit authorized by this subsection may not be used
37 to reduce the tax liability of the credit claimant below zero.

38 (4) Definitions. As used in this subsection, the following terms shall
39 have the following meanings:

40 (i) "New employee" shall mean any full time employee that causes the
41 total number of employees to increase above base employment or credit
42 employment, whichever is higher.

43 (ii) "Base year" shall mean calendar year two thousand twenty-one.

44 (iii) "Base employment" shall mean the average number of full time
45 employees or full time equivalent employees during the base year. For a
46 new business, base employment shall begin at zero.

47 (iv) "Credit employment" shall mean base employment plus the number of
48 new employees for which a credit is earned for the prior tax years.

49 (v) "Veteran" shall have the same meaning as set forth in section
50 eighty-five of the civil service law.

51 (vi) "Disabled veteran" shall have the same meaning as set forth in
52 section eighty-five of the civil service law.

53 § 4. This act shall take effect immediately and shall apply to taxable
54 years beginning on or after January 1, 2022 and shall apply to those
55 employees hired after this act shall take effect.