STATE OF NEW YORK

7063

2021-2022 Regular Sessions

IN SENATE

May 26, 2021

Introduced by Sen. JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law and part EEE of chapter 59 of the laws of 2021 amending the tax law establishing the excluded workers fund to provide payments to workers who suffered a loss of work-related earnings or a major source of household income during a state of emergency declared by the governor and who are otherwise ineligible for unemployment insurance or other state or federal unemployment benefit, in relation to exempting benefits from the excluded worker fund from New York state income taxes

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

Section 1. Subdivision 3 of section 2 of part EEE of chapter 59 of the laws of 2021 amending the tax law establishing the excluded workers fund to provide payments to workers who suffered a loss of work-related earnings or a major source of household income during a state of emergency declared by the governor and who are otherwise ineligible for unemployment insurance or other state or federal unemployment benefit, is amended to read as follows:

3. Benefit computation. The benefit of the excluded worker shall be computed as follows:

(a) The benefit for each excluded worker who filed a tax return for either tax years 2018, 2019, or 2020 with the department of taxation and finance using a valid United States individual taxpayer identification number (ITIN) and any other excluded worker who is deemed eligible by the commissioner of labor for benefits pursuant to paragraph (k) or paragraph (l) of subsection five of this section shall be fifteen thousand six hundred dollars [~~minus an automatic deduction of seven hundred eighty dollars, which shall be remitted to the department of taxation and finance for the purposes of satisfying the provisions of part five~~

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

LBD11514-01-1

~~of article twenty-two of the tax law. All such deductions received by the commissioner of the department of taxation and finance pursuant to this paragraph shall be deposited and disposed of pursuant to section one hundred seventy-one-a of the tax law applicable to article twenty-two of the tax law~~].

(b) The benefit for all other excluded workers deemed eligible by the commissioner of labor for benefits except those deemed eligible pursuant to paragraph (j), (k), or (l) of subsection five of this section shall be three thousand two hundred dollars [~~minus an automatic deduction of one hundred sixty dollars, which shall be remitted to the department of taxation and finance for the purposes of satisfying the provisions of part five of article twenty-two of the tax law. All such deductions received by the commissioner of the department of taxation and finance pursuant to this paragraph shall be deposited and disposed of pursuant to section one hundred seventy-one-a of the tax law applicable to article twenty-two of the tax law~~].

(c) [~~When an excluded worker files a New York personal income tax return for tax year 2021, the excluded worker may reconcile any tax liability for such tax year and claim any refund to which the excluded worker is entitled~~] **Notwithstanding any provision of law to the contrary, benefits granted to an excluded worker pursuant to the provisions of this act shall be exempt from taxation pursuant to article twenty-two of the tax law**.

§ 2. Subsection (i) of section 601 of the tax law is relettered subsection (j) and a new subsection (i) is added to read as follows:

(i) Recipients of excluded worker fund benefits. Notwithstanding the provisions of subsections (a), (b), (c) and (d) of this section and any other provision of this article, for taxable years beginning on and after January first, two thousand twenty-one, benefits from the excluded worker fund established pursuant to part EEE of chapter fifty-nine of the laws of two thousand twenty-one shall be exempt from tax under this article regardless of whether such income is subject to federal income taxation.

§ 3. This act shall take effect immediately and shall be deemed to be in full force and effect on and after April 19, 2021.