STATE OF NEW YORK

2465

2023-2024 Regular Sessions

IN ASSEMBLY

January 26, 2023

Introduced by M. of A. EPSTEIN -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to creating a tax credit for employers who contribute to a college choice tuition savings account on behalf of an employee

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 59 to read as follows:

59. Employer college choice tuition savings contribution credit. (a) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in paragraph (b) of this subdivision, against the tax imposed by this article, if it provides a contribution, on behalf of an employee, to a family tuition account established under article fourteen-A of the education law by such employee.

(b) Amount of credit. The credit allowed pursuant to paragraph (a) of this subdivision shall be in an amount equal to the taxpayer's payment, on behalf of an employee, to a family tuition account established under article fourteen-A of the education law by such employee. Provided, however, that no such credit allowed under this subdivision shall exceed five thousand dollars per employee.

(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 section two hundred ten of this article. If, however, the amount of credits allowed under this subdivision 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

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

LBD01647-01-3

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.

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

(xlx) Employer college choice tuition savings contribution credit under subsection (ooo)	Amount of credit under subdivision fifty-nine of section two hundred ten-B

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

(ooo) Employer college choice tuition savings contribution credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in paragraph two of this subsection, against the tax imposed by this article, if it provides for a contribution, on behalf of an employee, to a family tuition account established under article fourteen-A of the education law by such employee.

(2) Amount of credit. The credit allowed pursuant to paragraph one of this subsection shall be in an amount equal to the taxpayer's contribution, on behalf of an employee, to a family tuition account established under article fourteen-A of the education law by such employee. Provided, however, that no such credit allowed under this subsection shall exceed five thousand dollars per employee.

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

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

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

(ee) Employer college choice tuition savings contribution credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in paragraph two of this subdivision, against the tax imposed by this article, if it provides a contribution, on behalf of an employee, to a family tuition account established under article fourteen-A of the education law by such employee.

(2) Amount of credit. The credit allowed pursuant to paragraph one of this subdivision shall be in an amount equal to the taxpayer's payment, on behalf of an employee, to a family tuition account established under article fourteen-A of the education law by such employee. Provided, however, that no such credit allowed under this subdivision shall exceed five thousand dollars per employee.

(3) Application of credit. The credit allowed under this subdivision 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 subdivision for any taxable year reduces the taxpayer's tax to 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 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. This act shall take effect immediately and shall apply to taxable years beginning on and after the first of January next succeeding the date on which it shall have become a law.