STATE OF NEW YORK

3338

2023-2024 Regular Sessions

IN ASSEMBLY

February 2, 2023

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

AN ACT to amend the tax law, in relation to providing a re-entry employment incentive tax credit

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. Re-entry employment incentive tax credit. (a) A taxpayer shall be allowed a credit, to be computed as hereinafter provided, against the tax imposed by this article in the amount prescribed by this subdivision where such taxpayer employs one or more qualifying individuals designated pursuant to paragraph (c) of this subdivision.

(b) The amount of the credit shall be as follows for each qualifying individual employed by the taxpayer:

(i) fifty percent of the qualified wages in the first year of employment;

(ii) forty percent of qualified wages in the second year of employment; and

(iii) thirty percent of qualified wages in the third year of employment.

(c) For the purposes of this subdivision, "qualifying individual" shall mean an individual hired by a taxpayer on or after January first, two thousand twenty-three who:

(i) has been convicted of a felony in this state in the last five years, has been released from a correctional facility as defined in subdivision four of section two of the correction law in the last five years or is serving a period of post-release supervision, parole or probation for the conviction of a felony, provided that an individual shall be considered a qualified individual for each of the first four

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

LBD07680-01-3

years of employment if hired by the taxpayer within the time period specified in this subparagraph;

(ii) resides in this state; and

(iii) receives qualified wages for at least three continuous months from the taxpayer during the taxable year.

(d) For the purposes of this subdivision, "qualified wages" shall mean wages paid or incurred by the taxpayer during the taxable year to the qualified individual, provided that the amount of qualified wages which may be taken into account when calculating the credit pursuant to this subdivision shall not exceed fifteen thousand dollars per year.

(e) Notwithstanding any provision of law to the contrary, the credit and carryover of such credit allowed under this subdivision for any taxable years shall not, in the aggregate, reduce the tax due for such year to less than the higher of the amounts prescribed in paragraphs (c) and (d) of subdivision one of this section, any amount of credit or carryover of such credit thus not deductible in such taxable year may be carried over to the following year or years and may be deducted from the tax for such year or years. In addition, the amount of such credit, and carryovers of such credit to the taxable year, deducted from the tax otherwise due may not, in the aggregate, exceed fifty percent of the tax imposed under section two hundred nine of this article computed without regard to any credit provided by this section.

§ 2. Section 606 of the tax law is amended by adding a new subsection (k-1) to read as follows:

(k-1) Re-entry employment incentive tax credit. (1) A taxpayer shall be allowed a credit, to be computed as hereinafter provided, against the tax imposed by this article in the amount prescribed by this subsection where such taxpayer employs one or more qualifying individuals designated pursuant to paragraph three of this subsection.

(2) The amount of the credit shall be as follows for each qualifying individual employed by the taxpayer:

(i) Fifty percent of the qualified wages in the first year of employment;

(ii) Forty percent of qualified wages in the second year of employment; and

(iii) Thirty percent of qualified wages in the third year of employment.

(3) For the purposes of this subsection, "qualifying individual" shall mean an individual hired by a taxpayer on or after January first, two thousand twenty-three who:

(i) has been convicted of a felony in this state in the last five years, has been released from a correctional facility as defined in subdivision four of section two of the correction law in the last five years or is serving a period of post-release supervision, parole or probation for the conviction of a felony, provided that an individual shall be considered a qualified individual for each of the first four years of employment if hired by the taxpayer within the time period specified in this subparagraph;

(ii) resides in this state; and

(iii) receives qualified wages for at least three continuous months from the taxpayer during the taxable year.

(4) For the purposes of this subsection, "qualified wages" shall mean wages paid or incurred by the taxpayer during the taxable year to the qualified individual, provided that the amount of qualified wages which may be taken into account when calculating the credit pursuant to this subsection shall not exceed fifteen thousand dollars per year.

(5) Notwithstanding any provision of law to the contrary, if the amount of the credit and carryovers of such credit allowed under this subsection for any taxable year shall exceed the taxpayer's tax for such year, any amount of credit or carryovers of such credit thus not deductible in such taxable year may be carried over to the following year or years and may be deducted from the tax for such year or years. In addition, the amount of such credit, and carryovers of such credit to the taxable year, deducted from the tax otherwise due may not, in the aggregate, exceed fifty percent of the tax imposed under section six hundred one of this part computed without regard to any credit provided for by this section.

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

(l) Re-entry employment incentive tax credit under subsection (k-1)	Amount of credit under subdivision fifty-nine of section two hundred ten-B

§ 4. This act shall take effect on the sixtieth day after it shall have become a law.