STATE OF NEW YORK

8905

IN ASSEMBLY

January 26, 2024

Introduced by M. of A. BRONSON -- read once and referred to the Committee on Labor

AN ACT to amend the tax law, in relation to creating a work opportunity tax credit; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. The tax law is amended by adding a new section 49 to read as follows:

§ 49. Work opportunity tax credit. (a) General. A taxpayer subject to tax under article nine-A, twenty-two, or thirty-three of this chapter shall be allowed a credit against such tax in an amount equal to one hundred percent of the credit that is allowed to the taxpayer under section 51 of the internal revenue code that is attributable to qualified wages paid to a New York resident who is a member of a targeted group and for whom a certificate to that effect has been issued by the department of labor.

(b) Definitions. The terms "qualified wages" and "targeted group" shall have the same meanings as in section 51 of the internal revenue code.

(c) Effect on other tax credits. Wages which are the basis of the credit under this section may not be used as the basis for any other credit allowed under this chapter.

(d) Limit on tax credits issued. Over the lifetime of the tax credit, the total amount of tax credits provided for under this section shall not exceed thirty million dollars.

(e) Cross-references. For application of the credit provided for in this section, see the following provisions of this chapter:

(1) article 9-A: section 210-B, subdivision 60;

(2) article 22: section 606, subsection (bbb);

(3) article 33: section 1511, subdivision (ff).

§ 2. Section 210-B of the tax law is amended by adding a new subdivision 60 to read as follows:

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

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60. Work opportunity tax credit. (a) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-nine of this chapter, against the tax imposed by this article. Such credit may not exceed five hundred dollars per eligible employee per year in any given tax year.

(b) Application of credit. The credit allowed under this subdivision for any taxable year may 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. However, if the amount of the credit allowed under this subdivision for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in such taxable year will be treated as an overpayment of tax to be credited 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.

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

(bbb) Work opportunity tax credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-nine of this chapter, against the tax imposed by this article. Such credit may not exceed five hundred dollars per eligible employee per year in any given tax year.

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

(ff) Work opportunity tax credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-nine of this chapter, against the tax imposed by this article. Such credit may not exceed five hundred dollars per eligible employee per year in any given tax year.

(2) 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 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.

§ 5. This act shall take effect April 1, 2025 and shall apply to taxable years beginning on and after January 1, 2025 and shall apply to wages paid to individuals hired on and after such effective date and shall expire and be deemed repealed December 31, 2027.