STATE OF NEW YORK

2664

2023-2024 Regular Sessions

IN SENATE

January 24, 2023

Introduced by Sen. COMRIE -- 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 combat veteran tax credit for entrepreneurs

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 48 to read as follows:

§ 48. Combat veteran entrepreneur credit. (a) Allowance of credit. A combat veteran entrepreneur, which is subject to tax under article nine-A or twenty-two of this chapter and creates a new business, shall be allowed a credit against such tax. The credit shall be equal to five hundred dollars. The total amount of credit to be provided statewide shall not exceed five million dollars in a taxable year.

(b) Definitions. As used in this section, the following terms shall have the following meanings:

(1) "Combat veteran" shall mean any individual who is a resident of this state who has served in the armed forces of the United States in hostilities that occurred after December sixth, nineteen hundred forty-five, as evidenced by their receipt of an Armed Forces Expeditionary Medal, Navy Expeditionary Medal, or Marine Corps Expeditionary Medal and who was discharged under honorable conditions, including but not limited to honorable discharge, discharge under honorable conditions, or general discharge.

(2) "Entrepreneur" shall mean any person who organizes and operates a business or businesses.

(c) 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 28.

(2) article 22: section 606, subsection (a-3).

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

LBD04394-01-3

§ 2. Section 210-B of the tax law is amended by adding a new subdivision 28 to read as follows:

28. Combat veteran entrepreneur credit. (a) Allowance of credit. A combat veteran entrepreneur will be allowed a credit, to be computed as provided in section forty-eight of this chapter, against the tax imposed by this article.

(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 higher of the amounts prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit 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 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 will be paid thereon.

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

(a-3) Combat veteran entrepreneur credit. (1) A combat veteran entrepreneur will be allowed a credit, to the extent allowed under section forty-eight of this chapter, against the tax imposed by this article.

(2) Application of credit. If the amount of the credit allowed under this subsection for any taxable year exceeds the taxpayer's tax for such year, the excess will 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 will be paid thereon.

§ 4. 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) Combat veteran entrepreneur credit under subsection (a-3)	**Amount of credit under subdivision twenty-eight of section two hundred ten-B**

§ 5. This act shall take effect immediately and shall apply to taxable years commencing on and after January 1, 2023.