

STATE OF NEW YORK

625--B

2023-2024 Regular Sessions

IN SENATE

January 5, 2023

Introduced by Sens. HOYLMAN-SIGAL, ADDABBO, BRESLIN, BROUK, CLEARE, COMRIE, COONEY, HARCKHAM, HINCHEY, JACKSON, KENNEDY, LIU, MYRIE, PALUMBO, RIVERA, SALAZAR, SKOUFIS, STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to providing a payroll tax credit for compensation of journalists; and to provide 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:

1 Section 1. This act shall be known and may be cited as the "local
2 journalism sustainability act".

3 § 2. The tax law is amended by adding a new section 24-d to read as
4 follows:

5 § 24-d. Payroll credit for compensation of journalists. (a) In gener-
6 al. An eligible news journalist employer which is subject to tax under
7 article nine-A or twenty-two of this chapter shall be allowed a credit
8 against such tax, to be computed as provided in this section, for each
9 calendar quarter an amount equal to the applicable percentage of wages
10 paid by such employer to news journalists for such calendar quarter.

11 (b) Limitations. (1) The amount of wages paid with respect to any
12 individual which may be taken into account under subdivision (a) of this
13 section during any calendar quarter by the eligible news journalist
14 employer shall not exceed twelve thousand five hundred dollars. Credit
15 is allowed for individuals paid in excess of this amount but shall be
16 limited to a portion of the wages paid up to twelve thousand five
17 hundred dollars per quarter.

18 (2) The provisions of this section shall only apply to the first twen-
19 ty calendar quarters beginning after the effective date of this section.

20 (3) This section shall not apply with respect to any eligible news
21 journalist employer for any calendar quarter if such employer elects (at

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

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1 such time and in such manner as the commissioner may prescribe) not to
2 have this section apply.

3 (4) Any wages taken into account in determining the credit allowed
4 under this section shall not be taken into account for purposes of
5 determining any other credit allowed under this chapter.

6 (5) The credit allowable under this section shall be allowable for a
7 period of five years from the effective date of this section. No credit
8 shall be allowed under this section for any amount paid or incurred by
9 the taxpayer in a taxable year commencing after the close of the five-
10 year period. No credit shall be allowed under this section for any
11 portion of an amount paid or incurred by the taxpayer in a taxable year
12 for any wages that extend beyond the close of the five-year period
13 beginning on the effective date of this section.

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

16 (1) "Applicable percentage" means fifty percent.

17 (2) (A) "Eligible news journalist employer" means, with respect to any
18 calendar quarter, any employer which: (i) is a qualifying publication or
19 a qualifying broadcast station; and (ii) employs news journalists.

20 (B) All persons treated as a single employer under subsection (a) or
21 (b) of section 52 of the Internal Revenue Code of 1986, or subsection
22 (m) or (o) of section 414 of such Code, shall be treated as one employer
23 for purposes of this paragraph; provided that each FCC licensed broad-
24 cast station or qualifying publication which serves a separate market
25 shall be treated as a separate and single news journalist employer for
26 the purposes of this tax credit.

27 (3) (A) "Qualifying broadcast station" means, with respect to any
28 calendar quarter, any employer which:

29 (i) provides local community news, which is broadcast during the
30 calendar quarter and has been broadcast during each of the four calendar
31 quarters preceding such calendar quarter;

32 (ii) owns or operates a broadcast station, as defined by section three
33 of the federal communications act of 1934;

34 (iii) is not a disqualified organization;

35 (iv) did not derive more than fifty percent of its gross receipts for
36 such calendar quarter from disqualified organizations; and

37 (v) discloses its ownership to the public at such times and in such
38 manner as identified by the commissioner.

39 (B) For purposes of this paragraph each FCC licensed broadcast station
40 serving a separate market shall be treated as a separate and single news
41 journalist employer.

42 (4) "News journalist" means, with respect to any eligible news jour-
43 nalist for any calendar quarter, any full time employee who (A) provides
44 qualified services for an average of not less than thirty hours per week
45 for each week during which such employee is employed by the eligible
46 news journalist employer during the calendar quarter, and (B) resides
47 within the designated broadcast market or fifty miles of the local
48 community with respect to the qualifying publication or qualifying
49 broadcast station with respect to which the qualified services are
50 provided.

51 (5) "Qualified services" means services which consist of gathering,
52 preparing, directing the recording of, producing, collecting, photo-
53 graphing, recording, writing, editing, reporting, presenting or
54 publishing original news for dissemination to the local community.

55 (6) "Qualifying publication" means, with respect to any calendar quar-
56 ter, any print or digital publication:

1 (A) which provides local community news, which is published during the
2 calendar quarter and has been published during each of the four calendar
3 quarters preceding such calendar quarter;

4 (B) is not a disqualified organization;

5 (C) did not derive more than fifty percent of its gross receipts for
6 such calendar quarter from disqualified organizations;

7 (D) which is covered by media liability insurance for such calendar
8 quarter; and

9 (E) which publishes the owner's name pursuant to section three hundred
10 thirty of the general business law, provided that a digital publication
11 shall publish the information required by such section on the website of
12 such publication.

13 (7) (A) "Local community" means, with respect to any qualifying publi-
14 cation, a geographically contiguous area that does not exceed the bound-
15 aries of:

16 (i) the metropolitan or micropolitan statistical area, as defined by
17 the federal Office of Management and Budget, in which the qualifying
18 publication is primarily distributed;

19 (ii) if such qualifying publication is not primarily distributed in a
20 metropolitan or micropolitan statistical area, the county in which such
21 qualifying publication is primarily distributed; or

22 (iii) if such qualifying publication is not primarily distributed in a
23 metropolitan or micropolitan statistical area or a county, the state.

24 (B) A digital publication shall be considered to be primarily distrib-
25 uted in the area where such publication is intended to be primarily
26 consumed.

27 (8) "Disqualified organization" means:

28 (A) any organization described in section 501(c)(4) of the internal
29 revenue code and exempt from tax under section 501(a) of such code;

30 (B) any organization described in section 527 of the internal revenue
31 code; or

32 (C) any organization that is controlled, directly or indirectly, by
33 one or more organizations described in subparagraph (A) or (B) of this
34 paragraph.

35 (d) Maximum amount of credits. The maximum amount of tax credits
36 allowed under this section, subdivision sixty of section two hundred
37 ten-B and subsection (w) of section six hundred six of this chapter in
38 any calendar year shall be one million dollars per eligible news jour-
39 nalist employer.

40 (e) Administration. The commissioner shall issue such forms,
41 instructions, regulations, and guidance as are necessary:

42 (1) to allow the advance payment of the credit under subdivision (a)
43 of this section, subject to the limitations provided in this section,
44 based on such information as the commissioner shall require;

45 (2) to provide for the reconciliation of such advance payment with the
46 amount advanced at the time of filing the return of tax for the applica-
47 ble calendar quarter or taxable year; and

48 (3) with respect to the application of the credit under subdivision
49 (a) of this section to third-party payors (including professional
50 employer organizations, certified professional employer organizations,
51 or agents under section 3504 of the Internal Revenue Code of 1986),
52 including regulations or guidance allowing such payors to submit
53 documentation necessary to substantiate the eligible employer status of
54 employers that use such payors.

55 (f) Treatment of deposits. The commissioner shall waive any penalty
56 under this chapter for any failure to make a deposit of any applicable

1 employment taxes if the commissioner determines that such failure was
2 due to the reasonable anticipation of the credit allowed under this
3 section.

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

6 (1) article 9-A: section 210-B: subdivision 60.

7 (2) article 22: section 606: subsections (i) and (w).

8 § 3. Section 210-B of the tax law is amended by adding a new subdivi-
9 sion 60 to read as follows:

10 60. Payroll credit for compensation of journalists. (a) Allowance of
11 credit. A taxpayer who is eligible pursuant to section twenty-four-d of
12 this chapter shall be allowed a credit to be computed as provided in
13 such section against the tax imposed by this article.

14 (b) Application of credit. The credit allowed under this subdivision
15 for any taxable year shall not reduce the tax due for such year to less
16 than the amount prescribed in paragraph (d) of subdivision one of
17 section two hundred ten of this article; provided, however, that if the
18 amount of the credit allowable under this subdivision for any taxable
19 year reduces the tax to such amount or if the taxpayer otherwise pays
20 tax based on the fixed dollar minimum amount, the excess shall be treat-
21 ed as an overpayment of tax to be credited or refunded in accordance
22 with the provisions of section one thousand eighty-six of this chapter;
23 and provided, further, that the provisions of subsection (c) of section
24 one thousand eighty-eight of this chapter notwithstanding, no interest
25 shall be paid thereon.

26 § 4. Section 606 of the tax law is amended by adding a new subsection
27 (w) to read as follows:

28 (w) Payroll credit for compensation of journalists. (1) Allowance of
29 credit. A taxpayer who is eligible pursuant to section twenty-four-d of
30 this chapter shall be allowed a credit to be computed as provided in
31 such section against the tax imposed by this article.

32 (2) Application of credit. If the amount of the credit allowable under
33 this subsection for any taxable year exceeds the taxpayer's tax for such
34 year, the excess shall be treated as an overpayment of tax to be credit-
35 ed or refunded as provided in section six hundred eighty-six of this
36 article; provided, however, that no interest shall be paid thereon.

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

40 (li) Payroll credit for
41 compensation of journalists
42 under subsection (w)

Amount of credit for the sum of
payroll credit for compensation
of journalists under subdivision
sixty of section
two hundred ten-B

45 § 6. This act shall take effect immediately and shall apply to tax
46 years commencing on and after January 1, 2024; provided that:

47 (a) this act shall expire and be deemed repealed January 1, 2029; and

48 (b) the expiration and repeal of this act shall not affect the proc-
49 essing or allowance of any tax credit provided in this act for any tax
50 year commencing prior to January 1, 2029.

51 Effective immediately, the addition, amendment and/or repeal of any
52 rule or regulation necessary for the implementation of this act on its
53 effective date are authorized to be made and completed on or before such
54 date.