STATE OF NEW YORK

2719

2023-2024 Regular Sessions

IN ASSEMBLY

January 26, 2023

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

AN ACT to amend the tax law, in relation to establishing business franchise and personal income tax credits for certain businesses which contract with the state or political subdivisions thereof and in unrelated contracts, also with minority and women-owned business enterprises

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 28 to read as follows:

28. Minority and women-owned business employment incentive credit. (a) General. A taxpayer shall be allowed a credit, to be computed as provided in this subdivision, against the tax imposed by this article for a certain portion of the consideration paid to a minority or women-owned business enterprise pursuant to a contract for the provision of goods or services. The credit provided for in this subdivision shall be allowed with respect to the tax year in which the consideration is paid to the minority or women-owned business enterprise.

(b) Definitions. For the purposes of this subdivision, the following terms shall mean:

(i) "Government agency" means a state agency or a state authority as defined in subdivision eleven of section three hundred ten of the executive law, or a political subdivision as defined in subdivision one of section one hundred of the general municipal law.

(ii) "Minority or women-owned business enterprise" means a minority-owned business enterprise as defined in subdivision seven of section three hundred ten of the executive law or a women-owned business enterprise as defined in subdivision fifteen of section three hundred ten of the executive law.

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

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(c) Computation. The credit authorized by this subdivision shall be equal to one-third of all expenditures paid by the taxpayer to a minority or women-owned business enterprise pursuant to a contract for the provision of goods and services during the tax year, provided that such contract was not subject to the provisions of article fifteen-A of the executive law or any other provision of law mandating contracts with a minority or women-owned business, and the taxpayer is not a minority or women-owned business enterprise. Furthermore, the amount of such credit shall not exceed the lesser of fifteen thousand dollars or five percent of all consideration paid to the taxpayer during the tax year pursuant to contracts with government agencies for the provision of goods or services. For companies with no contracts with government agencies, the amount of the credit shall not exceed fifteen thousand dollars.

(d) Carryover. In no event shall the credit authorized by this subdivision be allowed in an amount which shall reduce the tax payable to less than the fixed dollar minimum amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. Provided, however, that if the amount of 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 not deductible in such taxable year may be carried over to the following year or years and may be deducted from the taxpayer's tax for such year or years.

(e) The aggregate amount of tax credits allowed under this subdivision and subsection (ooo) of section six hundred six of this chapter in any calendar year statewide shall be five million dollars. Such aggregate amount of credits shall be allocated pursuant to rules and regulations promulgated by the commissioner.

§ 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) Minority and women-owned business employment incentive credit under subsection (ooo)	Amount of credit under subdivision twenty-eight 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) Minority and women-owned business employment incentive credit. (1) General. A taxpayer shall be allowed a credit to be computed as provided in this subsection, against the tax imposed by this article for a certain portion of the consideration paid to a minority or women-owned business enterprise pursuant to a contract for the provision of goods or services. The credit provided for in this subsection shall be allowed with respect to the tax year in which the consideration is paid to the minority or women-owned business enterprise.

(2) Definitions. For the purposes of this subsection, the following terms shall mean:

(i) "Government agency" means a state agency or a state authority as defined in subdivision eleven of section three hundred ten of the executive law, or a political subdivision as defined in subdivision one of section one hundred of the general municipal law.

(ii) "Minority or women-owned business enterprise" means a minority-owned business enterprise as defined in subdivision seven of section three hundred ten of the executive law or a women-owned business enter-

prise as defined in subdivision fifteen of section three hundred ten of the executive law.

(3) Computation. The credit authorized by this subsection shall be equal to one-third of all expenditures paid by the taxpayer to a minority or women-owned business enterprise pursuant to a contract for the provision of goods and services during the tax year, provided that such contract was not subject to the provisions of article fifteen-A of the executive law or any other provision of law mandating contracts with a minority or women-owned business, and the taxpayer is not a minority or women-owned business enterprise. Furthermore, the amount of such credit shall not exceed the lesser of fifteen thousand dollars or five percent of all consideration paid to the taxpayer during the tax year pursuant to contracts with government agencies for the provision of goods or services. For companies with no contracts with government agencies, the amount of the credit shall not exceed fifteen thousand dollars.

(4) Carryover. If the amount of credit provided by this subsection for any taxable year exceeds the taxpayer's tax for such year, the excess may be carried over to the following year or years, and may be deducted from the taxpayer's tax for such year or years.

(5) The aggregate amount of tax credits allowed under this subsection and subdivision twenty-eight of section two hundred ten-B of this chapter in any calendar year statewide shall be five million dollars. Such aggregate amount of credits shall be allocated pursuant to rules and regulations promulgated by the commissioner.

§ 4. This act shall take effect on the first of January next succeeding the date on which it shall have become a law and shall apply to tax years commencing on or after such date.