

# STATE OF NEW YORK

1555

2023-2024 Regular Sessions

## IN SENATE

January 12, 2023

Introduced by Sens. ADDABBO, SALAZAR -- 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 and the labor law, in relation to establishing a small business tax credit for the employment of disabled persons; 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:

1 Section 1. Section 210-B of the tax law is amended by adding a new  
2 subdivision 59 to read as follows:

3 59. Small business tax credit; disabled persons. (a) General. A  
4 taxpayer who has one hundred employees or less, shall be allowed a cred-  
5 it, to be computed as provided in this subdivision, against the tax  
6 imposed by this article for each disabled person hired during a taxable  
7 year, provided that such disabled person is employed for thirty-five  
8 hours or more per week, remains in the employ of such taxpayer for six  
9 months or more and the employer submits verification that the claimed  
10 employees meet the statutory definition of "disabled person" pursuant to  
11 paragraph (d) of this subdivision.

12 (b) Amount of credit. A credit authorized by this section shall equal  
13 five thousand dollars per hired disabled person but shall not exceed  
14 twenty-five thousand dollars.

15 (c) Carryovers. The credit allowed under this subdivision for any  
16 taxable year shall not reduce the tax due for such year to less than the  
17 amount prescribed in paragraph (d) of subdivision one of section two  
18 hundred ten of this article. However, if the amount of credit allowable  
19 under this subdivision for any taxable year reduces the tax to such  
20 amount or if the taxpayer otherwise pays tax based on the fixed dollar  
21 minimum amount, any amount of credit not deductible in such taxable year

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

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1 may be carried over to the following three years and may be deducted  
2 from the taxpayer's tax for such year or years.

3 (d) Definition. As used in this subdivision, the term "disabled  
4 person" shall mean a resident of the state who has any physical, mental  
5 or medical impairment resulting from anatomical, physiological, genetic  
6 or neurological conditions which prevents the exercise of a normal bodily  
7 function or is demonstrable by medically accepted clinical or labora-  
8 tory diagnostic techniques.

9 (e) Aggregate amount. The aggregate amount of tax credits allowed  
10 pursuant to the authority of this subdivision and subsection (ooo) of  
11 section six hundred six of this chapter shall be five million dollars  
12 each year. Such aggregate amounts of credits shall be allocated by the  
13 commissioner. If the total amount of allocated credits applied for in  
14 any particular year exceeds the aggregate amount of tax credits allowed  
15 for such year under this section, such excess shall be treated as having  
16 been applied for on the first day of the subsequent year.

17 (f) Claim of credit. A taxpayer shall not be allowed to claim this  
18 credit to the extent the basis of the calculation of this credit has  
19 been claimed for another tax credit under this chapter.

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

|                                          |                               |
|------------------------------------------|-------------------------------|
| 22 <u>(l) Small business tax credit;</u> | <u>Amount of credit under</u> |
| 23 <u>disabled persons under</u>         | <u>subdivision fifty-nine</u> |
| 24 <u>subsection (ooo)</u>               | <u>of section two hundred</u> |
| 25                                       | <u>ten-B</u>                  |

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

28 (ooo) Small business tax credit; disabled persons. (1) General. A  
29 taxpayer who has one hundred employees or less, shall be allowed a cred-  
30 it, to be computed as provided in this subsection, against the tax  
31 imposed by this article for each disabled person hired during a taxable  
32 year, provided that such disabled person is employed for thirty-five  
33 hours or more per week, remains in the employ of such taxpayer for six  
34 months or more and the employer submits verification that the claimed  
35 employees have met the statutory definition of "disabled person" pursu-  
36 ant to paragraph four of this subsection.

37 (2) Amount of credit. A credit authorized by this section shall equal  
38 five thousand dollars per hired disabled person but shall not exceed  
39 twenty-five thousand dollars.

40 (3) Carryovers. The credit allowed under this subdivision for any  
41 taxable year shall not reduce the tax due for such year to less than the  
42 amount prescribed in paragraph (d) of subdivision one of section two  
43 hundred ten of this chapter. However, if the amount of credit allowable  
44 under this subdivision for any taxable year reduces the tax to such  
45 amount or if the taxpayer otherwise pays tax based on the fixed dollar  
46 minimum amount, any amount of credit not deductible in such taxable year  
47 may be carried over to the following three years and may be deducted  
48 from the taxpayer's tax for such year or years.

49 (4) Definition. As used in this subsection, the term "disabled person"  
50 shall mean a resident of the state who has any physical, mental or  
51 medical impairment resulting from anatomical, physiological, genetic or  
52 neurological conditions which prevents the exercise of a normal bodily  
53 function or is demonstrable by medically accepted clinical or laboratory  
54 diagnostic techniques.

55 (5) Aggregate amount. The aggregate amount of tax credits allowed  
56 pursuant to the authority of this subsection and subdivision fifty-nine

1 of section two hundred ten-B of this chapter shall be five million  
2 dollars each year. Such aggregate amounts of credits shall be allocated  
3 by the commissioner. If the total amount of allocated credits applied  
4 for in any particular year exceeds the aggregate amount of tax credits  
5 allowed for such year under this section, such excess shall be treated  
6 as having been applied for on the first day of the subsequent year.

7 (6) Claim of credit. A taxpayer shall not be allowed to claim this  
8 credit to the extent the basis of the calculation of this credit has  
9 been claimed for another tax credit under this chapter.

10 § 4. The labor law is amended by adding a new section 25-d to read as  
11 follows:

12 § 25-d. Power to administer the small business tax credit for disabled  
13 persons tax credit program. (a) The commissioner is authorized to estab-  
14 lish and administer the small business tax credit for disabled persons  
15 to provide tax incentives to small business employers for employing  
16 individuals with disabilities. The commissioner is authorized to allo-  
17 cate up to five million dollars of tax credits annually.

18 (b) Definitions. (1) The term "qualified employer" means an employer  
19 that has been certified by the commissioner to participate in the small  
20 business tax credit for disabled persons tax credit program and that  
21 employs one or more qualified employees.

22 (2) The term "qualified employee" means an individual:

23 (i) who has any physical, mental or medical impairment resulting from  
24 anatomical, physiological, genetic or neurological conditions which  
25 prevents the exercise of a normal bodily function or is demonstrable by  
26 medically accepted clinical or laboratory diagnostic techniques;

27 (ii) who has worked for the qualified employer in a full-time or part-  
28 time position that pays wages that are equivalent to the wages paid for  
29 similar jobs, with appropriate adjustments for experience and training,  
30 and for which no other employee has been terminated, or where the  
31 employer has not otherwise reduced its workforce by involuntary termi-  
32 nations with the intention of filling the vacancy by creating a new  
33 hire;

34 (iii) who has not worked for an entity related to the qualified  
35 employer in the past twenty-four months; and

36 (iv) is employed in New York at a location in New York state.

37 (c) A qualified employer shall be entitled to a tax credit. The tax  
38 credits shall be claimed by the qualified employer as specified in  
39 subdivision fifty-nine of section two hundred ten-B and subsection (ooo)  
40 of section six hundred six of the tax law.

41 (d) To participate in the small business tax credit for disabled  
42 persons tax credit program, an employer must submit an application (in a  
43 form prescribed by the commissioner) to the commissioner. The commis-  
44 sioner shall establish guidelines that specify requirements for employ-  
45 ers to participate in the program including criteria for certifying  
46 qualified employees. Any regulations that the commissioner determines  
47 are necessary may be adopted on an emergency basis notwithstanding  
48 anything to the contrary in section two hundred two of the state admin-  
49 istrative procedure act. Such requirements may include the types of  
50 industries that the employers are engaged in.

51 (e) If, after reviewing the application submitted by an employer, the  
52 commissioner determines that such employer is eligible to participate in  
53 the small business tax credit for disabled persons tax credit program,  
54 the commissioner shall issue the employer a preliminary certificate of  
55 eligibility that establishes the employer as a qualified employer. The  
56 certificate of eligibility shall specify the maximum amount of small

business tax credit for disabled persons that the employer will be allowed to claim. At the end of the taxable year, a qualified employer must obtain a final certificate of eligibility from the commissioner to file with a return claiming the credit. The final certificate must contain the certificate's taxable year to which the credit applies, the maximum amount of the credit allowed, the qualified employer's name and employer identification number, the employer's business address where the claimed employees were employed, the social security numbers of claimed employees and their hire and termination dates, verification that the claimed employees have met the statutory definition of "qualified employee", and each employee's total hours worked each quarter, hourly wage, and full-time or part-time status.

§ 5. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2025 and shall expire and be deemed repealed December 31, 2030.