STATE OF NEW YORK

5977

2023-2024 Regular Sessions

IN SENATE

March 24, 2023

Introduced by Sen. CANZONERI-FITZPATRICK -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to establishing a job creation tax credit

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. Job creation tax credit. (a) Allowance of credit. For taxable years beginning on or after January first, two thousand twenty-four, a taxpayer subject to tax under article nine-A or twenty-two of this chapter shall be allowed a credit, to be computed as provided in this section, against the tax imposed by this article, for each net new job created, for each qualified employee within the state. The taxpayer may claim the credit in the year in which the qualified employee completes six months of employment. A taxpayer may only claim the credit once for each qualified employee and may only claim a tax credit for a maximum of thirty qualified employees in each taxable year. If the taxpayer claims the credit allowed under this section, the taxpayer may not use the hiring of a qualified employee that is the basis for this credit in the basis of any other credit allowed under this article.

(b) Qualified employee. A qualified employee is an individual who commences employment by the qualified taxpayer on or after January first, two thousand twenty-four.

(c) Net new job. "Net new job" means jobs created in this state that (1) are new to the state, (2) have not been transferred from employment with another business that is a related person, (3) are either full-time wage-paying jobs or equivalent to a full-time wage-paying job requiring at least thirty-five hours per week, and (4) are filled for more than six months.

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

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(d) Employer prohibition. An employer shall not discharge an employee and hire a qualifying employee solely for the purpose of qualifying for this credit.

(e) Amount of credit. The amount of the credit shall be six percent of the total amount of wages paid to the qualified employee during the employee's first six months of employment. Provided, however, that, if the qualified employee was receiving unemployment insurance benefits at the time of hire for a minimum of thirteen weeks or is employed directly in the manufacturing process in an eligible industry, the amount of the credit shall be twelve percent of the total amount of wages paid to the qualified employee during the employee's first six months of employment. The credit allowed pursuant to this subdivision shall not exceed in any taxable year, seven hundred fifty dollars for any qualified employee and one thousand five hundred dollars for any qualified employee who was receiving unemployment insurance benefits at the time of hire for a minimum of thirteen weeks or who is employed directly in the manufacturing process in an eligible industry.

(f) Eligible industry. An eligible industry is a business principally engaged in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture or commercial fishing.

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

59. Job creation tax credit. (a) Allowance of credit. A taxpayer 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 (ooo) to read as follows:

(ooo) Job creation tax credit. (1) A taxpayer will be allowed a credit, to the extent allowed under section forty-eight of this chapter, against the tax imposed by this article.

(2) 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) Job creation tax credit under subsection (ooo)	Amount of credit under subdivision fifty-nine of section two hundred ten-B

§ 5. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2024.