

STATE OF NEW YORK

10247

IN ASSEMBLY

February 12, 2026

Introduced by M. of A. MIKULIN -- read once and referred to the Committee on Economic Development

AN ACT to amend the economic development law, in relation to the excelsior research and development tax credit

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 "empire
2 innovation act".

3 § 2. Subdivision 3 of section 355 of the economic development law, as
4 amended by section 3 of subpart A of part H of chapter 59 of the laws of
5 2025, is amended to read as follows:

6 3. Excelsior research and development tax credit component. A partic-
7 ipant in the excelsior jobs program shall be eligible to claim a credit
8 equal to [~~fifty percent of~~] the portion of the [~~participant's federal~~
9 ~~research and development tax credit that relates to the participant's~~
10 ~~research and development expenditures in New York state during the taxa-~~
11 ~~ble year; provided however,~~] full cost of the participant's research and
12 development expenses incurred that relates to the participant's research
13 and development expenditures in New York state during the taxable year;
14 provided however, if the participant receives a federal research and
15 development tax credit calculated on the full cost of the participant's
16 research and development expenses that relates to the participant's
17 research and development expenditures in New York state during the taxa-
18 ble year, then said participant shall only be eligible to claim a credit
19 equal to fifty percent of the portion of the participant's federal
20 research and development tax credit that relates to the participant's
21 research and development expenditures in New York state during the taxa-
22 ble year; if not a green project, the excelsior research and development
23 tax credit shall not exceed six percent of the qualified research and
24 development expenditures attributable to activities conducted in New
25 York state, or, if a green project or a Green CHIPS project, the excels-
26 ior research and development tax credit shall not exceed eight percent
27 of the research and development expenditures attributable to activities
28 conducted in New York state, or if a semiconductor supply chain project,

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

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1 the excelsior research and development tax credit shall not exceed seven
2 percent of the qualified research and development expenditures attribut-
3 able to activities conducted in New York state. If the federal research
4 and development credit has expired, then the research and development
5 expenditures relating to the federal research and development credit
6 shall be calculated as if the federal research and development credit
7 structure and definition in effect in two thousand nine were still in
8 effect. Notwithstanding any other provision of this chapter to the
9 contrary, research and development expenditures in this state, including
10 salary or wage expenses for jobs related to research and development
11 activities in this state, may be used as the basis for the excelsior
12 research and development tax credit component and the qualified emerging
13 technology company facilities, operations and training credit under the
14 tax law.

15 § 3. This act shall take effect immediately.