

STATE OF NEW YORK

2008

2025-2026 Regular Sessions

IN ASSEMBLY

January 14, 2025

Introduced by M. of A. RAJKUMAR, LUPARDO, BLANKENBUSH, COLTON, WEPRIN, STERN, WALSH, HUNTER, BUTTENSCHON, OTIS, SANTABARBARA, REILLY, SEAWRIGHT, FALL, PALMESANO, STIRPE, MANKTELOW, GONZALEZ-ROJAS, JACOBSON, MEEKS, SAYEGH, MAMDANI, DAVILA, RAGA -- read once and referred to the Committee on Ways and Means

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 61 to read as follows:

3 61. 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

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

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1 minimum amount, any amount of credit not deductible in such taxable year
2 may be carried over to the following three years and may be deducted
3 from the taxpayer's tax for such year or years.

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

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

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

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

24 <u>(lii) Small business tax credit;</u>	<u>Amount of credit under</u>
25 <u>disabled persons under</u>	<u>subdivision sixty-one</u>
26 <u>subsection (qqq)</u>	<u>of section two hundred</u>
27	<u>ten-B</u>

28 § 3. Section 606 of the tax law is amended by adding a new subsection
29 (qqq) to read as follows:

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

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

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

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

1 (5) Aggregate amount. The aggregate amount of tax credits allowed
2 pursuant to the authority of this subsection and subdivision sixty-one
3 of section two hundred ten-B of this chapter shall be five million
4 dollars each year. Such aggregate amounts of credits shall be allocated
5 by the commissioner. If the total amount of allocated credits applied
6 for in any particular year exceeds the aggregate amount of tax credits
7 allowed for such year under this section, such excess shall be treated
8 as having been applied for on the first day of the subsequent year.

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

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

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

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

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

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

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

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

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

39 (c) A qualified employer shall be entitled to a tax credit. The tax
40 credits shall be claimed by the qualified employer as specified in
41 subdivision sixty-one of section two hundred ten-B and subsection (ggg)
42 of section six hundred six of the tax law.

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

53 (e) If, after reviewing the application submitted by an employer, the
54 commissioner determines that such employer is eligible to participate in
55 the small business tax credit for disabled persons tax credit program,
56 the commissioner shall issue the employer a preliminary certificate of

1 eligibility that establishes the employer as a qualified employer. The
2 certificate of eligibility shall specify the maximum amount of small
3 business tax credit for disabled persons that the employer will be
4 allowed to claim. At the end of the taxable year, a qualified employer
5 must obtain a final certificate of eligibility from the commissioner to
6 file with a return claiming the credit. The final certificate must
7 contain the certificate's taxable year to which the credit applies, the
8 maximum amount of the credit allowed, the qualified employer's name and
9 employer identification number, the employer's business address where
10 the claimed employees were employed, the social security numbers of
11 claimed employees and their hire and termination dates, verification
12 that the claimed employees have met the statutory definition of "quali-
13 fied employee", and each employee's total hours worked each quarter,
14 hourly wage, and full-time or part-time status.

15 § 5. This act shall take effect immediately and shall apply to taxable
16 years beginning on or after January 1, 2027 and shall expire and be
17 deemed repealed December 31, 2032.