

STATE OF NEW YORK

4618

2025-2026 Regular Sessions

IN ASSEMBLY

February 4, 2025

Introduced by M. of A. SEMPOLINSKI -- 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 small businesses in a village or small city

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 capital tax credit. (a) A taxpayer shall be allowed
4 a credit, to be computed as provided in this subdivision, against the
5 tax imposed by this article. Such credit shall be granted to any taxpay-
6 er which is a small business when the small business is located in a
7 village or in a city with a population of less than thirty-five thousand
8 as determined by the most recent federal decennial census. The amount of
9 the credit shall be equal to twenty-five percent of the sum of qualified
10 investments in such small business, as determined by the commissioner.

11 (b) For the purposes of this subdivision, the term "small business"
12 means a business which employs less than fifteen employees.

13 (c) The credit and carryovers of such credit allowed under this subdi-
14 vision for any taxable year shall not, in the aggregate, reduce the tax
15 due for such year to less than the higher of the amounts prescribed in
16 paragraph (d) of subdivision one of section two hundred ten of this
17 article. However, if the amount of credit or carryovers of such credit,
18 or both, allowed under this subdivision for any taxable year reduces the
19 tax to such amount, any amount of credit or carryovers of such credit
20 thus not deductible in such taxable year may be carried over to the
21 following year or years and may be deducted from the tax for such year
22 or years.

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

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

4 <u>(lii) Small business</u>	<u>Amount of credit under</u>
5 <u>capital tax credit</u>	<u>subdivision sixty-one of</u>
6 <u>under subsection (qqq)</u>	<u>section two hundred ten-B</u>

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

9 (qqq) Small business capital tax credit. (1) A taxpayer shall be
10 allowed a credit, to be computed as provided in this subsection, against
11 the tax imposed by this article. Such credit shall be granted to any
12 taxpayer which is a small business when the small business is located in
13 a village or in a city with a population of less than thirty-five thou-
14 sand as determined by the most recent federal decennial census. The
15 amount of the credit shall be equal to twenty-five percent of the sum of
16 qualified investments in such small business, as determined by the
17 commissioner.

18 (2) For the purposes of this subsection, the term "small business"
19 means a business which employs less than fifteen employees.

20 (3) The credit and carryovers of such credit allowed under this
21 subsection for any taxable year shall not, in the aggregate, reduce the
22 tax due for such year to be less than the higher of the amounts
23 prescribed in paragraph (d) of subdivision one of section two hundred
24 ten of this chapter. However, if the amount of credit or carryovers of
25 such credit, or both, allowed under this subsection for any taxable year
26 reduces the tax to such amount, any amount of credit or carryovers of
27 such credit thus not deductible in such taxable year may be carried over
28 to the following year or years and may be deducted from the tax for such
29 year or years.

30 § 4. This act shall take effect on the first of January next succeed-
31 ing the date on which it shall have become a law and shall apply to
32 taxable years commencing on and after such date.