

STATE OF NEW YORK

5429--A

2025-2026 Regular Sessions

IN ASSEMBLY

February 14, 2025

Introduced by M. of A. BRONSON -- read once and referred to the Committee on Labor -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the labor law, in relation to requiring certain businesses to conduct artificial intelligence impact assessments; and to amend the tax law, in relation to establishing a surcharge on certain corporations that use artificial intelligence or data mining or have greater than a threshold number of employees displaced by artificial intelligence

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as
2 the "New York workforce stabilization act".

3 § 2. The labor law is amended by adding a new section 201-j to read as
4 follows:

5 § 201-j. Artificial intelligence impact assessments. 1. No employer
6 shall utilize or apply any artificial intelligence unless the employer,
7 or an entity acting on behalf of such employer, shall have conducted an
8 impact assessment for the application and use of such artificial intel-
9 ligence. Following the first impact assessment, an impact assessment
10 shall be conducted at least once every two years. An impact assessment
11 shall be conducted prior to any material change to the artificial intel-
12 ligence that may change the outcome or effect of such system. Such
13 impact assessments shall include:

14 (a) a description of the objectives of the artificial intelligence;

15 (b) an evaluation of the ability of the artificial intelligence to
16 achieve its stated objectives;

17 (c) a description and evaluation of the objectives and development of
18 the artificial intelligence including:

19 (i) a summary of the underlying algorithms, computational modes, and
20 tools that are used within the artificial intelligence; and

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

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1 (ii) the design and training data used to develop the artificial
2 intelligence process;

3 (d) the extent to which the deployment and use of the artificial
4 intelligence requires input of sensitive and personal data, how that
5 data is used and stored, and any control users may have over their data;

6 (e) an estimate of the number of employees already displaced due to
7 artificial intelligence; and

8 (f) an estimate of the number of employees expected to be displaced or
9 otherwise affected due to the increased use of artificial intelligence
10 in the workplace.

11 2. Any impact assessment conducted pursuant to this subdivision shall
12 be submitted to the department at least thirty days prior to the imple-
13 mentation of the artificial intelligence that is the subject of such
14 assessment.

15 3. For the purposes of this section:

16 (a) "Employer" means a business that: (i) is resident in the state,
17 (ii) is not a small business, and (iii) employs more than one hundred
18 people.

19 (b) "Small business" means a business that: (i) is resident in the
20 state, (ii) is independently owned and operated, (iii) is not dominant
21 in its field, and (iv) employs one hundred or less people.

22 § 3. The tax law is amended by adding a new section 186-h to read as
23 follows:

24 § 186-h. Artificial intelligence surcharge. 1. Imposition of worker
25 displacement surcharge. (a) A surcharge on corporations that terminate
26 the employment or substantially reduce the hours of at least the thresh-
27 old number of employees pursuant to this subdivision due to any system
28 or process that uses algorithms, computational models, artificial intel-
29 ligence techniques, robotic hardware, or a combination thereof, to auto-
30 mate, support, or replace human labor is imposed at the rate of two
31 percent of the corporation's business income base. The threshold number
32 of employees shall be:

33 (i) for employers with between one hundred and two hundred fifty
34 employees, twenty-five or more employees;

35 (ii) for employers with between two hundred fifty-one and five hundred
36 employees, fifty or more employees;

37 (iii) for employers with between five hundred one and one thousand
38 employees, one hundred or more employees; and

39 (iv) for employers with one thousand one or more employees, two
40 hundred fifty or more employees.

41 (b) The surcharge shall be reported and paid to the commissioner no
42 less frequently than on an annual basis. The payments shall be accompa-
43 nyed by a return in the form and containing the information the commis-
44 sioner may prescribe.

45 (c) The commissioner, in consultation with the department of labor,
46 may waive the surcharge set forth by paragraph (a) of this subdivision
47 for an eligible corporation. The commissioner, in consultation with the
48 department of labor, shall establish a process whereby eligible corpo-
49 rations may apply to have the surcharge waived. For the purposes of this
50 section, an eligible corporation shall be:

51 (i) A business that is found by the department of labor to be experi-
52 encing or anticipating a labor shortage;

53 (ii) A business that demonstrates that it requires the use of algo-
54 rithms, computational models, artificial intelligence techniques, robot-
55 ic hardware, or a combination thereof, to protect or improve the
56 production of agricultural commodities within the state; or

1 (iii) A small business, as defined by section one hundred thirty-one
2 of the economic development law, that demonstrates that it requires the
3 use of algorithms, computational models, artificial intelligence tech-
4 niques, robotic hardware, or a combination thereof, to remain econom-
5 ically viable.

6 (d) The department of labor shall annually report to the legislature
7 on the number of waivers that it has granted pursuant to paragraph (c)
8 of this subdivision, in the preceding year and the justification for why
9 each waiver was granted. Such report shall be sent to the temporary
10 president of the senate, the minority leader of the senate, the speaker
11 of the assembly, and the minority leader of the assembly and shall be
12 made available to the public on the website of the department.

13 2. Imposition of data mining surcharge. (a) A surcharge on corpo-
14 rations that use artificial intelligence for data mining is imposed at
15 the rate of two percent of the corporation's business income base. For
16 the purposes of this subdivision, the term "data mining" shall mean a
17 process involving pattern-based queries, searches, or other analyses of
18 one or more electronic databases.

19 (b) The surcharge shall be reported and paid to the commissioner no
20 less frequently than on an annual basis. Surcharge payments shall be
21 accompanied by a return in the form and containing the information the
22 commissioner may prescribe.

23 3. Applicable provisions. (a) Except as otherwise provided in this
24 section, the surcharges imposed under this section shall be administered
25 and collected by the commissioner in a like manner as the taxes imposed
26 by article twenty-eight of this chapter. All the provisions of article
27 twenty-eight of this chapter, including the provisions relating to defi-
28 nitions, exemptions, returns, personal liability for the tax, collection
29 of tax from the customer, payment of tax, and the administration of the
30 taxes imposed by such article, shall apply to the surcharges imposed
31 under the authority of this section so far as those provisions can be
32 made applicable to the surcharges imposed by this section, with such
33 modifications as may be necessary in order to adapt the language of
34 those provisions to the surcharges imposed by this section. Those
35 provisions shall apply with the same force and effect as if the language
36 of those provisions had been set forth in full in this section, except
37 to the extent that any of those provisions is either inconsistent with a
38 provision of this section or is not relevant to the surcharge imposed by
39 this section. For purposes of this section, any reference in this chap-
40 ter to a tax or the taxes imposed by article twenty-eight of this chap-
41 ter shall be deemed also to refer to the surcharges imposed by this
42 section unless a different meaning is clearly required.

43 (b) Notwithstanding the provisions of paragraph (a) of this subdivi-
44 sion:

45 (1) the exemptions provided for in section eleven hundred sixteen of
46 this chapter, other than the exemptions in paragraphs one, two and three
47 of subdivision (a) of such section, shall not apply to the surcharges
48 imposed by this section.

49 (2) the credit provided in subdivision (f) of section eleven hundred
50 thirty-seven of this chapter shall not apply to this section.

51 4. Deposits of surcharge monies collected and received. Notwithstand-
52 ing any provision of law to the contrary, all surcharge monies collected
53 and received by the commissioner under this section shall be deposited
54 daily to the credit of the comptroller with those responsible banks,
55 banking houses or trust companies the comptroller may designate. Those
56 deposits shall be kept separate and apart from all other monies in the

1 possession of the comptroller. The comptroller shall require adequate
2 security from all such depositories. All surcharge monies collected and
3 received under this section shall be paid to the department of labor to
4 be used, in a manner prescribed by the commissioner of the department of
5 labor, for worker retraining programs administered by the department,
6 workforce development programs administered by the department or to be
7 paid to the unemployment insurance fund.

8 § 4. This act shall take effect immediately; provided, however, that
9 section three of this act shall take effect January 1, 2026.