

STATE OF NEW YORK

6340

2025-2026 Regular Sessions

IN ASSEMBLY

March 4, 2025

Introduced by M. of A. PEOPLES-STOKES -- 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 businesses which contract with the state or political subdivisions thereof and in unrelated contracts, also with minority and women-owned business enterprises

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 28 to read as follows:

3 28. Minority and women-owned business employment incentive credit. (a)
4 General. A taxpayer shall be allowed a credit, to be computed as
5 provided in this subdivision, against the tax imposed by this article
6 for a certain portion of the consideration paid to a minority or women-
7 owned business enterprise pursuant to a contract for the provision of
8 goods or services. The credit provided for in this subdivision shall be
9 allowed with respect to the tax year in which the consideration is paid
10 to the minority or women-owned business enterprise.

11 (b) Definitions. For the purposes of this subdivision, the following
12 terms shall mean:

13 (i) "Government agency" means a state agency or a state authority as
14 defined in subdivision eleven of section three hundred ten of the execu-
15 tive law, or a political subdivision as defined in subdivision one of
16 section one hundred of the general municipal law.

17 (ii) "Minority or women-owned business enterprise" means a minority-
18 owned business enterprise as defined in subdivision seven of section
19 three hundred ten of the executive law or a women-owned business enter-
20 prise as defined in subdivision fifteen of section three hundred ten of
21 the executive law.

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

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1 (c) Computation. The credit authorized by this subdivision shall be
 2 equal to one-third of all expenditures paid by the taxpayer to a minori-
 3 ty or women-owned business enterprise pursuant to a contract for the
 4 provision of goods and services during the tax year, provided that such
 5 contract was not subject to the provisions of article fifteen-A of the
 6 executive law or any other provision of law mandating contracts with a
 7 minority or women-owned business, and the taxpayer is not a minority or
 8 women-owned business enterprise. Furthermore, the amount of such credit
 9 shall not exceed the lesser of fifteen thousand dollars or five percent
 10 of all consideration paid to the taxpayer during the tax year pursuant
 11 to contracts with government agencies for the provision of goods or
 12 services. For companies with no contracts with government agencies, the
 13 amount of the credit shall not exceed fifteen thousand dollars.

14 (d) Carryover. In no event shall the credit authorized by this subdivi-
 15 vision be allowed in an amount which shall reduce the tax payable to
 16 less than the fixed dollar minimum amount prescribed in paragraph (d) of
 17 subdivision one of section two hundred ten of this article. Provided,
 18 however, that if the amount of credit allowed under this subdivision for
 19 any taxable year reduces the tax to such amount or if the taxpayer
 20 otherwise pays tax based on the fixed dollar minimum amount, any amount
 21 of credit not deductible in such taxable year may be carried over to the
 22 following year or years and may be deducted from the taxpayer's tax for
 23 such year or years.

24 (e) The aggregate amount of tax credits allowed under this subdivision
 25 and subsection (qqq) of section six hundred six of this chapter in any
 26 calendar year statewide shall be five million dollars. Such aggregate
 27 amount of credits shall be allocated pursuant to rules and regulations
 28 promulgated by the commissioner.

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

32 <u>(xlx) Minority and</u>	<u>Amount of credit</u>
33 <u>women-owned business</u>	<u>under subdivision</u>
34 <u>employment incentive</u>	<u>twenty-eight of</u>
35 <u>credit under</u>	<u>section two</u>
36 <u>subsection (qqq)</u>	<u>hundred ten-B</u>

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

39 (qqq) Minority and women-owned business employment incentive credit.

40 (1) General. A taxpayer shall be allowed a credit to be computed as
 41 provided in this subsection, against the tax imposed by this article for
 42 a certain portion of the consideration paid to a minority or women-owned
 43 business enterprise pursuant to a contract for the provision of goods or
 44 services. The credit provided for in this subsection shall be allowed
 45 with respect to the tax year in which the consideration is paid to the
 46 minority or women-owned business enterprise.

47 (2) Definitions. For the purposes of this subsection, the following
 48 terms shall mean:

49 (i) "Government agency" means a state agency or a state authority as
 50 defined in subdivision eleven of section three hundred ten of the execu-
 51 tive law, or a political subdivision as defined in subdivision one of
 52 section one hundred of the general municipal law.

53 (ii) "Minority or women-owned business enterprise" means a minority-
 54 owned business enterprise as defined in subdivision seven of section
 55 three hundred ten of the executive law or a women-owned business enter-

1 prise as defined in subdivision fifteen of section three hundred ten of
2 the executive law.

3 (3) Computation. The credit authorized by this subsection shall be
4 equal to one-third of all expenditures paid by the taxpayer to a minori-
5 ty or women-owned business enterprise pursuant to a contract for the
6 provision of goods and services during the tax year, provided that such
7 contract was not subject to the provisions of article fifteen-A of the
8 executive law or any other provision of law mandating contracts with a
9 minority or women-owned business, and the taxpayer is not a minority or
10 women-owned business enterprise. Furthermore, the amount of such credit
11 shall not exceed the lesser of fifteen thousand dollars or five percent
12 of all consideration paid to the taxpayer during the tax year pursuant
13 to contracts with government agencies for the provision of goods or
14 services. For companies with no contracts with government agencies, the
15 amount of the credit shall not exceed fifteen thousand dollars.

16 (4) Carryover. If the amount of credit provided by this subsection for
17 any taxable year exceeds the taxpayer's tax for such year, the excess
18 may be carried over to the following year or years, and may be deducted
19 from the taxpayer's tax for such year or years.

20 (5) The aggregate amount of tax credits allowed under this subsection
21 and subdivision twenty-eight of section two hundred ten-B of this chap-
22 ter in any calendar year statewide shall be five million dollars. Such
23 aggregate amount of credits shall be allocated pursuant to rules and
24 regulations promulgated by the commissioner.

25 § 4. This act shall take effect on the first of January next succeed-
26 ing the date on which it shall have become a law and shall apply to tax
27 years commencing on or after such date.