

STATE OF NEW YORK

303

2025-2026 Regular Sessions

IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sen. RHOADS -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business

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 chapter 494 of the laws of 2022, is amended to read as
5 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,~~] the full cost of the participant's research
12 and development expenses incurred that relates to the participant's
13 research and development expenditures in New York state during the taxa-
14 ble year; provided however, if the participant receives a federal
15 research and development tax credit calculated on the full cost of the
16 participant's research and development expenses that relates to the
17 participant's research and development expenditures in New York state
18 during the taxable year, then said participant shall only be eligible to
19 claim a credit equal to fifty percent of the portion of the partic-
20 ipant's federal research and development tax credit that relates to the
21 participant's research and development expenditures in New York state
22 during the taxable year; if not a green project, the excelsior research
23 and development tax credit shall not exceed six percent of the qualified

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

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

17 § 3. This act shall take effect immediately.