STATE OF NEW YORK

3694

2025-2026 Regular Sessions

IN SENATE

January 29, 2025

Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, in relation to establishing the work opportunity tax credit

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

Section 1. Section 210-B of the tax law is amended by adding a new subdivision 61 to read as follows:

61. Work opportunity tax credit. (a) Allowance of credit. A taxpayer shall be allowed a credit, against the tax imposed by this article, of two thousand four hundred dollars for each long term unemployed person hired during a taxable year. Such tax credit shall be applicable only to businesses employing fifty or fewer employees. For the purposes of this subdivision, a "long term unemployed person" shall be an individual who has been a resident of New York for three years immediately preceding hiring and who, prior to being hired by the business eligible for the credit established pursuant to this subdivision, had been unemployed and receiving public assistance for six consecutive months or more, and is retained for full-time employment by such business for at least one year.

(b) Application of credit. The credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the fixed dollar minimum amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit allowed under this subdivision for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of

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

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this chapter notwithstanding, no interest shall be paid thereon. The total amount of credit to be provided statewide for this credit, the credit allowed under subsection (qqq) of section six hundred six of this chapter and subdivision (ff) of section fifteen hundred eleven of this chapter shall not exceed fifteen million dollars in the aggregate in a taxable year.

(c) Credit recapture. For provisions requiring recapture of credit, see section forty-four of this chapter.

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

(lii) Work opportunity tax credit under subsection (qqq)	Amount of credit under subdivision sixty-one of section two hundred ten-B

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

(qqq) Work opportunity tax credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, against the tax imposed by this article, of two thousand four hundred dollars for each long term unemployed person hired during a taxable year. Such tax credit shall be applicable only to businesses employing fifty or fewer employees. For the purposes of this subdivision, a "long term unemployed person" shall be an individual who has been a resident of New York for three years immediately preceding hiring and who, prior to being hired by the business eligible for the credit established pursuant to this subsection, had been unemployed and receiving public assistance for six consecutive months or more, and is retained for full-time employment by such business for at least one year.

(2) Application of credit. If the amount of the credit allowed under this subsection for any taxable year shall exceed the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon. The total amount of credit to be provided state-wide for this credit, the credit allowed under subdivision sixty-one of section two hundred ten-B of this chapter and subdivision (ff) of section fifteen hundred eleven of this chapter shall not exceed fifteen million dollars in the aggregate in a taxable year.

(3) Credit recapture. For provisions requiring recapture of credit, see section forty-four of this chapter.

§ 4. Section 1511 of the tax law is amended by adding a new subdivision (ff) to read as follows:

(ff) Work opportunity tax credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, against the tax imposed by this article, of two thousand four hundred dollars for each long term unemployed person hired during a taxable year. Such tax credit shall be applicable only to businesses employing fifty or fewer employees. For the purposes of this subdivision, a "long term unemployed person" shall be an individual who has been a resident of New York for three years immediately preceding hiring and who, prior to being hired by the business eligible for the credit established pursuant to this subdivision, had been unemployed and receiving public assistance for six consecutive months or more, and is retained for full-time employment by such business for at least one

year. The total amount of credit to be provided statewide shall not exceed fifteen million dollars in a taxable year.

(2) Application of credit. The credit allowed under this subdivision shall not reduce the tax due for such year to be less than the minimum fixed by paragraph four of subdivision (a) of section fifteen hundred two or section fifteen hundred two-a of this article, whichever is applicable. However, if the amount of the credit allowed under this subdivision for any taxable year reduces the taxpayer's tax to such amount, any amount of credit thus not deductible will be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon. The total amount of credit to be provided statewide for this credit, the credit allowed under subdivision sixty-one of section two hundred ten-B of this chapter and subdivision (qqq) of section six hundred six of this chapter shall not exceed fifteen million dollars in the aggregate in a taxable year.

(3) Credit recapture. For provisions requiring recapture of credit, see section forty-four of this chapter.

§ 5. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2026 and shall apply to eligible individuals hired on and after such effective date.