# STATE OF NEW YORK

4202--A

2025-2026 Regular Sessions

# IN SENATE

February 3, 2025

Introduced by Sens. COMRIE, COONEY -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to authorizing a personal income tax deduction for student loan payments

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

Section 1. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 48 to read as follows:

**(48) Payment not in excess of five thousand dollars actually paid by an eligible borrower for student loan repayment, to the extent not deductible in determining federal adjusted gross income and not reimbursed. For the purposes of this paragraph, the following terms have the following meanings:**

**(i) "Student loans" means any indebtedness incurred by the taxpayer solely for any qualified education loan to the extent provided in section 221 of the Internal Revenue Code.**

**(ii) "Eligible borrower" shall mean a taxpayer who has incurred indebtedness on student loans as defined in subparagraph (i) of this paragraph on behalf of the taxpayer, the taxpayer's spouse, or any dependent of the taxpayer as of the time the indebtedness was incurred.**

**(iii) Any payment made by an employer, employee, or on behalf of an employee pursuant to this section that is directly deducted from the employee's wages through payroll and administered by a third-party platform that facilitates direct payments to educational institutions or related loan servicers on behalf of students shall be excluded from the employee's New York state gross income, provided that such payments do not exceed five thousand dollars in any taxable year.**

**(iv) Any contribution to a tuition program under section 529 of the Internal Revenue Code made through payroll deduction and facilitated by**

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

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an employer or a third-party platform that facilitates direct payments to such programs on behalf of employees shall be excluded from the employee's New York state gross income, provided such contributions do not exceed five thousand dollars in any taxable year.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2026.