STATE OF NEW YORK

4202--B

2025-2026 Regular Sessions

IN SENATE

February 3, 2025

Introduced by Sens. COMRIE, COONEY, JACKSON, STAVISKY -- 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 -- recommitted to the Committee on Budget and Revenue in accordance with Senate Rule 6, sec. 8 -- 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 51 to read as follows:

(51) 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) "Qualified education payment" shall mean any payment made by a taxpayer, an employer on behalf of a taxpayer, or through a payroll deduction arrangement, toward:

(A) qualified education loans; or

(B) contributions to a qualified tuition program pursuant to section 529 of the Internal Revenue Code.

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

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(iv) A taxpayer shall be allowed to exclude from New York adjusted gross income up to five thousand dollars annually in qualified education payments.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2028.