

# STATE OF NEW YORK

4382

2025-2026 Regular Sessions

## IN SENATE

February 4, 2025

Introduced by Sens. BAILEY, MYRIE, PERSAUD -- 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 a credit for employment of persons on probation or parole

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

1 Section 1. The tax law is amended by adding a new section 187-s to  
2 read as follows:

3 § 187-s. Credit for employment of persons on probation or parole. 1.  
4 Allowance of credit. A taxpayer shall be allowed a credit, to be  
5 computed as hereinafter provided, against the taxes imposed by this  
6 article, other than the taxes imposed by sections one hundred eighty-  
7 six-a and one hundred eighty-six-e of this article, for employing within  
8 the state a qualified employee. Provided, however, the amount of credit  
9 allowed by this section against the tax imposed by section one hundred  
10 eighty-four of this article shall be the excess of the credit computed  
11 under this section over the amount of credit allowed by this section  
12 against the tax imposed by section one hundred eighty-three of this  
13 article.

14 2. Qualified employee. A qualified employee is an individual who:

15 (a) has been convicted of a felony under any statute of the United  
16 States or any state;

17 (b) is on probation or parole; and

18 (c) has worked on a full-time basis for the employer who is claiming  
19 the credit for at least one hundred eighty days or four hundred hours.

20 3. Amount of credit. Except as provided in subdivision four of this  
21 section, the amount of credit under this section shall be thirty-five  
22 percent of the first six thousand dollars in qualified first-year wages  
23 earned by each qualified employee. "Qualified first-year wages" means  
24 wages paid or incurred by the taxpayer during the taxable year to quali-

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

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1 fied employees which are attributable, with respect to any such employ-  
2 ee, to services rendered during the one-year period beginning with the  
3 day the employee begins work for the taxpayer.

4 4. Credit where federal work opportunity tax credit applies. With  
5 respect to any qualified employee whose qualified first-year wages under  
6 subdivision three of this section also constitute qualified first-year  
7 wages for purposes of the work opportunity tax credit for vocational  
8 rehabilitation referrals under section fifty-one of the internal revenue  
9 code, the amount of credit under this section shall be thirty-five  
10 percent of the first six thousand dollars in qualified second-year wages  
11 earned by each such employee. "Qualified second-year wages" means wages  
12 paid or incurred by the taxpayer during the taxable year to qualified  
13 employees which are attributable, with respect to any such employee, to  
14 services rendered during the one-year period beginning one year after  
15 the employee begins work for the taxpayer.

16 5. Carryover. In no event shall the credit under this section be  
17 allowed in an amount which will reduce the tax payable to less than the  
18 applicable minimum tax fixed by section one hundred eighty-three of this  
19 article. If, however, the amount of credit allowable under this section  
20 for any taxable year reduces the tax to such amount, any amount of cred-  
21 it 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 6. Coordination with federal work opportunity tax credit. The  
25 provisions of sections fifty-one and fifty-two of the internal revenue  
26 code, as such sections applied on October first, nineteen hundred nine-  
27 ty-six, that apply to the work opportunity tax credit for vocational  
28 rehabilitation referrals shall apply to the credit under this section to  
29 the extent that such sections are consistent with the specific  
30 provisions of this section, provided that in the event of a conflict the  
31 provisions of this section shall control.

32 § 2. Section 210-B of the tax law is amended by adding a new subdivi-  
33 sion 61 to read as follows:

34 61. Credit for employment of persons on probation or parole. (a)  
35 Allowance of credit. A taxpayer shall be allowed a credit, to be  
36 computed as hereinafter provided, against the taxes imposed by this  
37 article, for employing within the state a qualified employee.

38 (b) Qualified employee. A qualified employee is an individual who:  
39 (i) has been convicted of a felony under any statute of the United  
40 States or any state; (ii) is on probation or parole; and (iii) has  
41 worked on a full-time basis for the employer who is claiming the credit  
42 for at least one hundred eighty days or four hundred hours.

43 (c) Amount of credit. Except as provided in paragraph (d) of this  
44 subdivision, the amount of credit under this subdivision shall be thir-  
45 ty-five percent of the first six thousand dollars in qualified first-  
46 year wages earned by each qualified employee. "Qualified first-year  
47 wages" means wages paid or incurred by the taxpayer during the taxable  
48 year to qualified employees which are attributable, with respect to any  
49 such employee, to services rendered during the one-year period beginning  
50 with the day the employee begins work for the taxpayer.

51 (d) Credit where federal work opportunity tax credit applies. With  
52 respect to any qualified employee whose qualified first-year wages under  
53 paragraph (c) of this subdivision also constitute qualified first-year  
54 wages for purposes of the work opportunity tax credit for vocational  
55 rehabilitation referrals under section fifty-one of the internal revenue  
56 code, the amount of credit under this subdivision shall be thirty-five

1 percent of the first six thousand dollars in qualified second-year wages  
2 earned by each such employee. "Qualified second-year wages" means wages  
3 paid or incurred by the taxpayer during the taxable year to qualified  
4 employees which are attributable, with respect to any such employee, to  
5 services rendered during the one-year period beginning one year after  
6 the employee begins work for the taxpayer.

7 (e) Carryover. Except as otherwise provided in this paragraph, the  
8 credit allowed under this subdivision for any taxable year shall not  
9 reduce the tax due for such year to less than the fixed dollar minimum  
10 amount prescribed in paragraph (d) of subdivision one of section two  
11 hundred ten of this article. If, however, the amount of credit  
12 allowable under this section for any taxable year reduces the tax to  
13 such amount, any amount of credit not deductible in such taxable year  
14 may be carried over to the following year or years and may be deducted  
15 from the taxpayer's tax for such year or years.

16 (f) Coordination with federal work opportunity tax credit. The  
17 provisions of sections fifty-one and fifty-two of the internal revenue  
18 code, as such sections applied on October first, nineteen hundred nine-  
19 ty-six, that apply to the work opportunity tax credit for vocational  
20 rehabilitation referrals shall apply to the credit under this subdivi-  
21 sion to the extent that such sections are consistent with the specific  
22 provisions of this subdivision, provided that in the event of a conflict  
23 the provisions of this subdivision shall control.

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

26 (qqq) Credit for employment of persons on probation or parole. (1)  
27 Allowance of credit. A taxpayer shall be allowed a credit, to be  
28 computed as hereinafter provided, against the taxes imposed by this  
29 article, for employing within the state a qualified employee.

30 (2) Qualified employee. A qualified employee is an individual who:  
31 (A) has been convicted of a felony under any statute of the United  
32 States or any state; (B) is on probation or parole; and (C) has worked  
33 on a full-time basis for the employer who is claiming the credit for at  
34 least one hundred eighty days or four hundred hours.

35 (3) Amount of credit. Except as provided in paragraph four of this  
36 subsection, the amount of credit under this subsection shall be thirty-  
37 five percent of the first six thousand dollars in qualified first-year  
38 wages earned by each qualified employee. "Qualified first-year wages"  
39 means wages paid or incurred by the taxpayer during the taxable year to  
40 qualified employees which are attributable, with respect to any such  
41 employee, to services rendered during the one-year period beginning with  
42 the day the employee begins work for the taxpayer.

43 (4) Credit where federal work opportunity tax credit applies. With  
44 respect to any qualified employee whose qualified first-year wages under  
45 paragraph three of this subsection also constitute qualified first-year  
46 wages for purposes of the work opportunity tax credit for vocational  
47 rehabilitation referrals under section fifty-one of the internal revenue  
48 code, the amount of credit under this section shall be thirty-five  
49 percent of the first six thousand dollars in qualified second-year wages  
50 earned by each such employee. "Qualified second-year wages" means wages  
51 paid or incurred by the taxpayer during the taxable year to qualified  
52 employees which are attributable, with respect to any such employee, to  
53 services rendered during the one-year period beginning one year after  
54 the employee begins work for the taxpayer.

55 (5) Carryover. If the amount of credit allowable under this subsection  
56 for any taxable year exceeds the taxpayer's tax for such year, any

1 amount of credit not deductible in such taxable year may be carried over  
2 to the following year or years and may be deducted from the taxpayer's  
3 tax for such year or years.

4 (6) Coordination with federal work opportunity tax credit. The  
5 provisions of sections fifty-one and fifty-two of the internal revenue  
6 code, as such sections applied on October first, nineteen hundred nine-  
7 ty-six, that apply to the work opportunity tax credit for vocational  
8 rehabilitation referrals shall apply to the credit under this subsection  
9 to the extent that such sections are consistent with the specific  
10 provisions of this subsection, provided that in the event of a conflict  
11 the provisions of this subsection shall control.

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

15 <u>(lii) Employment of persons</u>	<u>Costs under subdivision</u>
16 <u>on probation or parole credit;</u>	<u>sixty-one of section</u>
17 <u>subsection (qqq)</u>	<u>two hundred ten-B</u>

18 § 5. Section 1511 of the tax law is amended by adding a new subdivi-  
19 sion (ff) to read as follows:

20 (ff) Credit for employment of persons on probation or parole. (1)  
21 Allowance of credit. A taxpayer shall be allowed a credit, to be  
22 computed as hereinafter provided, against the taxes imposed by this  
23 article, for employing within the state a qualified employee.

24 (2) Qualified employee. A qualified employee is an individual who:  
25 (A) has been convicted of a felony under any statute of the United  
26 States or any state; (B) is on probation or parole; and (C) has worked  
27 on a full-time basis for the employer who is claiming the credit for at  
28 least one hundred eighty days or four hundred hours.

29 (3) Amount of credit. Except as provided in paragraph four of this  
30 subdivision, the amount of credit under this subdivision shall be thir-  
31 ty-five percent of the first six thousand dollars in qualified first-  
32 year wages earned by each qualified employee. "Qualified first-year  
33 wages" means wages paid or incurred by the taxpayer during the taxable  
34 year to qualified employees which are attributable, with respect to any  
35 such employee, to services rendered during the one-year period beginning  
36 with the day the employee begins work for the taxpayer.

37 (4) Credit where federal work opportunity tax credit applies. With  
38 respect to any qualified employee whose qualified first-year wages under  
39 paragraph three of this section also constitute qualified first-year  
40 wages for purposes of the work opportunity tax credit for vocational  
41 rehabilitation referrals under section fifty-one of the internal revenue  
42 code, the amount of credit under this section shall be thirty-five  
43 percent of the first six thousand dollars in qualified second-year wages  
44 earned by each such employee. "Qualified second-year wages" means wages  
45 paid or incurred by the taxpayer during the taxable year to qualified  
46 employees which are attributable, with respect to any such employee, to  
47 services rendered during the one-year period beginning one year after  
48 the employee begins work for the taxpayer.

49 (5) Carryover. The credit allowed under this subdivision for any  
50 taxable year shall not reduce the tax due for such year to less than the  
51 amount prescribed in paragraph four of subdivision (a) of section  
52 fifteen hundred two of this article or the minimum tax prescribed in  
53 section fifteen hundred two-a of this article, whichever is applicable.  
54 If, however, the amount of credit allowable under this subdivision for  
55 any taxable year reduces the tax to such amount, any amount of credit  
56 not deductible in such taxable year may be carried over to the following

1 year or years and may be deducted from the taxpayer's tax for such year  
2 or years.

3 (6) Coordination with federal work opportunity tax credit. The  
4 provisions of sections fifty-one and fifty-two of the internal revenue  
5 code, as such sections applied on October first, nineteen hundred nine-  
6 ty-six, that apply to the work opportunity tax credit for vocational  
7 rehabilitation referrals shall apply to the credit under this subdivi-  
8 sion to the extent that such sections are consistent with the specific  
9 provisions of this subdivision, provided that in the event of a conflict  
10 the provisions of this subdivision shall control.

11 § 6. This act shall take effect immediately, and shall apply to taxa-  
12 ble years beginning on and after January 1, 2025.