

STATE OF NEW YORK

968

2025-2026 Regular Sessions

IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sen. ROLISON -- read twice and ordered printed, and when printed to be committed to the Committee on Children and Families

AN ACT to amend the social services law and the tax law, in relation to establishing the child care program capital improvement tax credit program

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

1 Section 1. Article 6 of the social services law is amended by adding a
2 new title 13 to read as follows:

TITLE 13

CHILD CARE PROGRAM CAPITAL IMPROVEMENT TAX CREDIT PROGRAM

3 Section 458-p. Short title.

4 458-q. Statement of legislative findings and declaration.

5 458-r. Definitions.

6 458-s. Eligibility criteria.

7 458-t. Application and approval process.

8 458-u. Child care program capital improvement tax credit.

9 458-v. Powers and duties of the commissioner.

10 458-w. Maintenance of records.

11 458-x. Reporting.

12 458-y. Cap on tax credit.

13 § 458-p. Short title. This title shall be known and may be cited as
14 the "child care program capital improvement tax credit program act".

15 § 458-q. Statement of legislative findings and declaration. It is
16 hereby found and declared that New York state needs, as a matter of
17 public policy, to support increased access to quality child care for New
18 York families. The child care program capital improvement tax credit
19 program is created to provide financial assistance to New York's child
20 care program.
21

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

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1 care providers to facilitate the enhancement, expansion, and improvement
2 of access to quality child care.

3 § 458-r. Definitions. For the purposes of this title:

4 1. "Certificate of tax credit" shall mean the document issued to a
5 business entity by the office after the office has verified that the
6 business entity has met all applicable eligibility criteria in this
7 title. The certificate shall specify the exact amount of the tax credit
8 under this title that a business entity may claim, pursuant to section
9 four hundred fifty-eight-u of this title.

10 2. "Commissioner" shall mean the commissioner of the office of chil-
11 dren and family services.

12 3. "Office" shall mean the office of children and family services.

13 4. "Qualified child care program capital costs" shall mean costs
14 incurred from the improvement, expansion, enhancement, or to generally
15 increase the safety of child care programs, including costs for: (i)
16 materials required for expansion projects; (ii) building construction
17 and retrofits; (iii) installation of air purifying equipment; and (iv)
18 other costs as determined by the office to be eligible under this title.

19 § 458-s. Eligibility criteria. 1. To be eligible for a tax credit
20 under the child care capital improvement tax credit program, a business
21 entity shall:

22 (a) be a child care program for which a license or registration to
23 operate such program has been issued by the office pursuant to section
24 three hundred ninety of this article; and

25 (b) have at least two thousand dollars in qualifying child care
26 program improvement capital costs.

27 2. A child care program shall be in substantial compliance with any
28 public health or other emergency orders or regulations related to the
29 entity's business sector or other laws and regulations as determined by
30 the commissioner. In addition, a child care program may not owe past due
31 state taxes or local property taxes unless the business entity is making
32 payments and complying with an approved binding payment agreement
33 entered into with the taxing authority.

34 § 458-t. Application and approval process. 1. A child care program
35 shall submit a complete application as prescribed by the commissioner.

36 2. The commissioner shall establish procedures and a timeframe for
37 child care facilities to submit applications. As part of the applica-
38 tion, each child care program shall:

39 (a) provide evidence in a form and manner prescribed by the commis-
40 sioner of their eligibility;

41 (b) agree to allow the department of taxation and finance to share the
42 child care program's tax information with the office; provided, however,
43 that any information shared as a result of this program shall not be
44 available for disclosure or inspection under the state freedom of infor-
45 mation law;

46 (c) allow the office and its agents access to any and all books and
47 records the office may require to monitor compliance;

48 (d) certify, under penalty of perjury, that it is in substantial
49 compliance with all emergency orders or public health regulations
50 currently required of such entity, and local, and state tax laws; and

51 (e) agree to provide any additional information required by the office
52 relevant to this article.

53 3. After reviewing a child care program's completed final application
54 and determining that the business entity meets the eligibility criteria
55 as set forth in this article, the office may issue to that child care
56 program a certificate of tax credit.

1 4. The commissioner shall establish an annual application deadline and
2 provide all applicable deadline and application materials on its
3 website.

4 § 458-u. Child care program capital improvement tax credit. 1. A busi-
5 ness entity in the child care facility capital improvement tax credit
6 program that meets the eligibility requirements of section four hundred
7 fifty-eight-s of this title may be eligible to claim a credit equal to
8 fifty percent of its qualified child care program capital costs as
9 defined in subdivision four of section four hundred fifty-eight-r of
10 this title; provided, however, that such credit shall not be less than
11 one thousand dollars.

12 2. A business entity, including a partnership, limited liability
13 company and subchapter S corporation, may not receive a credit in excess
14 of fifty thousand dollars under this program.

15 3. The credit shall be allowed as provided in section fifty, subdivi-
16 sion sixty-one of section two hundred ten-B and subsection (qqq) of
17 section six hundred six of the tax law.

18 4. A business entity may claim the tax credit in the taxable year that
19 includes the date the certificate of tax credit was issued by the office
20 pursuant to subdivision three of section four hundred fifty-eight-t of
21 this title.

22 § 458-v. Powers and duties of the commissioner. 1. The commissioner
23 may promulgate regulations establishing an application process and
24 eligibility criteria, that shall be applied consistent with the purposes
25 of this title, so as not to exceed the annual cap on tax credits set
26 forth in section four hundred fifty-eight-y of this title which,
27 notwithstanding any provisions to the contrary in the state administra-
28 tive procedure act, may be adopted on an emergency basis.

29 2. The commissioner shall, in consultation with the department of
30 taxation and finance, develop a certificate of tax credit that shall be
31 issued by the commissioner to eligible businesses. Such certificate
32 shall contain such information as required by the department of taxation
33 and finance.

34 3. The commissioner shall solely determine the eligibility of any
35 applicant applying for entry into the program and shall remove any busi-
36 ness entity from the program for failing to meet any of the requirements
37 set forth in section four hundred fifty-eight-s of this title or for
38 failing to meet the requirements set forth in subdivision one of section
39 four hundred fifty-eight-t of this title.

40 § 458-w. Maintenance of records. Each business entity participating in
41 the program shall keep all relevant records for their duration of
42 program participation for at least three years.

43 § 458-x. Reporting. Each business entity participating in this program
44 shall submit a performance report to the office at a time prescribed in
45 regulations by the commissioner. The commissioner shall, on or before
46 April first, two thousand twenty-six and every quarter thereafter until
47 program funds are fully expended, submit a report to the governor, the
48 temporary president of the senate, the speaker of the assembly, the
49 chair of the senate finance committee, and the chair of the assembly
50 ways and means committee, setting forth the activities undertaken by the
51 program. Such report shall include, but not necessarily be limited to,
52 the following in each reporting period to the extent such information is
53 available: the total number of participants approved and the region in
54 which the business is located; the total amount of payments disbursed
55 and tax credits claimed, and the average amount of payments disbursed
56 and tax credits claimed; the names of payment recipients and tax credits

1 claimed; and such other information as the commissioner determines
2 necessary and appropriate to effectuate the purpose of the program. Such
3 reports shall, at the same time, be included on the office's website.

4 § 458-y. Cap on tax credit. The total amount of tax credits listed on
5 certificates of tax credit issued by the commissioner pursuant to this
6 title may not exceed two hundred fifty million dollars.

7 § 2. The tax law is amended by adding a new section 50 to read as
8 follows:

9 § 50. Child care program capital improvement tax credit. (a) Allowance
10 of credit. A taxpayer subject to tax under article nine-A or twenty-two
11 of this chapter shall be allowed a credit against such tax, pursuant to
12 the provisions referenced in subdivision (f) of this section. The amount
13 of the credit is equal to the amount determined pursuant to section four
14 hundred fifty-eight-u of the social services law. No cost or expense
15 paid or incurred by the taxpayer which is included as part of the calcu-
16 lation of this credit shall be the basis of any other tax credit allowed
17 under this chapter.

18 (b) Eligibility. To be eligible for the child care program capital
19 improvement tax credit, the taxpayer shall have been issued a certif-
20 icate of tax credit by the office of children and family services pursu-
21 ant to subdivision three of section four hundred fifty-eight-s of the
22 social services law, which certificate shall set forth the amount of the
23 credit that may be claimed for the taxable year. The taxpayer shall be
24 allowed to claim only the amount listed on the certificate of tax credit
25 for that taxable year. A taxpayer that is a partner in a partnership,
26 member of a limited liability company or shareholder in a subchapter S
27 corporation that has received a certificate of tax credit shall be
28 allowed its pro rata share of the credit earned by the partnership,
29 limited liability company or subchapter S corporation.

30 (c) Tax return requirement. The taxpayer shall be required to attach
31 to its tax return in the form prescribed by the commissioner, proof of
32 receipt of its certificate of tax credit issued by the commissioner of
33 the office of children and family services.

34 (d) Information sharing. Notwithstanding any provision of this chap-
35 ter, employees of the office of children and family services and the
36 department shall be allowed and are directed to share and exchange:

37 (1) information derived from tax returns or reports that is relevant
38 to a taxpayer's eligibility to participate in the child care program
39 capital improvement tax credit program;

40 (2) information regarding the credit applied for, allowed or claimed
41 pursuant to this section and taxpayers that are applying for the credit
42 or that are claiming the credit; and

43 (3) information contained in or derived from credit claim forms
44 submitted to the office and applications for admission into the child
45 care program capital improvement tax credit program. Except as provided
46 in paragraph two of this subdivision, all information exchanged between
47 the office of children and family services and the department shall not
48 be subject to disclosure or inspection under the state's freedom of
49 information law.

50 (e) Credit recapture. If a certificate of tax credit issued by the
51 office of children and family services under title thirteen of article
52 six of the social services law is revoked by such office, the amount of
53 credit described in this section and claimed by the taxpayer prior to
54 that revocation shall be added back to tax in the taxable year in which
55 any such revocation becomes final.

1 (f) Cross references. For application of the credit provided for in
 2 this section, see the following provisions of this chapter:

3 (1) article 9-A: section 210-B, subdivision 60;

4 (2) article 22: section 606, subsection (qqq).

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

7 61. Child care program capital improvement tax credit. (a) Allowance
 8 of credit. A taxpayer shall be allowed a credit, to be computed as
 9 provided in section fifty of this chapter, against the taxes imposed by
 10 this article.

11 (b) Application of credit. The credit allowed under this subdivision
 12 for the taxable year shall not reduce the tax due for such year to less
 13 than the amount prescribed in paragraph (d) of subdivision one of
 14 section two hundred ten of this article. However, if the amount of cred-
 15 it allowed under this subdivision for the taxable year reduces the tax
 16 to such amount or if the taxpayer otherwise pays tax based on the fixed
 17 dollar minimum amount, any amount of credit thus not deductible in such
 18 taxable year shall be treated as an overpayment of tax to be credited or
 19 refunded in accordance with the provisions of section one thousand
 20 eighty-six of this chapter. Provided, however, the provisions of
 21 subsection (c) of section one thousand eighty-eight of this chapter
 22 notwithstanding, no interest will be paid thereon.

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

25 (qqq) Child care program capital improvement tax credit. (1) Allowance
 26 of credit. A taxpayer shall be allowed a credit, to be computed as
 27 provided in section fifty of this chapter, against the tax imposed by
 28 this article.

29 (2) Application of credit. If the amount of the credit allowed under
 30 this subsection for the taxable year exceeds the taxpayer's tax for such
 31 year, the excess shall be treated as an overpayment of tax to be credit-
 32 ed or refunded in accordance with the provisions of section six hundred
 33 eighty-six of this article, provided, however, that no interest will be
 34 paid thereon.

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

38 <u>(lii) Child care program</u>	<u>Amount of credit under</u>
39 <u>capital under improvement</u>	<u>subdivision sixty-one of section two</u>
40 <u>subsection (qqq)</u>	<u>hundred ten-B</u>

41 § 6. This act shall take effect immediately.