STATE OF NEW YORK

1674

2025-2026 Regular Sessions

IN SENATE

January 13, 2025

Introduced by Sen. GOUNARDES -- 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 creating a tax credit for employers who reduce the education loans of their employees

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. Employee indebtedness reduction credit. (a) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in paragraph (b) of this subdivision, against the tax imposed by this article, if it provides for a payment, on behalf of an employee, of any indebtedness of the employee under a higher education loan or any interest relating to such a loan. For purposes of this subdivision, "higher education loan" shall mean any education loan debt, including judgments, owed to the federal or New York state government or any other institution related to an undergraduate program of study.

(b) Amount of credit. The credit allowed pursuant to paragraph (a) of this subdivision shall be in an amount equal to the taxpayer's payment, on behalf of an employee, of any indebtedness of the employee under a higher education loan or any interest relating to such a loan. Provided, however, that no such credit allowed under this subdivision shall exceed ten thousand dollars for each employee employed by such employer.

(c) 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 amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. If, however, the amount of credits allowed under this subdivision for any taxable year reduces the tax to such amount, any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be credited or

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

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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.

§ 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) Employee indebtedness reduction 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) Employee indebtedness reduction credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in paragraph two of this subsection, against the tax imposed by this article, if it provides for a payment, on behalf of an employee, of any indebtedness of the employee under a higher education loan or any interest relating to such a loan. For purposes of this subsection, "higher education loan" shall mean any education loan debt, including judgments, owed to the federal or New York state government or any other institution related to a undergraduate program of study.

(2) Amount of credit. The credit allowed pursuant to paragraph one of this subsection shall be in an amount equal to the taxpayer's payment, on behalf of an employee, of any indebtedness of the employee under a higher education loan or any interest relating to such a loan. Provided, however, that no such credit allowed under this subsection shall exceed ten thousand dollars for each employee employed by such employer.

(3) 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.

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

(ff) Employee indebtedness reduction credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in paragraph two of this subdivision, against the tax imposed by this article, if it provides for a payment, on behalf of an employee, of any indebtedness of the employee under a higher education loan or any interest relating to such a loan. For purposes of this subdivision, "higher education loan" shall mean any education loan debt, including judgments, owed to the federal or New York state government or any other institution related to an undergraduate program of study.

(2) Amount of credit. The credit allowed pursuant to paragraph one of this subdivision shall be in an amount equal to the taxpayer's payment, on behalf of an employee, of any indebtedness of the employee under a higher education loan or any interest relating to such a loan. Provided, however, that no such credit allowed under this subdivision shall exceed ten thousand dollars for each employee employed by such employer.

(3) 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 minimum fixed by paragraph four of subdivision (a) of section

fifteen hundred two of this article or section fifteen hundred two-a of this article, whichever is applicable. However, if the amount of credit allowable under this subdivision for any taxable year reduces the tax to such amount, any amount of credit not deductible in such taxable year may be carried over to the following year or years and may be deducted from the taxpayer's tax for such year or years.

§ 5. This act shall take effect immediately and apply to taxable years beginning on and after the first of January next succeeding the date on which it shall have become a law.