

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:

1 Section 1. Section 210-B of the tax law is amended by adding a new
2 subdivision 61 to read as follows:

3 61. Employee indebtedness reduction credit. (a) Allowance of credit. A
4 taxpayer shall be allowed a credit, to be computed as provided in para-
5 graph (b) of this subdivision, against the tax imposed by this article,
6 if it provides for a payment, on behalf of an employee, of any indebt-
7 edness of the employee under a higher education loan or any interest
8 relating to such a loan. For purposes of this subdivision, "higher
9 education loan" shall mean any education loan debt, including judgments,
10 owed to the federal or New York state government or any other institu-
11 tion related to an undergraduate program of study.

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

19 (c) Application of credit. The credit allowed under this subdivision
20 for any taxable year shall not reduce the tax due for such year to less
21 than the amount prescribed in paragraph (d) of subdivision one of
22 section two hundred ten of this article. If, however, the amount of
23 credits allowed under this subdivision for any taxable year reduces the
24 tax to such amount, any amount of credit thus not deductible in such
25 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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1 refunded in accordance with the provisions of section one thousand
2 eighty-six of this chapter. Provided, however, the provisions of
3 subsection (c) of section one thousand eighty-eight of this chapter
4 notwithstanding, no interest shall be paid thereon.

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

8	<u>(lii) Employee indebtedness</u>	<u>Amount of credit</u>
9	<u>reduction credit</u>	<u>under subdivision</u>
10	<u>under subsection (qqq)</u>	<u>sixty-one of section</u>
11		<u>two hundred ten-B</u>

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

14 (qqq) Employee indebtedness reduction credit. (1) Allowance of credit.
 15 A taxpayer shall be allowed a credit, to be computed as provided in
 16 paragraph two of this subsection, against the tax imposed by this arti-
 17 cle, if it provides for a payment, on behalf of an employee, of any
 18 indebtedness of the employee under a higher education loan or any inter-
 19 est relating to such a loan. For purposes of this subsection, "higher
 20 education loan" shall mean any education loan debt, including judgments,
 21 owed to the federal or New York state government or any other institu-
 22 tion related to a undergraduate program of study.

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

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

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

38 (ff) Employee indebtedness reduction credit. (1) Allowance of credit.
 39 A taxpayer shall be allowed a credit, to be computed as provided in
 40 paragraph two of this subdivision, against the tax imposed by this arti-
 41 cle, if it provides for a payment, on behalf of an employee, of any
 42 indebtedness of the employee under a higher education loan or any inter-
 43 est relating to such a loan. For purposes of this subdivision, "higher
 44 education loan" shall mean any education loan debt, including judgments,
 45 owed to the federal or New York state government or any other institu-
 46 tion related to an undergraduate program of study.

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

54 (3) Application of credit. The credit allowed under this subdivision
 55 for any taxable year shall not reduce the tax due for such year to less
 56 than the minimum fixed by paragraph four of subdivision (a) of section

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

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