

STATE OF NEW YORK

209

2025-2026 Regular Sessions

IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sens. HELMING, GALLIVAN, OBERACKER, ORTT, TEDISCO -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to establishing a Hire-Now tax credit

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 50 to read
2 as follows:

3 § 50. Hire-Now tax credit. (a) Allowance of credit. A taxpayer, which
4 is subject to tax under article nine-A or twenty-two of this chapter and
5 which creates a new job, shall be allowed a credit against such tax. The
6 amount of the credit allowed under this section shall be equal to the
7 product of 6.85 percent and the gross wages paid for each new employee.
8 The credit shall not be more than five thousand dollars for any new
9 employee for one full year of employment; if a new employee has been
10 hired for less than a full tax year this amount shall be prorated and
11 apportioned to each tax year but shall in no way decrease the full three
12 consecutive years of credit eligibility. The taxpayer may claim this
13 credit for each new employee for a period of three consecutive years of
14 employment. The taxpayer may offset quarterly estimated tax returns
15 with the amount of this credit earned in any previous quarter.

16 (b) Unemployment enhancement. For calendar years two thousand twenty-
17 seven and two thousand twenty-eight if a new employee was receiving
18 unemployment insurance benefits at the time of hire, an additional three
19 thousand dollar credit will be allowed for the first full year of
20 employment.

21 (c) Definitions. As used in this section, the following terms shall
22 have the following meanings:

23 (1) "New employee" shall mean any full time employee that is hired by
24 the taxpayer after July first, two thousand twenty-six and before April
25 first, two thousand twenty-seven, that causes the total number of

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

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1 employees to increase above base employment or credit employment, which-
 2 ever is higher.

3 (2) "Base year" shall mean calendar year two thousand twenty-five.

4 (3) "Base employment" shall mean the average number of full time
 5 employees or full time equivalent employees during the base year. For a
 6 new business, base employment shall begin at zero.

7 (4) "Credit employment" shall mean base employment plus the number of
 8 new employees for which a credit is earned for the prior tax years.

9 (d) Replacement employees. If one or more new employees for which a
 10 credit was earned leaves the payroll during the same taxable year that
 11 an individual is hired by the taxpayer to work in this state, causing
 12 the taxpayer's total employment to equal an amount that is above base
 13 employment but at or below the computed credit employment for the tax-
 14 able year, the credit eligibility period for the individual hired during
 15 the taxable year shall be three years minus the amount of time (rounded
 16 to the next full month) that the taxpayer received the credit for the
 17 departing employee.

18 (e) No credit shall be allowed under this section to a taxpayer for
 19 any new employee if the taxpayer claims any other credit under this
 20 article for such new employee where the basis of such other credit is an
 21 increase in employment.

22 § 2. Section 210-B of the tax law is amended by adding a new subdivi-
 23 sion 60 to read as follows:

24 60. Hire-Now tax credit. (a) Allowance of credit. A taxpayer will be
 25 allowed a credit, to be computed as provided in section fifty of this
 26 chapter, against the tax imposed by this article.

27 (b) Application of credit. The credit allowed under this subdivision
 28 for any taxable year may not reduce the tax due for such year to less
 29 than the higher of the amounts prescribed in paragraph (d) of subdivi-
 30 sion one of section two hundred ten of this article. However, if the
 31 amount of credit allowed under this subdivision for any taxable year
 32 reduces the tax to such amount, any amount of credit thus not deductible
 33 in such taxable year will be treated as an overpayment of tax to be
 34 credited or refunded in accordance with the provisions of section one
 35 thousand eighty-six of this chapter. Provided, however, the provisions
 36 of subsection (c) of section one thousand eighty-eight of this chapter
 37 notwithstanding, no interest will be paid thereon.

38 § 3. Section 606 of the tax law is amended by adding a new subsection
 39 (bbb) to read as follows:

40 (bbb) Hire-Now tax credit. (1) A taxpayer will be allowed a credit, to
 41 the extent allowed under section fifty of this chapter, against the tax
 42 imposed by this article.

43 (2) Application of credit. If the amount of the credit allowed under
 44 this subsection for any taxable year exceeds the taxpayer's tax for such
 45 year, the excess will be treated as an overpayment of tax to be credited
 46 or refunded in accordance with the provisions of section six hundred
 47 eighty-six of this article, provided, however, that no interest will be
 48 paid thereon.

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

52 <u>(lii) Hire-Now tax credit</u>	<u>Amount of credit under</u>
53 <u>under subsection (bbb)</u>	<u>subdivision sixty of</u>
	<u>section two hundred ten-B</u>

54
 55 § 5. This act shall take effect immediately.