

STATE OF NEW YORK

415--A

2025-2026 Regular Sessions

IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sens. JACKSON, BRISPORT, BROUK, CLEARE, COMRIE, GIANARIS, GONZALEZ, HARCKHAM, HOYLMAN-SIGAL, LIU, MAY, MAYER, MYRIE, PERSAUD, RAMOS, RIVERA, SALAZAR, SANDERS, SERRANO, WEBB -- read twice and ordered printed, and when printed to be committed to the Committee on Labor -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the labor law, in relation to providing for minimum wage requirements for miscellaneous industry workers; and to amend the tax law, in relation to establishing the one fair wage reimbursement credit

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

1 Section 1. Section 196-d of the labor law, as added by chapter 1007 of
2 the laws of 1968, is amended to read as follows:
3 § 196-d. Gratuities. No employer or [~~his~~] their agent or an officer or
4 agent of any corporation, or any other person shall demand or accept,
5 directly or indirectly, any part of the gratuities, received by an
6 employee, or retain any part of a gratuity or of any charge purported to
7 be a gratuity for an employee. This provision shall not apply to the
8 checking of hats, coats or other apparel. Nothing in this subdivision
9 shall be construed as affecting the allowances from the minimum wage for
10 gratuities in the amount determined in accordance with the provisions of
11 article nineteen of this chapter nor as affecting practices in
12 connection with banquets and other special functions where a fixed
13 percentage of the patron's bill is added for gratuities which are
14 distributed to employees, nor to the sharing of tips by a [~~waiter~~] serv-
15 er, if the employer takes a credit for gratuities as permitted by subdivi-
16 vision two of section six hundred fifty-two of this chapter with a
17 [~~busboy~~] busser or similar employee, or, if the employer does not take a
18 credit for gratuities as permitted by subdivision two of section six

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

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1 hundred fifty-two of this chapter, with any other non-managerial and
2 non-supervisory employees.

3 § 2. Section 651 of the labor law is amended by adding a new subdivi-
4 sion 10 to read as follows:

5 10. "Miscellaneous industry worker" means any employee covered by the
6 minimum wage order for miscellaneous industries and occupations pursuant
7 to the provisions of 12 NYCRR part 142, including, but not limited to,
8 car wash attendants, nail salon workers, tow truck drivers, dog groom-
9 ers, wedding planners, tour guides, valet parking attendants, hairdres-
10 sers, aestheticians, golf and tennis instructors, and door-persons.

11 § 3. Subdivisions 2 and 4 of section 652 of the labor law, as amended
12 by section 3 of part S of chapter 56 of the laws of 2023, are amended to
13 read as follows:

14 2. Existing wage orders. The minimum wage orders in effect on the
15 effective date of this act shall remain in full force and effect, except
16 as modified in accordance with the provisions of this article; provided,
17 however, that the minimum wage order for farm workers codified at part
18 one hundred ninety of title twelve of the New York code of rules and
19 regulations in effect on January first, two thousand twenty shall be
20 deemed to be a wage order established and adopted under this article and
21 shall remain in full force and effect except as modified in accordance
22 with the provisions of this article or article nineteen-A of this chap-
23 ter.

24 Such minimum wage orders shall be modified by the commissioner to
25 increase all monetary amounts specified therein in the same proportion
26 as the increase in the hourly minimum wage as provided in subdivisions
27 one, one-a, and one-b of this section, including the amounts specified
28 in such minimum wage orders as allowances for gratuities, and when
29 furnished by the employer to its employees, for meals, lodging, apparel
30 and other such items, services and facilities, except that the hourly
31 cash wage for food service workers, service employees and miscellaneous
32 industry workers who receive tips shall not be less than the cash wage
33 as provided in subdivision four of this section, and the maximum credit
34 for tips in minimum wage orders shall be modified so that such credit,
35 when combined with such cash wage, is equal to the minimum wage, and the
36 hourly cash wage for miscellaneous industry workers shall not be less
37 than the cash wage as provided in subdivision four of this section. All
38 amounts so modified shall be rounded off to the nearest five cents. The
39 modified orders shall be promulgated by the commissioner without a
40 public hearing, and without reference to a wage board, and shall become
41 effective on the effective date of such increases in the minimum wage
42 except as otherwise provided in this subdivision, notwithstanding any
43 other provision of this article.

44 4. [~~Notwithstanding subdivisions one, one-a, one-b, and two of this~~
45 ~~section, the wage for an employee who is a food service worker receiving~~
46 ~~tips shall be a cash wage of at least two thirds of the minimum wage~~
47 ~~rates set forth in subdivision one of this section, rounded to the near-~~
48 ~~est five cents or seven dollars and fifty cents, whichever is higher,~~
49 ~~provided that the tips of such an employee, when added to such cash~~
50 ~~wage, are equal to or exceed the minimum wage in effect pursuant to~~
51 ~~subdivisions one, one-a, and one-b of this section and provided further~~
52 ~~that no other cash wage is established pursuant to section six hundred~~
53 ~~fifty-three of this article] (a) Notwithstanding subdivisions one and
54 two of this section and section six hundred fifty-three of this article,
55 the wage for an employee who is a food service worker or service employ-
56 ee receiving tips and paid pursuant to the provisions of 12 NYCRR part~~

1 146 shall be, for each hour worked in the city of New York, a cash wage
2 of not less than:

3 \$12.77 per hour on and after January 1, 2026;

4 \$14.88 per hour on and after January 1, 2027;

5 \$17.00 per hour on and after January 1, 2028, and beginning on January
6 first, two thousand twenty-nine, a cash wage rate established by the
7 commissioner annually, indexed to inflation as described in subdivision
8 one-b of this section.

9 (b) Notwithstanding subdivisions one and two of this section and
10 section six hundred fifty-three of this article, the wage for an employ-
11 ee who is a food service worker or service employee receiving tips and
12 paid pursuant to the provisions of 12 NYCRR part 146 shall be, for each
13 hour worked in the counties of Nassau, Suffolk and Westchester, a cash
14 wage of not less than:

15 \$12.77 per hour on and after January 1, 2026;

16 \$14.88 per hour on and after January 1, 2027;

17 \$17.00 per hour on and after January 1, 2028, and beginning on January
18 first, two thousand twenty-nine, a cash wage rate established by the
19 commissioner annually, indexed to inflation as described in subdivision
20 one-b of this section.

21 (c) Notwithstanding subdivisions one and two of this section and
22 section six hundred fifty-three of this article, the wage for an employ-
23 ee who is a food service worker or service employee receiving tips and
24 paid pursuant to the provisions of 12 NYCRR part 146 shall be, for each
25 hour worked outside the city of New York and the counties of Nassau,
26 Suffolk and Westchester, a cash wage of not less than:

27 \$11.50 per hour on and after January 1, 2026;

28 \$13.00 per hour on and after January 1, 2027;

29 \$14.50 per hour on and after January 1, 2028;

30 \$16.00 per hour on and after January 1, 2029, and beginning on January
31 first, two thousand thirty, a cash wage rate established by the commis-
32 sioner annually, indexed to inflation as described in subdivision one-b
33 of this section.

34 (d) Notwithstanding subdivisions one and two of this section, the wage
35 for an employee who is a miscellaneous industry worker receiving tips
36 and paid pursuant to the provisions of 12 NYCRR part 142 shall be for
37 each hour worked in the city of New York, a cash wage of not less than
38 the cash wage rate as described in paragraph (a) of subdivision one-a of
39 this section.

40 (e) Notwithstanding subdivisions one and two of this section, the wage
41 for an employee who is a miscellaneous industry worker receiving tips
42 and paid pursuant to the provisions of 12 NYCRR part 142 shall be for
43 each hour worked in the counties of Nassau, Suffolk and Westchester, a
44 cash wage of not less than the cash wage rate as described in paragraph
45 (b) of subdivision one-a of this section.

46 (f) Notwithstanding subdivisions one and two of this section, the wage
47 for an employee who is a miscellaneous industry worker receiving tips
48 and paid pursuant to the provisions of 12 NYCRR part 142 shall be for
49 each hour worked outside the city of New York and the counties of
50 Nassau, Suffolk and Westchester, a cash wage of not less than the cash
51 wage rate as described in paragraph (c) of subdivision one-a of this
52 section.

53 § 4. Subdivision 2 of section 653 of the labor law, as added by chap-
54 ter 14 of the laws of 2000, is amended to read as follows:

55 (2) The commissioner shall, within six months after enactment of any
56 change in the statutory minimum wage set forth in subdivision one of

1 section six hundred fifty-two of this article, appoint a wage board to
2 inquire and report and recommend any changes to wage orders governing
3 wages payable to food service workers. Such wage board shall be estab-
4 lished consistent with the provisions of subdivision one of section six
5 hundred fifty-five of this article, except the representatives of the
6 employees shall be selected upon the nomination of the state American
7 Federation of Labor/Congress of Industrial Organizations; and provided,
8 further, that the representatives of the employers shall be selected
9 upon the nomination of the New York State Business Council. [~~Any wage
10 order authorizing a lesser wage than the previously and statutorily
11 mandated minimum wage for such employees shall be reviewed by the wage
12 board to ascertain at what level such wage order is sufficient to
13 provide adequate maintenance and to protect the health and livelihood of
14 employees subject to such a wage order after a statutory increase in the
15 mandated minimum wage~~] Notwithstanding section six hundred fifty-five of
16 this article, a wage order under this subdivision shall not authorize a
17 lesser wage than the previously and statutorily mandated minimum wage
18 for such employees.

19 § 5. The tax law is amended by adding a new section 50 to read as
20 follows:

21 § 50. One fair wage reimbursement credit. (a) General. (1) A taxpayer
22 subject to tax under article nine-A, twenty-two, or thirty-three of this
23 chapter who is an employer who pays wages at rates pursuant to subdivi-
24 sion four of section six hundred fifty-two of the labor law shall be
25 allowed a credit against such tax in an amount to be calculated as
26 follows:

27 (i) For taxable years beginning on or after January first, two thou-
28 sand twenty-six and before January first, two thousand twenty-seven, the
29 amount of the credit allowed under this section shall be equal to the
30 product of the total number of hours during the taxable year worked by
31 eligible employees for which they were paid at the minimum wage rate as
32 defined in subdivision four of section six hundred fifty-two of the
33 labor law and one dollar and fifty cents.

34 (ii) For taxable years beginning on or after January first, two thou-
35 sand twenty-seven and before January first, two thousand twenty-eight,
36 the amount of the credit allowed under this section shall be equal to
37 the product of the total number of hours during the taxable year worked
38 by eligible employees for which they were paid at the minimum wage rate
39 as defined in subdivision four of section six hundred fifty-two of the
40 labor law and one dollar and thirty cents.

41 (iii) For taxable years beginning on or after January first, two thou-
42 sand twenty-eight and before January first, two thousand twenty-nine,
43 the amount of the credit allowed under this section shall be equal to
44 the product of the total number of hours during the taxable year worked
45 by eligible employees for which they were paid at the minimum wage rate
46 as defined in subdivision four of section six hundred fifty-two of the
47 labor law and one dollar and twenty cents.

48 (iv) For taxable years beginning on or after January first, two thou-
49 sand twenty-nine and before January first, two thousand thirty, the
50 amount of the credit allowed under this section shall be equal to the
51 product of the total number of hours during the taxable year worked by
52 eligible employees for which they were paid at the minimum wage rate as
53 defined in subdivision four of section six hundred fifty-two of the
54 labor law and one dollar and ten cents.

55 (v) For taxable years beginning on or after January first, two thou-
56 sand thirty and before January first, two thousand thirty-one, the

1 amount of the credit allowed under this section shall be equal to the
2 product of the total number of hours during the taxable year worked by
3 eligible employees for which they were paid at the minimum wage rate as
4 defined in subdivision four of section six hundred fifty-two of the
5 labor law and one dollar.

6 (2) In addition, if the federal minimum wage is increased above eight-
7 y-five percent of the minimum wage rate as defined in subdivision four
8 of section six hundred fifty-two of the labor law, the dollar amounts in
9 this subdivision shall be reduced to the difference between the minimum
10 wage rate as defined in subdivision four of section six hundred fifty-
11 two of the labor law and the federal minimum wage. Such reduction shall
12 take effect on the date that employers are required to pay such federal
13 minimum wage.

14 (b) Definitions. The term "eligible employee" shall mean an employee
15 whose wages are set pursuant to subdivision four of section six hundred
16 fifty-two of the labor law.

17 (c) Cross-references. For application of the credit provided for in
18 this section, see the following provisions of this chapter:

- 19 (1) article 9-A: section 210-B, subdivision 61;
- 20 (2) article 22: section 606, subsections (i) and (qqq);
- 21 (3) article 33: section 1511, subdivision (ff).

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

24 61. One fair wage reimbursement credit. (a) Allowance of credit. A
25 taxpayer shall be allowed a credit, to be computed as provided in
26 section fifty of this 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 amount prescribed in paragraph (d) of subdivision one of
30 section two hundred ten of this article. However, if the amount of the
31 credit allowed under this subdivision for any taxable year reduces the
32 tax to such amount or if the taxpayer otherwise pays tax based on the
33 fixed dollar minimum amount, any amount of credit thus not deductible in
34 such taxable year will be treated as an overpayment of tax to be credit-
35 ed or refunded in accordance with the provisions of section one thousand
36 eighty-six of this chapter. Provided, however, the provisions of
37 subsection (c) of section one thousand eighty-eight of this chapter
38 notwithstanding, no interest shall be paid thereon.

39 § 7. Subparagraph (B) of paragraph 1 of subdivision (i) of section 606
40 of the tax law is amended by adding a new clause (lii) to read as
41 follows:

42 <u>(lii) One fair wage</u>	<u>Amount of credit under</u>
43 <u>reimbursement credit</u>	<u>subdivision sixty-one of</u>
44 <u>under subsection (qqq)</u>	<u>section two hundred ten-B</u>

45 § 8. Section 606 of the tax law is amended by adding a new subsection
46 (qqq) to read as follows:

47 (qqq) One fair wage reimbursement credit. (1) Allowance of credit. A
48 taxpayer shall be allowed a credit, to be computed as provided in
49 section fifty of this chapter, against the tax imposed by this article.

50 (2) Application of credit. If the amount of the credit allowed under
51 this subsection for any taxable year exceeds the taxpayer's tax for such
52 year, the excess will be treated as an overpayment of tax to be credited
53 or refunded in accordance with the provisions of section six hundred

1 eighty-six of this article, provided, however, that no interest will be
2 paid thereon.

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

5 (ff) One fair wage reimbursement credit. (1) Allowance of credit. A
6 taxpayer shall be allowed a credit, to be computed as provided in
7 section fifty of this chapter, against the tax imposed by this article.

8 (2) Application of credit. The credit allowed under this subdivision
9 shall not reduce the tax due for such year to be less than the minimum
10 fixed by paragraph four of subdivision (a) of section fifteen hundred
11 two or section fifteen hundred two-a of this article, whichever is
12 applicable. However, if the amount of the credit allowed under this
13 subdivision for any taxable year reduces the taxpayer's tax to such
14 amount, any amount of credit thus not deductible will be treated as an
15 overpayment of tax to be credited or refunded in accordance with the
16 provisions of section one thousand eighty-six of this chapter. Provided,
17 however, the provisions of subsection (c) of section one thousand eight-
18 y-eight of this chapter notwithstanding, no interest shall be paid ther-
19 eon.

20 § 10. Severability clause. If any clause, sentence, paragraph, subdivi-
21 sion, section or part of this act shall be adjudged by any court of
22 competent jurisdiction to be invalid, such judgment shall not affect,
23 impair, or invalidate the remainder of this act, but shall be confined
24 in its operation to the clause, sentence, paragraph, subdivision,
25 section or part of this act directly involved in the controversy in
26 which such judgment shall have been rendered. It is hereby declared to
27 be the intent of the legislature that this act would have been enacted
28 even if such invalid clause, sentence, paragraph, subdivision, section
29 or part of this act had not been included herein.

30 § 11. This act shall take effect immediately and shall apply to taxa-
31 ble years beginning on and after January 1, 2026.