

STATE OF NEW YORK

4382

2025-2026 Regular Sessions

IN SENATE

February 4, 2025

Introduced by Sens. BAILEY, MYRIE, PERSAUD -- 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 a credit for employment of persons on probation or parole

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 187-s to
2 read as follows:

3 § 187-s. Credit for employment of persons on probation or parole. 1.
4 Allowance of credit. A taxpayer shall be allowed a credit, to be
5 computed as hereinafter provided, against the taxes imposed by this
6 article, other than the taxes imposed by sections one hundred eighty-
7 six-a and one hundred eighty-six-e of this article, for employing within
8 the state a qualified employee. Provided, however, the amount of credit
9 allowed by this section against the tax imposed by section one hundred
10 eighty-four of this article shall be the excess of the credit computed
11 under this section over the amount of credit allowed by this section
12 against the tax imposed by section one hundred eighty-three of this
13 article.

14 2. Qualified employee. A qualified employee is an individual who:

15 (a) has been convicted of a felony under any statute of the United
16 States or any state;

17 (b) is on probation or parole; and

18 (c) has worked on a full-time basis for the employer who is claiming
19 the credit for at least one hundred eighty days or four hundred hours.

20 3. Amount of credit. Except as provided in subdivision four of this
21 section, the amount of credit under this section shall be thirty-five
22 percent of the first six thousand dollars in qualified first-year wages
23 earned by each qualified employee. "Qualified first-year wages" means
24 wages paid or incurred by the taxpayer during the taxable year to quali-

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

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1 fied employees which are attributable, with respect to any such employ-
2 ee, to services rendered during the one-year period beginning with the
3 day the employee begins work for the taxpayer.

4 4. Credit where federal work opportunity tax credit applies. With
5 respect to any qualified employee whose qualified first-year wages under
6 subdivision three of this section also constitute qualified first-year
7 wages for purposes of the work opportunity tax credit for vocational
8 rehabilitation referrals under section fifty-one of the internal revenue
9 code, the amount of credit under this section shall be thirty-five
10 percent of the first six thousand dollars in qualified second-year wages
11 earned by each such employee. "Qualified second-year wages" means wages
12 paid or incurred by the taxpayer during the taxable year to qualified
13 employees which are attributable, with respect to any such employee, to
14 services rendered during the one-year period beginning one year after
15 the employee begins work for the taxpayer.

16 5. Carryover. In no event shall the credit under this section be
17 allowed in an amount which will reduce the tax payable to less than the
18 applicable minimum tax fixed by section one hundred eighty-three of this
19 article. If, however, the amount of credit allowable under this section
20 for any taxable year reduces the tax to such amount, any amount of cred-
21 it not deductible in such taxable year may be carried over to the
22 following year or years and may be deducted from the taxpayer's tax for
23 such year or years.

24 6. Coordination with federal work opportunity tax credit. The
25 provisions of sections fifty-one and fifty-two of the internal revenue
26 code, as such sections applied on October first, nineteen hundred nine-
27 ty-six, that apply to the work opportunity tax credit for vocational
28 rehabilitation referrals shall apply to the credit under this section to
29 the extent that such sections are consistent with the specific
30 provisions of this section, provided that in the event of a conflict the
31 provisions of this section shall control.

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

34 61. Credit for employment of persons on probation or parole. (a)
35 Allowance of credit. A taxpayer shall be allowed a credit, to be
36 computed as hereinafter provided, against the taxes imposed by this
37 article, for employing within the state a qualified employee.

38 (b) Qualified employee. A qualified employee is an individual who:
39 (i) has been convicted of a felony under any statute of the United
40 States or any state; (ii) is on probation or parole; and (iii) has
41 worked on a full-time basis for the employer who is claiming the credit
42 for at least one hundred eighty days or four hundred hours.

43 (c) Amount of credit. Except as provided in paragraph (d) of this
44 subdivision, the amount of credit under this subdivision shall be thir-
45 ty-five percent of the first six thousand dollars in qualified first-
46 year wages earned by each qualified employee. "Qualified first-year
47 wages" means wages paid or incurred by the taxpayer during the taxable
48 year to qualified employees which are attributable, with respect to any
49 such employee, to services rendered during the one-year period beginning
50 with the day the employee begins work for the taxpayer.

51 (d) Credit where federal work opportunity tax credit applies. With
52 respect to any qualified employee whose qualified first-year wages under
53 paragraph (c) of this subdivision also constitute qualified first-year
54 wages for purposes of the work opportunity tax credit for vocational
55 rehabilitation referrals under section fifty-one of the internal revenue
56 code, the amount of credit under this subdivision shall be thirty-five

1 percent of the first six thousand dollars in qualified second-year wages
2 earned by each such employee. "Qualified second-year wages" means wages
3 paid or incurred by the taxpayer during the taxable year to qualified
4 employees which are attributable, with respect to any such employee, to
5 services rendered during the one-year period beginning one year after
6 the employee begins work for the taxpayer.

7 (e) Carryover. Except as otherwise provided in this paragraph, the
8 credit allowed under this subdivision for any taxable year shall not
9 reduce the tax due for such year to less than the fixed dollar minimum
10 amount prescribed in paragraph (d) of subdivision one of section two
11 hundred ten of this article. If, however, the amount of credit
12 allowable under this section for any taxable year reduces the tax to
13 such amount, any amount of credit not deductible in such taxable year
14 may be carried over to the following year or years and may be deducted
15 from the taxpayer's tax for such year or years.

16 (f) Coordination with federal work opportunity tax credit. The
17 provisions of sections fifty-one and fifty-two of the internal revenue
18 code, as such sections applied on October first, nineteen hundred nine-
19 ty-six, that apply to the work opportunity tax credit for vocational
20 rehabilitation referrals shall apply to the credit under this subdivi-
21 sion to the extent that such sections are consistent with the specific
22 provisions of this subdivision, provided that in the event of a conflict
23 the provisions of this subdivision shall control.

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

26 (qqq) Credit for employment of persons on probation or parole. (1)
27 Allowance of credit. A taxpayer shall be allowed a credit, to be
28 computed as hereinafter provided, against the taxes imposed by this
29 article, for employing within the state a qualified employee.

30 (2) Qualified employee. A qualified employee is an individual who:
31 (A) has been convicted of a felony under any statute of the United
32 States or any state; (B) is on probation or parole; and (C) has worked
33 on a full-time basis for the employer who is claiming the credit for at
34 least one hundred eighty days or four hundred hours.

35 (3) Amount of credit. Except as provided in paragraph four of this
36 subsection, the amount of credit under this subsection shall be thirty-
37 five percent of the first six thousand dollars in qualified first-year
38 wages earned by each qualified employee. "Qualified first-year wages"
39 means wages paid or incurred by the taxpayer during the taxable year to
40 qualified employees which are attributable, with respect to any such
41 employee, to services rendered during the one-year period beginning with
42 the day the employee begins work for the taxpayer.

43 (4) Credit where federal work opportunity tax credit applies. With
44 respect to any qualified employee whose qualified first-year wages under
45 paragraph three of this subsection also constitute qualified first-year
46 wages for purposes of the work opportunity tax credit for vocational
47 rehabilitation referrals under section fifty-one of the internal revenue
48 code, the amount of credit under this section shall be thirty-five
49 percent of the first six thousand dollars in qualified second-year wages
50 earned by each such employee. "Qualified second-year wages" means wages
51 paid or incurred by the taxpayer during the taxable year to qualified
52 employees which are attributable, with respect to any such employee, to
53 services rendered during the one-year period beginning one year after
54 the employee begins work for the taxpayer.

55 (5) Carryover. If the amount of credit allowable under this subsection
56 for any taxable year exceeds the taxpayer's tax for such year, any

1 amount of credit not deductible in such taxable year may be carried over
2 to the following year or years and may be deducted from the taxpayer's
3 tax for such year or years.

4 (6) Coordination with federal work opportunity tax credit. The
5 provisions of sections fifty-one and fifty-two of the internal revenue
6 code, as such sections applied on October first, nineteen hundred nine-
7 ty-six, that apply to the work opportunity tax credit for vocational
8 rehabilitation referrals shall apply to the credit under this subsection
9 to the extent that such sections are consistent with the specific
10 provisions of this subsection, provided that in the event of a conflict
11 the provisions of this subsection shall control.

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

15 <u>(lii) Employment of persons</u>	<u>Costs under subdivision</u>
16 <u>on probation or parole credit;</u>	<u>sixty-one of section</u>
17 <u>subsection (qqq)</u>	<u>two hundred ten-B</u>

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

20 (ff) Credit for employment of persons on probation or parole. (1)
21 Allowance of credit. A taxpayer shall be allowed a credit, to be
22 computed as hereinafter provided, against the taxes imposed by this
23 article, for employing within the state a qualified employee.

24 (2) Qualified employee. A qualified employee is an individual who:
25 (A) has been convicted of a felony under any statute of the United
26 States or any state; (B) is on probation or parole; and (C) has worked
27 on a full-time basis for the employer who is claiming the credit for at
28 least one hundred eighty days or four hundred hours.

29 (3) Amount of credit. Except as provided in paragraph four of this
30 subdivision, the amount of credit under this subdivision shall be thir-
31 ty-five percent of the first six thousand dollars in qualified first-
32 year wages earned by each qualified employee. "Qualified first-year
33 wages" means wages paid or incurred by the taxpayer during the taxable
34 year to qualified employees which are attributable, with respect to any
35 such employee, to services rendered during the one-year period beginning
36 with the day the employee begins work for the taxpayer.

37 (4) Credit where federal work opportunity tax credit applies. With
38 respect to any qualified employee whose qualified first-year wages under
39 paragraph three of this section also constitute qualified first-year
40 wages for purposes of the work opportunity tax credit for vocational
41 rehabilitation referrals under section fifty-one of the internal revenue
42 code, the amount of credit under this section shall be thirty-five
43 percent of the first six thousand dollars in qualified second-year wages
44 earned by each such employee. "Qualified second-year wages" means wages
45 paid or incurred by the taxpayer during the taxable year to qualified
46 employees which are attributable, with respect to any such employee, to
47 services rendered during the one-year period beginning one year after
48 the employee begins work for the taxpayer.

49 (5) Carryover. The credit allowed under this subdivision for any
50 taxable year shall not reduce the tax due for such year to less than the
51 amount prescribed in paragraph four of subdivision (a) of section
52 fifteen hundred two of this article or the minimum tax prescribed in
53 section fifteen hundred two-a of this article, whichever is applicable.
54 If, however, the amount of credit allowable under this subdivision for
55 any taxable year reduces the tax to such amount, any amount of credit
56 not deductible in such taxable year may be carried over to the following

1 year or years and may be deducted from the taxpayer's tax for such year
2 or years.

3 (6) Coordination with federal work opportunity tax credit. The
4 provisions of sections fifty-one and fifty-two of the internal revenue
5 code, as such sections applied on October first, nineteen hundred nine-
6 ty-six, that apply to the work opportunity tax credit for vocational
7 rehabilitation referrals shall apply to the credit under this subdivi-
8 sion to the extent that such sections are consistent with the specific
9 provisions of this subdivision, provided that in the event of a conflict
10 the provisions of this subdivision shall control.

11 § 6. This act shall take effect immediately, and shall apply to taxa-
12 ble years beginning on and after January 1, 2025.