

STATE OF NEW YORK

6839

2025-2026 Regular Sessions

IN SENATE

March 25, 2025

Introduced by Sen. WALCZYK -- 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 increasing the earned income tax credit

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

Section 1. Paragraph 1 of subsection (d) of section 606 of the tax law, as amended by section 1 of part Q of chapter 63 of the laws of 2000, is amended to read as follows:

(1) General. A taxpayer shall be allowed a credit as provided herein equal to (i) the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, (ii) reduced by the credit permitted under subsection (b) of this section.

The applicable percentage shall be (i) seven and one-half percent for taxable years beginning in nineteen hundred ninety-four, (ii) ten percent for taxable years beginning in nineteen hundred ninety-five, (iii) twenty percent for taxable years beginning after nineteen hundred ninety-five and before two thousand, (iv) twenty-two and one-half percent for taxable years beginning in two thousand, (v) twenty-five percent for taxable years beginning in two thousand one, (vi) twenty-seven and one-half percent for taxable years beginning in two thousand two, ~~[and]~~ (vii) thirty percent for taxable years beginning in two thousand three, and (viii) forty-five percent for taxable years beginning in two thousand twenty-five and thereafter. Provided, however, that if the reversion event, as defined in this paragraph, occurs, the applicable percentage shall be twenty percent for taxable years ending on or after the date on which the reversion event occurred. The reversion event shall be deemed to have occurred on the date on which federal action, including but not limited to, administrative, statutory or regulatory changes, materially reduces or eliminates New York state's allocation of

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

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1 the federal temporary assistance for needy families block grant, or
2 materially reduces the ability of the state to spend federal temporary
3 assistance for needy families block grant funds for the earned income
4 credit or to apply state general fund spending on the earned income
5 credit toward the temporary assistance for needy families block grant
6 maintenance of effort requirement, and the commissioner of the office of
7 temporary and disability assistance shall certify the date of such event
8 to the commissioner of taxation and finance, the director of the divi-
9 sion of the budget, the speaker of the assembly and the temporary presi-
10 dent of the senate.

11 § 2. Subsection (d) of section 606 of the tax law is amended by adding
12 a new paragraph 9 to read as follows:

13 (9) For taxable years beginning on or after January first, two thou-
14 sand twenty-five, an earned income tax credit pursuant to this section
15 or an enhanced earned income tax credit pursuant to subsection (d-1) of
16 this section may, at the election of the taxpayer made via a form to be
17 prescribed by the commissioner, be paid to the taxpayer as follows: (i)
18 for amounts equal to or less than two hundred dollars, the payment or
19 refund shall be made in a lump sum, (ii) for amounts in excess of two
20 hundred dollars and less than two thousand four hundred dollars, the
21 payment or refund shall equal three quarterly checks each equal to twen-
22 ty-five percent of the taxpayer's anticipated credit amount, and the
23 remaining balance of such payment or refund shall be included in any
24 final refund owed to the taxpayer following the completion of the
25 taxpayer's tax return, and (iii) for amounts equal to or greater than
26 two thousand four hundred dollars, the payment or refund shall be paid
27 in equal monthly payments equal to the total amount thereof divided by
28 twelve.

29 § 3. This act shall take effect on the one hundred twentieth day after
30 it shall have become a law. Effective immediately, the addition, amend-
31 ment and/or repeal of any rule or regulation necessary for the implemen-
32 tation of this act on its effective date are authorized to be made on or
33 before such effective date.