

STATE OF NEW YORK

9077

IN SENATE

January 29, 2026

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 expanding the empire state child credit

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

1 Section 1. Subsection (c-1) of section 606 of the tax law, as added by
2 section 1 of part A of chapter 62 of the laws of 2006, paragraph 1 as
3 amended by section 1 and paragraph 1-a as added by section 2 of part C
4 of chapter 59 of the laws of 2025, paragraph 4 as added by section 1 of
5 part NN of chapter 59 of the laws of 2022 and paragraph 5 as added by
6 section 1 of part BBB of chapter 56 of the laws of 2024, is amended to
7 read as follows:

8 (c-1) Empire state child credit. (1) For taxable years beginning
9 before January first, two thousand twenty-five~~[, and taxable years~~
10 ~~beginning on or after January first, two thousand twenty-eight,~~] a resi-
11 dent taxpayer shall be allowed a credit as provided herein equal to the
12 greater of one hundred dollars times the number of qualifying children
13 of the taxpayer or the applicable percentage of the child tax credit
14 allowed the taxpayer under section twenty-four of the internal revenue
15 code for the same taxable year for each qualifying child. Provided,
16 however, in the case of a taxpayer whose federal adjusted gross income
17 exceeds the applicable threshold amount set forth by section 24(b)(2) of
18 the Internal Revenue Code, the credit shall only be equal to the appli-
19 cable percentage of the child tax credit allowed the taxpayer under
20 section 24 of the Internal Revenue Code for each qualifying child. For
21 the purposes of [~~this subsection~~] subparagraphs (A) and (B) of paragraph
22 one-a of this subsection, a qualifying child shall be a child who meets
23 the definition of qualified child under section 24(c) of the internal
24 revenue code. The applicable percentage shall be thirty-three percent.
25 For purposes of this subsection, any reference to section 24 of the
26 Internal Revenue Code shall be a reference to such section as it existed
27 immediately prior to the enactment of Public Law 115-97.

28 (1-a) (A) For taxable years beginning on and after January first, two
29 thousand twenty-five, and before January first, two thousand twenty-six,
30 a resident taxpayer shall be allowed a credit as provided herein, equal
31 to the sum of:

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

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1 (i) one thousand dollars times the number of qualifying children of
2 the taxpayer aged three or younger, and

3 (ii) three hundred thirty dollars times the number of qualifying chil-
4 dren of the taxpayer who have attained age four and not yet attained age
5 seventeen.

6 (B) For taxable years beginning on [~~and after~~] January first, two
7 thousand twenty-six[~~, and before January first, two thousand twenty-~~
8 ~~eight,~~] a resident taxpayer shall be allowed a credit as provided here-
9 in, equal to the sum of:

10 (i) one thousand dollars times the number of qualifying children of
11 the taxpayer aged three or younger, and

12 (ii) five hundred dollars times the number of qualifying children of
13 the taxpayer who have attained age four and not yet attained age seven-
14 teen.

15 (B-1) For taxable years beginning on January first, two thousand twen-
16 ty-seven, a resident taxpayer shall be allowed a credit as provided
17 herein, equal to the sum of:

18 (i) one thousand one hundred fifty dollars times the number of quali-
19 fying children of the taxpayer aged three or younger, and

20 (ii) seven hundred fifty dollars times the number of qualifying chil-
21 dren of the taxpayer who have attained age four and not yet attained age
22 eighteen.

23 (B-2) For taxable years beginning on January first, two thousand twen-
24 ty-eight, a resident taxpayer shall be allowed a credit as provided
25 herein, equal to the sum of:

26 (i) one thousand three hundred dollars times the number of qualifying
27 children of the taxpayer aged three or younger, and

28 (ii) one thousand dollars times the number of qualifying children of
29 the taxpayer who have attained age four and not yet attained age eigh-
30 teen.

31 (B-3) For taxable years beginning on January first, two thousand twen-
32 ty-nine, a resident taxpayer shall be allowed a credit as provided here-
33 in, equal to the sum of:

34 (i) one thousand five hundred dollars times the number of qualifying
35 children of the taxpayer aged three or younger, and

36 (ii) one thousand two hundred fifty dollars times the number of quali-
37 fying children of the taxpayer who have attained age four and not yet
38 attained age eighteen.

39 (B-4) For taxable years beginning on and after January first, two
40 thousand thirty, a resident taxpayer shall be allowed a credit as
41 provided herein, equal to the sum of one thousand five hundred dollars
42 times the number of qualifying children of the taxpayer aged seventeen
43 or younger, provided, however, that the dollar amount prescribed herein
44 shall be adjusted for inflation on an annual basis beginning in taxable
45 years beginning on and after January first, two thousand thirty-one. For
46 the purposes of this subparagraph, "adjusted for inflation" shall mean
47 that the commissioner increases the dollar amount prescribed herein by
48 the cost-of-living adjustment calculated and published by the internal
49 revenue service pursuant to 26 USC §1(f)(3).

50 (B-5) For the purposes of subparagraphs (B-1) through (B-4) of this
51 paragraph, a qualifying child shall be a child who meets the definition
52 of qualified child under section 24(c) of the internal revenue code, as
53 such section existed immediately prior to the enactment of Public Law
54 115-97, except that it shall also include qualifying children who have
55 not attained the age of eighteen.

1 (C) The amount of the credit allowable under subparagraphs (A) and (B)
2 of this paragraph shall be reduced (but not below zero) by sixteen
3 dollars and fifty cents for each one thousand dollars by which the
4 taxpayer's federal adjusted gross income exceeds the threshold amount.
5 For the purposes of this subparagraph, the term "threshold amount" shall
6 mean: (i) one hundred ten thousand dollars in the case of married
7 taxpayers filing jointly; (ii) seventy-five thousand dollars in the case
8 of a taxpayer filing as single, head of household, or qualified [~~surv-~~
9 ~~ing~~] surviving spouse; and (iii) fifty-five thousand dollars in the case
10 of a married taxpayer filing a separate return.

11 (C-1) Commencing in the taxable year beginning on January first, two
12 thousand thirty-one, the commissioner shall provide for the prepayment
13 of the credit provided under this subsection to qualifying taxpayers.
14 Four advanced payments shall be made to such taxpayers. An estimated
15 annual tax credit shall be determined by the commissioner in advance of
16 the first payment and shall be subject to adjustment due to changes in
17 employment or family status over the course of the year. The first three
18 advanced payments shall be made during the taxable year and shall be
19 twenty percent of the anticipated credit. The fourth advanced payment
20 shall be made after the end of the tax year and shall be adjusted to
21 match the actual credit due.

22 (D) For the purposes of this paragraph, a qualifying child shall be an
23 individual who: (i) is a child, sibling, or stepsibling of the taxpayer,
24 or a descendent of any such relative; (ii) has the same principal place
25 of abode as the taxpayer for more than one-half of the taxable year;
26 (iii) [~~has not attained age seventeen;~~ (iv)] has not provided over one-
27 half of such individual's own support for the calendar year in which the
28 taxable year of the taxpayer begins; [~~(v)~~] (iv) has not filed a joint
29 return (other than only for a claim of refund) with the individual's
30 spouse under section six hundred fifty-one of this article for the taxa-
31 ble year; and [~~(vi)~~] (v) is a citizen or national of the United States,
32 or an individual with an individual taxpayer identification number
33 issued by the internal revenue service.

34 (E) For the purposes of this paragraph, the term "child" shall mean an
35 individual who is the offspring or stepchild of the taxpayer, or an
36 eligible foster child of the taxpayer, or a legally adopted individual
37 of the taxpayer, or an individual who is lawfully placed with the
38 taxpayer for legal adoption by the taxpayer.

39 (F) (i) Except as provided in subparagraph (C) of this paragraph, if
40 an individual may be claimed as a qualifying child by two or more
41 taxpayers for a taxable year, such individual shall be treated as the
42 qualifying child of the taxpayer who is: (I) a parent of the individual,
43 or (II) if subclause (I) does not apply, the taxpayer with the highest
44 federal adjusted gross income for such taxable year.

45 (ii) If the parents claiming any qualifying child do not file a joint
46 return together, such child shall be treated as the qualifying child of:
47 (I) the parent with whom the child resided for the longest period of
48 time during the taxable year, or (II) if the child resides with both
49 parents for the same amount of time during such taxable year, the parent
50 with the highest federal adjusted gross income who files a return pursu-
51 ant to section six hundred fifty-one of this article.

52 (iii) If the parents of an individual may claim such individual as a
53 qualifying child but no parent so claims the individual, such individual
54 may be claimed as the qualifying child of another taxpayer, but only if
55 the federal adjusted gross income of such taxpayer is higher than the
56 highest federal adjusted gross income of any parent of the individual,

1 regardless of a requirement to file a return pursuant to section six
2 hundred fifty-one of this article.

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

8 (3) In the case of [~~a husband and wife~~] spouses who file a joint
9 federal return, but who are required to determine their New York taxes
10 separately, the credit allowed pursuant to this subsection may be
11 applied against the tax imposed of either or divided between them as
12 they may elect.

13 (4) (A) For tax year two thousand twenty-one, the commissioner shall
14 issue a payment of a supplemental empire state child credit in the
15 amount of (i) one hundred percent of the empire state child credit
16 calculated and allowed pursuant to this subsection to taxpayers whose
17 federal adjusted gross income was less than ten thousand dollars; (ii)
18 seventy-five percent of the empire state child credit calculated and
19 allowed pursuant to this subsection to taxpayers whose federal adjusted
20 gross income was greater than or equal to ten thousand dollars but less
21 than twenty-five thousand dollars; (iii) fifty percent of the empire
22 state child credit calculated and allowed pursuant to this subsection to
23 taxpayers whose federal adjusted gross income was greater than or equal
24 to twenty-five thousand dollars but less than fifty thousand dollars;
25 and (iv) twenty-five percent of the empire state child credit calculated
26 and allowed pursuant to this subsection to taxpayers whose federal
27 adjusted gross income was greater than or equal to fifty thousand
28 dollars. Provided, however, that no payment shall be issued if it is
29 less than twenty-five dollars.

30 (B) The supplemental payment pursuant to this paragraph will be
31 allowed to taxpayers who timely filed returns pursuant to section six
32 hundred fifty-one of this article, determined with regard to extensions
33 pursuant to section [~~six~~] six hundred fifty-seven of this article.

34 (5) (A) For tax year two thousand twenty-three, the commissioner shall
35 issue a payment of a supplemental empire state child credit in the
36 amount of (i) one hundred percent of the empire state child credit
37 calculated and allowed pursuant to this subsection to taxpayers whose
38 federal adjusted gross income was less than ten thousand dollars; (ii)
39 seventy-five percent of the empire state child credit calculated and
40 allowed pursuant to this subsection to taxpayers whose federal adjusted
41 gross income was greater than or equal to ten thousand dollars but less
42 than twenty-five thousand dollars; (iii) fifty percent of the empire
43 state child credit calculated and allowed pursuant to this subsection to
44 taxpayers whose federal adjusted gross income was greater than or equal
45 to twenty-five thousand dollars but less than fifty thousand dollars;
46 and (iv) twenty-five percent of the empire state child credit calculated
47 and allowed pursuant to this subsection to taxpayers whose federal
48 adjusted gross income was greater than or equal to fifty thousand
49 dollars. Provided, however, that no payment shall be issued if it is
50 less than twenty-five dollars.

51 (B) The supplemental payment pursuant to this paragraph shall be
52 allowed to taxpayers who timely filed returns pursuant to section six
53 hundred fifty-one of this article, determined with regard to extensions
54 pursuant to section six hundred fifty-seven of this article.

55 § 2. This act shall take effect immediately.