

**New York State Department of Taxation and Finance  
Taxpayer Services Division  
Technical Services Bureau**

TSB-M-78-(12)-I  
Income Tax  
June 23, 1978

1978 Legislation

Modification of the Salary Deduction for the Federal New Jobs Credit

Chapter 33 of the Laws of 1978 has been enacted to provide for a modification restoring the salary deduction to federal adjusted gross income for the amounts not allowed due to the Federal New Jobs Credit.

The provisions of the Federal New Jobs Credit reduces the deduction for wages or salaries by the dollar amount of the credit. Under sections 612(c)(15), 618(4) and 638(a)(3) of the New York State Personal Income Tax Law and sections T46-112.0 (c)(15) and T46-118-0(4) of the Administrative Code of the City of New York, the modification reduces federal adjusted gross income by the portion of the wages not allowed on the Federal Income Tax Return to restore the deduction to New York State adjusted gross income. Section 706(11) of the New York State Unincorporated Business Tax Law and sec. U46-1.6(f), of the Administrative Code of the City of New York allows an additional deduction for the portion of wages not allowed on the Federal income Tax Return.

These provisions have been made applicable retroactively to tax years beginning after December 31, 1976.