



Legislative Amendments to the New York Youth Works Tax Credit Program

This memorandum summarizes the legislative amendments to the New York Youth Works Tax Credit Program enacted as part of the 2012-2013 New York State budget (Chapter 59 of the Laws of 2012) that was signed into law on March 30, 2012.

The New York Youth Works Tax Credit Program was established by Chapter 56 of the Laws of 2011 to provide corporate and income tax incentives to qualified businesses employing at-risk youths in full-time and part-time positions. The program is administered by the Department of Labor.

Chapter 59 of the Laws of 2012 made several legislative amendments to the program. These amendments extend certain program deadlines and clarify the tax year(s) in which the separate components of the tax credit will be allowed. This memorandum describes the amendments made to the program under section 25-a of the Labor Law and sections 210.44¹ and 606(tt)² of the Tax Law.

- The Labor Law has been amended to extend the application deadline for employers to participate in the program from June 1, 2012, to November 30, 2012. In addition, the deadline for qualified employees to start their employment under this program has been extended from July 1, 2012, to December 31, 2012.
- The Tax Law has been amended to clarify the tax year(s) in which a qualified employer will be allowed to claim a tax credit under the program as follows:
 - A qualified employer will be allowed a credit amount of \$500 per month for up to six months for each qualified employee employed in a full-time job, or \$250 per month for up to six months for each qualified employee employed in a part-time job of at least 20 hours per week. The new law provides that this component of the credit will be allowed in the tax year in which the wages are paid to the qualified employee.
 - A qualified employer will be allowed an additional credit of \$1,000 for each qualified employee who is retained in a full-time job for six months beyond the first

¹ There are three corporation tax credits under section 210.44 of the Tax Law. The other credits are the Empire State Jobs Retention Program and the credit for companies who provide transportation to persons with disabilities.

² There are three personal income tax credits under 606(tt) of the Tax Law. The other credits are the Empire State Jobs Retention Program and the credit for companies who provide transportation to persons with disabilities.

six months of employment (employed one full year). The new law provides that this component of the credit will be allowed in the tax year in which the additional six-month period ends.

- A qualified employer will be allowed an additional credit of \$500 for each qualified employee who is retained in a part-time job for six months beyond the first six months of employment (employed one full year). The new law provides that this component of the credit will be allowed in the tax year in which the additional six-month period ends.

For more information on this program, visit the New York State Department of Labor Web site (www.labor.ny.gov).

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.