



## **Extension and Expansion of the New York Youth Works Tax Credit Program**

This memorandum explains recently enacted legislative amendments that expand and extend the New York Youth Works Tax Credit Program (Part DD of Chapter 59 of the Laws of 2013).

The New York Youth Works Tax Credit Program was established by Chapter 56 of the Laws of 2011 and was previously amended by Chapter 59 of the Laws of 2012. The program provides 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 2013 (Part DD) made several additional amendments to the Labor Law that expand the tax credit program by reducing the city population threshold, extend the allocations for the program through 2017, and provide separate credit allocations for each of the four additional program years. The details of these amendments are explained below.

The legislative amendments reduced the city population threshold residence requirement for a qualified employee. A qualified employee may now reside in a city with a population of 55,000 or more. Previously, the city population threshold was 62,000 or more.

In addition, the revised law expands the credit to five separate programs, each with independent credit allocation caps. Originally, the New York Youth Works credit was capped at \$25 million for 2012 and 2013 and limited to employment that began on or after January 1, 2012, but no later than December 31, 2012. Four additional independent annual credit programs were added, one each year beginning in 2014 and ending in 2017. The allocation for each of the new programs is capped at \$6 million.

To participate in one of the new programs, an employer must submit an application to the Department of Labor between January 1 and November 30 of that program year. To qualify for a program credit, an employee must start his or her employment on or after January 1 but no later than December 31 for each of the new program years.

The programs are as follows:

<b>Program</b>	<b>Total Allocation Cap</b>	<b>Employee Hiring Dates</b>	<b>Credit claimed in</b>
Program 1	\$25 million in 2012	1/1/12 – 12/31/12	2012-2013
Program 2	\$6 million in 2014	1/1/14 – 12/31/14	2014-2015
Program 3	\$6 million in 2015	1/1/15 – 12/31/15	2015-2016
Program 4	\$6 million in 2016	1/1/16 – 12/31/16	2016-2017
Program 5	\$6 million in 2017	1/1/17 – 12/31/17	2017-2018

The amount of the credit continues to be computed as follows:

- \$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. This component of the credit will be allowed in the tax year in which the wages are paid to the qualified employee.
- \$1,000 for each qualified employee who is employed for at least an additional six months in a full-time job, and \$500 for each qualified employee employed for at least an additional six months in a part-time job of at least 20 hours per week. This component of the credit will be allowed in the tax year in which the additional six-month period ends.

However, in no case can the credit exceed the maximum amount of credit listed on the certificate of eligibility.

For more information on this program, visit the New York State Department of Labor Web site ([www.labor.ny.gov](http://www.labor.ny.gov)). For more information regarding the tax credit, refer to the following documents, which are available on the Tax Department Web site ([www.tax.ny.gov](http://www.tax.ny.gov)).

- [TSB-M-12\(3\)C](#), *Summary of Corporation Tax Changes Enacted in Extraordinary Legislative Session*
- [TSB-M-12\(3\)I](#), *Summary of Personal Income Tax Changes Enacted in Extraordinary Legislative Session*
- [TSB-M-12\(5\)C, \(4\)I](#), *Legislative Amendments to the New York Youth Works Tax Credit Program*

(Labor Law section 25-a and Tax Law sections 210.44 and 606(tt))

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