



# This Week in State Tax (TWIST)

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## **New York: Proposed Bill Would Tax Companies When the Use of Technology Displaces Workers**

Recently-introduced New York Assembly Bill 8179 would, if enacted, impose a tax on certain businesses when employees of the company are displaced from their employment due to the deployment of certain technologies. The memo for A. 8179 notes that a 2018 study predicted that 12 percent of all jobs in New York State were at risk of being replaced by automation for that year and that this amount was expected to increase. Effective for tax years starting January 1, 2024, the new “additional tax on using technology to displace workers” would be imposed in addition to the normal corporate franchise tax under N.Y. Tax Law § 209 in amount equal to the sum of any taxes or fees imposed by the state or political subdivision based on an employee’s wages that are paid by a corporation or the employees. These taxes and fees include, but are not limited to, the state income tax, state unemployment insurance, and local occupational taxes. The tax would be based on such fees and taxes paid during an employee’s final year of employment with the company if the employee’s position was replaced by technology. Technology would include machinery, artificial intelligence algorithms, or computer applications. The bill does not include specific guidance for determining when a worker is displaced with technology. However, the bill authorizes regulations to be added, amended or repealed to implement the bill’s provisions on its effective date. Please stay tuned to TWIST for legislative updates.

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