

## **New York Offers Tax Credit To Employers Who Hire Recovering Substance Abusers**

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In an effort to combat the ongoing opioid crisis and substance abuse, New York State's Budget for Fiscal Year 2020 includes the nation's first tax incentive program for certified employers who hire people recovering from substance use disorders in full-time or part-time positions. The purpose of the Recovery Tax Credit program is two-fold: to create a recovery-oriented culture in business and local communities, as well as encourage growth by increasing employment opportunities.

Beginning in 2020, certified employers will receive a maximum credit of \$2,000 for each eligible individual they hire who has worked a minimum of 500 hours. The State can allocate up to \$2 million annually for the program. An eligible individual means an individual with a substance use disorder who is in a state of wellness free from the signs and symptoms of active addiction that has demonstrated to the employer's satisfaction that he or she has completed a course of treatment for such substance use disorder.

To claim credit for eligible individuals employed during the preceding calendar year, an employer must apply annually to the New York State Office of Alcoholism and Substance Abuse Services by January 15. Applications for the first year of the program are due by January 15, 2021 for eligible individuals employed during the 2020 tax year. In addition to the program eligibility requirements set forth in the legislation, the employer must demonstrate that it provides a recovery supportive environment evidenced by a formal working relationship with a local recovery community organization. If the application is approved, a certificate of tax credit will be issued by March 31.

The Office of Alcoholism and Substance Abuse Services will administer the Recovery Tax Credit program in conjunction with the Department of Taxation and Finance.

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